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IQA-N 5510-5-21 UNC

October 10, 2007

Leslie Payette
Manager of Environmental Administration
Nunavut Impact Review Board
P.O. Box 1360
Cambridge Bay, NU, X0B 0C0

Via email to: lpayette@nirb.nunavut.ca

Re: Zinifex High Lake Mine Project Technical Meeting and Pre-Hearing Conference

Dear Ms. Payette,

On behalf of Transport Canada, Fisheries and Oceans Canada, Natural Resources Canada, Environment Canada and Health Canada, Indian and Northern Affairs Canada (INAC) would like to outline some concerns regarding the upcoming Technical Meeting (October 29-31, 2007) and Pre-Hearing Conference (PHC) (November 1-2, 2007) for the High Lake Mine Project.

Upon examination of the Information Request responses provided by Zinifex Canada Inc. (Zinifex) on October 3, 2007, 120 of the 164 Information Requests submitted by the federal departments have not been addressed. Included in the Nunavut Impact Review Board (NIRB) direction regarding the Technical Review was a request for parties to make a determination on the conclusions reached in the Draft Environmental Impact Statement (EIS) as well as whether the conclusions are supported with appropriate methodology and analysis. At this point, it is not possible for the federal parties to make these determinations for the majority of the issues due to insufficient information provided by Zinifex.

Information in several key areas related to the federal department's areas of regulatory jurisdiction necessary for the environmental assessment (EA) remains deficient. For instance, Zinifex's clarification and assessment of impacts to fish and fish habitat from water withdrawals from Lakes L4 and L5 has an important bearing on the EA, as do the impacts associated with shipping. As well, baseline climate data has not yet been provided by the proponent, and is essential for the assessment of environmental impacts and the subsequent engineering design. This

information is crucial for the thermal analysis related to the design of waste piles, containment dams and other infrastructure and also to determine the water balance that will be required for the design of the tailing containment dams. Similarly, there is currently insufficient information available to assess the validity of the proponent's conclusions regarding the long-term maintenance of permafrost conditions, rates of water seepage into the mine workings and freshwater water quantity and quality. It is also important to note that these key areas of information may also have varying degrees of inter-connectivity between Federal departments and would thus require the need for further discussion to formulate determinations and conclusions.

The timing and duration of the technical meetings will likely not allow for a complete exploration of the unresolved issues due to the volume of outstanding information that is anticipated for the meetings, as well as the need for meaningful discussions on those issues for which sufficient information had been previously provided. This in turn may make it impossible to assess the appropriateness of the significance determinations made by Zinifex. Additionally, the deficiencies in the Information Request responses affect the public's ability to provide meaningful input in the Technical Meeting and PHC process.

INAC understands the goal of the Technical Meetings is to resolve as many technical issues as possible before the PHC. At the PHC, parties will have the opportunity to identify issues that remain outstanding to the NIRB. Following these discussions, the NIRB's PHC Decision will provide direction to the proponent regarding the course of action for the Final EIS, including the requirements of the content of the Final EIS. Given the quantity of new information which could potentially arise at the Technical Meetings, federal parties will likely be unable to identify the full suite of outstanding issues to the NIRB at the PHC. This could compromise the value of the PHC and may impinge on the NIRB's decision-making process and their ability to give adequate direction to Zinifex regarding the submission of their Final EIS.

In the spirit of moving the review process forward as efficiently as possible, the federal parties suggest that rather than holding face-to-face Technical Meetings and PHC as previously scheduled, the NIRB consider delaying the Technical Meetings and PHC until after the outstanding information requests have been answered. In the meantime, a series of issue-specific technical meetings could be arranged via teleconference, during which the information which has been distributed to date could be discussed amongst parties in a manner that is consistent with the NIRB's Rules of Procedure regarding technical meetings.

INAC and the other federal parties would appreciate further direction from the NIRB in light of the outstanding responses to the Information Requests. The federal parties also respectfully recommend the NIRB confirm with Zinifex that they will be able to address all unanswered Information Requests by October 29, 2007.

INAC and the other federal parties look forward to working with NIRB on the ongoing environmental assessment of the High Lake Mine Project. Should you have any questions, please do not hesitate to contact Charlotte Lamontagne at (867) 975-4552 or by email at lamontagnec@inac-ainc.gc.ca.

Sincerely,

[original signed by]
Carl McLean
Director of Operations

cc: Andrew Mitchell, Zinifex Canada Inc.
Savanna Levenson, Environment Canada
Julian Lim, Fisheries and Oceans Canada
Carolyn Dunn, Health Canada
Andrew McAllister, Natural Resources Canada
John Cowan, Transport Canada