



7<sup>th</sup> Floor - 4922 48th Street,  
P.O. Box 2130, Yellowknife NT X1A 2P6

Tel: 867-669-0506 Fax: 867-873-6610  
www.mvlwb.com

### Staff Report

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| <b>Applicant:</b><br>Canadian Zinc Corporation        |  |
| <b>Location:</b><br>Prairie Creek Mine, NT            | <b>File Number:</b><br>MV2012C0008               |
| <b>Date Prepared:</b><br>July 30, 2020                | <b>Date of Board Meeting:</b><br>August 27, 2020 |
| <b>Subject:</b><br>Final Clearance of Land Use Permit |  |

#### 1. Purpose

The purpose of this Report is to present to the Mackenzie Valley Land and Water Board (MVLWB/the Board) a final plan from Canadian Zinc Corporation (CZN) and a recommendation for final clearance from a Government of the Northwest Territories (GNWT) Inspector for closure of Land Use Permit (Permit) MV2012C0008.

#### 2. Background

- May 10, 2012 – New Permit MV2012C0008 issued;
- June 7, 2017 – Two-year extension of MV2012C0008 approved;
- May 9, 2019 – Expiration of Permit MV2012C0008;
- September 9, 2019 – New Permit MV2019C0011 issued to replace MV2012C0008;
- July 23, 2020 – Final plan submitted by CZN for MV2012C0008;
- July 27, 2020 – Correspondence of recommendation for final clearance received from a GNWT Inspector; and
- **August 27, 2020 – Final plan and recommendation for final clearance from a GNWT Inspector presented to the Board for a decision on final clearance.**

#### 3. Discussion

##### Project History

In 2001 CZN submitted a Water Licence and Land Use Permit for underground decline development to be accessed at the 905 m elevation portal and for the operation of the metallurgical Pilot Plant. The applications were subject to an Environmental Assessment (EA) with the Mackenzie Valley Environmental Impact Review Board (EA01-003). The Board issued Land Use Permit MV2001C0023 and Water Licence MV2001L2-0003 on September 10, 2003. The metallurgical Pilot Plant was never operated. Following the issuance of MV2001C0023 and MV2001L2-0003, CZN made the decision not to excavate the 905 m portal and instead decided to branch off the existing 870 m portal. As this was considered a modification and not a Project change, the scope of MV2001C0023 and MV2001L2-0003 were not changed to reflect what

was happening on site. MV2001C0023 was granted a two-year extension on September 3, 2008 and expired on September 9, 2010. CZN did not conduct underground work for some time following the expiry of MV2001C0023

Permit MV2012C0008 was issued on May 10, 2012 and was scoped for mineral exploration activities, including underground decline development at the 870 metre elevation at Prairie Creek Mine. In 2017 CZN was granted a two-year extension to MV2012C0008. CZN applied for a new Type A Land Use Permit (MV2019C0011) and Type B Water Licence (MV2019L2-0006) for development of a second decline on April 24, 2019. On May 9, 2019 MV2012C0008 expired. The Board issued MV2019C0011 and MV2019L2-0006 on September 9, 2019.

Board staff note that there are no inspection reports on file for MV2012C0008, and consequently have found no outstanding issues or concerns.

#### Description of Final Plan

On July 23, 2020 CZN submitted a final plan to the Board for MV2012C0008 (attached). The final plan indicated that while MV2012C0008 was for development of a second decline at Prairie Creek Mine, a second decline was not developed during the life of Permit. Surface structures associated with MV2012C0008 include a waste rock pile and a water treatment plant including a Polishing Pond. CZN clarified that the scope of the new Land Use Permit MV2019C0011 that was issued by the Board on September 9, 2019 covered the scope of the activities authorized under MV2012C0008.

#### **4. Comments**

CZN paid the \$150.00 Application fee for MV2012C0008, which included land use fees for 2 ha (attached). In the final plan CZN indicated that the total area used under MV2012C0008 was 4,000 m<sup>2</sup> or 0.4 ha. As this land use area is less than 2 ha, CZN was not required to pay additional land use fees, and therefore did not overpay or underpay land use fees.

#### **5. Public Review**

Final plans are not distributed for review. However, on July 27, 2020 the GNWT Inspector did verify CZN's final plan and provide a recommendation to the Board for the Board to issue a letter of clearance pursuant to Section 33 of the MVLURs (attached).

#### **6. Security**

Security in the amount of \$30,000.00 was posted for this Project. Specifically, funds were transferred from MV2001C0023 to MV2012C0008 following issuance of MV2012C0008 (attached).

#### **7. Conclusion**

Board staff conclude there are no outstanding issues or concerns with granting final clearance.

#### **8. Recommendation**

Board staff request the Board **make a motion to approve final clearance of Land Use Permit MV2012C0008.**

A draft decision letter is attached.

## 9. Attachments

- [Final Plan submitted July 23, 2020](#)
- [Land Use Permit Application fee receipt](#)
- [July 27, 2020 Inspector correspondence regarding Final Clearance](#)
- [November 28, 2012 Notice of security transfer from MV2001C0023](#)
- Draft Find Clearance Letter

Respectfully submitted,

A handwritten signature in black ink that reads "Kimberley Murray". The signature is written in a cursive style with a small flourish at the end.

Kimberley Murray  
Regulatory Specialist