

# **Min**<sup>NWT NUNAVUT</sup>**ing**

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A News/North Report on Mining  
November 2011

## **Feds invest training dollars in Prairie Creek workforce**

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- **Selwyn and Chihong team up on massive zinc deposit**
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# Prairie Creek operation in sight



photos courtesy of Canadian Zinc

**With public consultations underway on the environmental review, Impact and Benefit agreements signed, and training dollars in place, Canadian Zinc's Prairie Creek lead, zinc, silver and copper mine is close to setting a production date.**

by Sara Wilson  
Northern News Services  
Prairie Creek

## Feds contribute significant training dollars for workforce

Canadian Zinc's Prairie Creek operations are going full steam ahead. The company has finished up its public consultations and has submitted its environmental assessment study for review.

"The environmental assessment process has been going on since May 2008, when we first filed our application for the main operating permits at the Prairie Creek Mine," said John Kearney, chairman for Canadian Zinc, which is aiming to operate a lead, zinc, silver and copper mine 90 kilometres from Nahanni Butte.

"We spent the first year negotiating the scope of the environmental assessment and in June 2009 we agreed to the terms of reference with the review board. It took us the first year to agree to the terms of reference for the environmental assessment.

"We then prepared our environmental assessment report, which we filed in March 2010," Kearney said. "Subsequently that has been going through its various stages of what they call information requests and response and technical meetings, regulatory agencies, technical reports, and then public hearings were held in Fort Simpson and Nahanni Butte in June 2011."

The public meetings proved successful with many community leaders and residents taking part in the discussions.

"There was three days of public meetings in Nahanni Butte and two days in Fort Simpson. Both were well attended. Lots of people spoke up there was lots of support for the project from local businesses and local aboriginal leaders," Kearney said. There were many questions about water quality and protecting the environment, but in general they were very positive meetings."

The zinc mining company has been preparing ways to tackle the environmental issues surrounding the the Prairie Creek mine, and have devised a way to minimize its footprint.

"We have developed a very comprehensive environmental plan specifically related to the tailings disposal and water management," Kearney said.

"We regard (both) as a very innovative process. For example there will be no tailings on the surface. All of our tailings will be disposed of underground in a paste backfill process, which is a very good benefit because in the long run there will be no residual tailings ponds on the surface."

In addition, Canadian Zinc has signed an important Impact and Benefits Agree-

ments with the Nahanni Butte Dene Band and Liidlii Kue First Nation (Fort Simpson), both part of the Dehcho First Nations.

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important."**

"Both of the agreements are similar in that they provide for the participation of the two communities in the project through jobs, training, business opportunities, what we call social benefits and some financial participation," Kearney said.

The agreement outlines staffing requirements for the project, but the figures agreed upon are guidelines the company hopes to surpass.

"We have agreed to give priority to the local community in our hiring, we will hire first from the local community from the aboriginal (pool), and would target a minimum commitment to aboriginal employment and to the Northwest Territories employment," Kearney said.

"We're targeting a much higher percentage in the NWT – 65 per cent – and we're also targeting a minimum of 25 per cent aboriginal. We see aboriginal employment as very important because they are local and available and they're interested in working."

Canadian Zinc recently entered into a partnership

with government bodies to help train employees within the North.

On Aug. 29, 2011, Canadian Zinc reported that Human Resources and Skills Development Canada (HRSDC) approved a commitment of more than \$3 million over a three-year period to fund the More Than A Silver Lining programs to provide aboriginal participants with training-to-employment opportunities in a variety of mining-related occupations at the Prairie Creek Mine.

"The federal government is contributing \$3 million and the GNWT is putting up money and the aboriginal communities are putting up money and we're putting up money so it will be a \$4.5-million training

program to train the residents of the Deh Cho, specifically for the Prairie Creek Mine," Kearney said.

The training program, run in partnership with the Mine Training Society and Aurora College, will focus on multiple training techniques including a training site in Fort Simpson, hands-on training programs at the mine site and classroom work, Kearney said.

Since acquiring the property in the 1990s, Canadian Zinc has invested over \$45 million, quadrupling the known mineral resource and advancing the Prairie Creek project through five environmental assessments related to applications for various land use permits and licences

required for exploration and development programs.

Over the past year, there have been no major hiccups and the company says it's on track toward production.

"In the past year we've made good progress," Kearney said. "We've concluded the two impact benefit agreements with the communities, we've signed the socio-economic agreement with the Government of the NWT, we have the training program with the federal government, we have launched the feasibility study, (and) we have spent the summer doing exploration at the property, so we've had a busy year and things have gone well."

Setting a production date for the mine will depend upon the progress of the present regulatory reviews and subsequent approvals, according to Kearney.



**While Prairie Creek will be sharing the economic benefits of an operating mine with the people of the Deh Cho, the mine will be sharing the breathtaking beauty of the Nahanni watershed with the Nahanni National Park reserve.**

# Regulatory headaches continue for Northern miners

*Selwyn and Canadian Zinc face challenges in NWT*

by Sara Wilson

Northern News Services

NWT

Two more Canadian mining companies are going public with their frustrations with the regulatory process in the Northwest Territories, citing long waits and an ineffective system.

Selwyn Resources, a Vancouver-based company, is currently trying to battle red tape to get through the regulatory system for the Selwyn project; a lead and zinc project that straddles the NWT and Yukon border.

Selwyn's operations lie mainly on the Yukon side, with 95 per cent of its activity happening in that territory, but a small portion of the exploration occurs on the NWT side.

