

## Return to Written Question

**THE HONOURABLE ROBERT C. MCLEOD  
MINISTER OF LANDS**

### **Remediation of Prairie Creek Mine Site**

Mr. Speaker, I have a Return to Written Question asked by Mr. O'Reilly on March 2, 2016, regarding the remediation of the Prairie Creek mine site.

Mr. O'Reilly asked four separate questions relating to the remediation of the Prairie Creek mine site and I will take them in turn.

#### **1. Is there an approved plan to carry out this work?**

Under the Mackenzie Valley Land and Water Board's permitting and licencing process, the developer is required to maintain and update an Interim Closure and Reclamation Plan. During the environmental assessment, the developer submitted a Draft Preliminary Closure and Reclamation Plan dated February 2010.

Canadian Zinc's water licence for mining at Prairie Creek requires the company to submit a Closure and Reclamation Plan to the Mackenzie Valley Land and Water Board for approval at least six months before extracting waste rock from the underground mine. Canadian Zinc will not be able to go into production until GNWT issues a surface lease authorizing mining activities at Prairie Creek.

However, once Canadian Zinc submits a Closure and Reclamation Plan to the Board, the GNWT will review and provide comments to the Mackenzie Valley Land and Water Board.

In addition to the requirement under their water licence, Canadian Zinc also holds several other water licences, land use permits and tenure instruments containing provisions requiring reclamation of those specific activities before final clearance and closure.

**2. What is the current amount and form of financial instrument held as financial security for the Prairie Creek site remediation?**

As of March 8, 2016, the Government of the Northwest Territories holds a total of \$2,075,000 in securities in relation to the Canadian Zinc Prairie Creek project.

Later today at the appropriate time I will table a document entitled "Security held by GNWT for the Prairie Creek Project".

**3. Does Canadian Zinc have the financial capacity to conduct a full remediation on the basis of its current worth?**

Under legislation, the Mackenzie Valley Land and Water Board considers the financial responsibility of the applicant and its ability to restore the site when the Board is setting the security amount. At times, the Board may ask the GNWT for its views on the financial capacity of a company.

Currently, full security has been provided by Canadian Zinc as required under its water licences, land use permits, and land tenure instruments.

With regard to Canadian Zinc, the Government of the Northwest Territories has not assessed the financial capacity of the company. However, the GNWT generally monitors for signs of financial distress in companies who are operators of mine sites or advanced exploration sites. This includes monitoring the announcements from the Office of the Superintendent of Bankruptcy Canada so that the GNWT may track companies from the Northwest Territories who are entering creditor protection.

**4. What is the plan to close any shortfall between the currently held financial security and the site environmental liability to ensure that there are no public liabilities?**

The Government of the Northwest Territories is protected from the historic liability through the terms of the Devolution Agreement.

If at some point in the future, Canadian Zinc wishes to begin negotiations with GNWT to receive a surface lease authorizing the company to commence mining activities at Prairie Creek, the full amount of reclamation security to cover the existing and historic liabilities for the mine site would be assessed by the GNWT.

Thank you, Mr. Speaker