

## **MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE**

### **CANADIAN ZINC ROAD ENVIRONMENTAL ASSESSMENT AND SITE LIABILITIES**

**May 30, 2017**

**MR. O'REILLY:** Merci, Monsieur le President. Canadian Zinc's Prairie Creek Project is now in its seventh environmental assessment, which makes that a new record for project splitting. The project has eaten up an enormous amount of public resources and time.

The environmental assessment of Canadian Zinc's all-weather road began in May 2014, and it is now more than three years long. An interesting timeline on the Mackenzie Valley Environmental Impact Review Board's website shows that the company has been responsible for about 26 months of the ongoing review and has caused numerous delays. This process is drawing to a close and a report of environmental assessment is likely to fall on the desk of the Minister of Lands as early as September 1<sup>st</sup>.

Canadian Zinc is now in overhold tenancy in its surface lease. Our government assumed responsibility for this lease with devolution. There are clearly insufficient financial securities to cover current environmental liabilities under this lease and the operation's water licence. This shortfall of about \$7 million or more places our government and all of our citizens at risk. The devolution agreement provides opportunities for our government to turn back properties to the federal government in the case of insolvencies, but the more our fingerprints are on decisions regarding any project, the more challenging it will be to make a successful case for Ottawa to pay for liabilities.

I am particularly concerned that, if the Minister of Lands makes decisions on the current surface lease and the upcoming Canadian Zinc all-weather road, this will increase our financial exposure on the Prairie Creek site. These costs could be huge. While Ottawa may have been in a position to assume such liabilities, our government cannot do so and must proceed with extreme caution.