Permits were required to get through the Nahanni Park and then the new park extension. Then Parks Canada proposed another park which is still in the discussion stages. These are only two examples of delays underlying the frustrations.

"We are trying to work within the system, and with the system and with the people, there are a lot of great people ... but it shouldn't take five years to get a permit,"

said Jason Dunning, VP of exploration on the Selwyn project. "Where in the Yukon they have timelines and a set process, something that took me 18 months in the NWT took me less than three months in the Yukon."

According to Dunning, it took Selwyn five years to obtain a drilling permit for the project, and a year-and-a-half to obtain permits to use the existing road to transport mining equipment.

As far as comparing the two markets, Dunning is clear about his preference.

"You sit back and think about 'if you're a businessman where do you want to put your money,'" Dunning said.

"There's a very big difference if you look back and look at the stats that are put out by the Chamber of Mines in the N.W.T. and the Chamber of Mines in the Yukon, I think it's self-evident – just on dollar value, expenditures and number of companies that are very active – it will be very evident as to the jurisdictional differences in terms of government regulations and such."

Tribulations that the chairman of Canadian Zinc sympathizes with.

"We would say that the

industry does experience that kind of problem," said John Kearney, chairman of Canadian Zinc. "The Mackenzie Valley regulatory process is a major problem, the totality of the process is complex, very slow, very uncertain and it does need to be improved (and) everybody recognizes that."

In response to growing frustrations, the Mackenzie Valley Environmental Impact Review Board hired an independent consultant, Stantec, to review its regulatory process.

"The consultants that we hired did look at other jurisdictions including the Yukon and to identify things that we might do to improve its timeliness," said Vern Christensen, executive director of the Mackenzie Valley Review Board.

"Placing timelines around certain parts of the process that we go through that might help increase certainty in our process, that was one of the recommendations they made."

The Stantec report outlined the main recommendations, which focused on improving scoping efficiency, developing a defined process for referrals to environmental impact reviews, developing

environmental assessment processes for large versus small projects, improving guidance materials and implementing rules-based timelines. "They recognize the problem and they are taking steps to deal with it," Kearney said. "The federal government recognizes the problem and they've launched the Northern Regulatory Improvement and Action Plan, and I think the industry recognizes the problem. I think the aboriginal governments themselves recognize the problem, I believe they have an important role to play in improving the situation. They are beginning to take a leadership role and saying 'OK this isn't working efficiently and what do we have to do to fix it?'"

## Complicated

While the process includes government bodies and the companies themselves, Christensen said the process is more complicated than it seems.

"It takes time to examine significant impacts on proposed developments," Christensen said. "The review board is an administrative tribunal and it needs to govern its processes according to the administrative law that applies."

"That process needs to be fair, so it needs to provide a quality assessment at the end of the day. We're trying to balance timeliness and fairness and also try to provide some certainty and predictability in our processes. Those are the challenges that we have."

In comparison, the Yukon Environmental and Socio-Economic Assessment Board (YESAB) marked a milestone in April 2010 by completing their 1000th assessment since its inception in 2005. Breaking down the numbers, the Yukon assessment board completes 166 assessments per year, a figure the Mackenzie River Valley is hoping to achieve in the future.

"We have in terms of preliminary screenings in the Mackenzie Valley between 60 to 80 preliminary screenings per year. The level of activity might not be as high as it is in the Yukon right now," Christensen said. "Of those, less than five per cent get referred



photos courtesy of Mackenzie Valley Review Board

**Vern Christensen, executive director of the Mackenzie Valley Environmental Impact Review Board, and Richard Edjericon, chairperson, during a board meeting.**

for environmental assessment. We have somewhere between five to seven environmental assessments in the course of a year, but it's important to know what they (YESAB) are calling an assessment."

According to the Mackenzie Valley Resource Management Act, it aims to establish three progressive stages of environmental impact assessment of which environmental assessment is the middle step.

On average, typical environmental assessments are becoming longer and more detailed and may have surpassed the original expectations of the comprehensive land claims agreements and the legislation for the middle stage between preliminary screening and environmental impact review. "We have the Mackenzie Valley Resource Management Act and it has arisen out of settled land claims," Christensen said. "It's really a product of the land claims process and what the Government of Canada and the N.W.T. has wanted in terms of environmental assessment and regulatory process and what we do is govern what's in the

legislation. We have to observe what is in the legislation, that is one constraint, but we want the process to be as efficient as possible and still provide a fair and quality result."

Aboriginal Affairs and Northern Development Canada announced a Northern Regulatory Improvement Action Plan that will address regulatory improvement from a broader perspective, and includes process clarification and efficiencies that can be gained through legislative amendments.

The Review Board is complementing the Northern Regulatory Improvement Action Plan with its own set of internal process improvements.

"The timeliness of the whole process really relies on the timeliness and participation of all the parties in the process," Christensen said.

"That includes the review board of course, but part of that process is really under control by the developer and government. If everyone is communicating well and working to be as timely as possible we can achieve the best result."



**Alan Ehrlich, an environmental impact assessment manager, presents to the Review Board members during a board meeting.**

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## A SECTION

*Peregrine Diamonds has discovered seven kimberlites with economic potential on its 8,580 sq. km Chidliak property on Baffin Island. A drilling program to further explore the property's potential is expected next year.*

photo courtesy of Peregrine Diamonds

## B SECTION

*Canadian Zinc's Prairie Creek zinc, lead, silver and copper deposit is sifting through the regulatory process as the NWT project moves closer to construction. The company has signed a training agreement with the federal government and the Mine Training Society to help fund training programs.*

photo courtesy of Canadian Zinc

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