



Mackenzie Valley Land and Water Board
7th Floor - 4922 48th Street
P.O. Box 2130
YELLOWKNIFE NT X1A 2P6
Phone (867) 669-0506
FAX (867) 873-6610

Staff Report

Applicant: Canadian Zinc Corporation	
Location: Liard Highway to Prairie Creek Mine	File Number: MV2014F0013
Date Prepared: October 25, 2018	Date of Board Meeting: November 8, 2018
Subject: Prairie Creek All Season Road Land Use Permit Application – Further Studies Required	

1. Purpose

The purpose of this Report is to present to the Mackenzie Valley Land and Water Board (MVLWB/the Board):

- a) A Request that the Board consider that future studies or investigations be made for Canadian Zinc Corporation’s (CZN’s) Land Use Permit (Permit) Application as per paragraph 22(2)(b) of the Mackenzie Valley Land Use Regulations (MVLUR).

2. Background

- April 23, 2014 – Application received concurrently with Water License Application MV2014L8-0006;
- May 22, 2014 – the Board referred CZN’s Applications to the Mackenzie Valley Review Board (the Review Board) for an Environmental Assessment (EA);
- September 12, 2017 – the Review Board released its Report of EA and Reasons for Decision;
- October 9, 2018 – the Minister of Crown-Indigenous Relations, with concurrence from all responsible ministers, provided approval of the EA;
- October 9, 2018 – Board Staff and Parks Canada jointly issued a letter to CZN outlining the requirements for a Post-EA Information Package;
- **November 8, 2018 – Staff recommendation to invoke paragraph 22(2)(b) of the MVLUR presented to the Board for decision; and**
- November 19, 2018 – end of the 42-day timeline for the Permit.

3. Discussion

Project History

In 2014 CZN applied for a new Type A Land Use Permit MV2014F0013 and a new Type B Water Licence MV2014L8-0006 for construction of a permanent road between the Liard Highway and the Prairie Creek Mine (attached). At the time of submittal, CZN had indicated in their covering letter that they expected the Applications to be referred to EA. The public review of the Applications resulted in several letters supporting CZN’s request to have the project referred to EA (attached). The Board referred the Applications to the Review Board for EA on May 22, 2014 (attached).

On September 12, 2017, the Review Board released its Report of EA and Reasons for Decision (attached). The Review Board recommended to the Minister that, pursuant to sub-paragraph 128(1)(b)(ii) of the Mackenzie Valley Resource Management Act (MVRMA), the EA and Reasons for Decision be approved subject to the implementation of the measures and CZN's commitments (attached). On October 9, 2018 the Minister of Crown-Indigenous Relations, with agreement from all responsible ministers, adopted the recommendation of the Review Board, according to sub-paragraph 130(1)(b)(i) of the Act (attached). The ministers' decision was made after consideration of the Report of EA, as well as concerns and views expressed in correspondence from affected and involved parties made from October 5, 2017 until July 4, 2018. This included CZN's response to an Information Request stating that the company is negotiating an Environmental Management Agreement to address concerns of the Indigenous governments and organizations with regards to the Prairie Creek All Season Road project.

On October 9, 2018 Board staff and Parks Canada jointly issued a letter to CZN outlining requirements for a Post-EA Information Package (attached). CZN's Post-EA Information Package is required to fulfill section 72.1 of the MVRMA, section 72.1 of the MVLUR, and section 41.1 of the *Canadian National Parks Act* within Nahanni National Park Reserve.

As the 42-day timeline for a Land Use Permit restarts following EA as per section 23.1 of the MVLUR, the Board would need to issue or refuse to issue a permit for MV2014F0013 by November 19, 2018.

Description of Request

Section 22(2) and paragraph 22(2)(b) of the MVLUR read as follows:

- (2) Subject to sections 23.1 and 24, if the Board does not return an application under paragraph (1)(a), it shall, within 42 days after receipt of the complete application,
 - (b) conduct a hearing under section 24 of the Act or require that further studies or investigations be made respecting the lands proposed to be used in the land use operation and notify the applicant in writing of the reasons for the hearing, studies or investigations.

4. Conclusion

As the Type A Land Use Permit Application MV2014F0013 is directly associated with the Type B Water Licence Application MV2014L8-0006 and was submitted jointly with it, Board staff are of the opinion the Applications should be reviewed and processed together. In order to accommodate the time required for review and comment on the Applications (including the Post-EA Information Package), drafts of the Permit and Licence, and bringing the Applications to the Board for decision, the Board may wish to invoke paragraph 22(2)(b) of the MVLUR, to allow further study to be conducted for the Permit Application.

5. Recommendation

Board staff recommend the Board:

- a) **Make a motion to invoke paragraph 22(2)(b) of the MVLUR** for Land Use Permit Application MV2014F0013 to allow for additional time to gather information with the associated Type B Water Licence Application MV2014L8-0006.

A draft decision letter is attached.

6. Attachments

- [Applications for Land Use Permit and Water Licence](#)
 - [Staff report including Review Summary and Attachments](#)
- [Applications referral to EA](#)
- [The Review Board Report of Environmental Assessment and Reasons for Decision](#)
- [The Review Board Recommendation to Minister](#)
- [Minister Decision on EA](#)
- [Post-EA Information Package Requirements](#)
- Draft Decision Letter from the Board

Respectfully submitted,

A handwritten signature in black ink that reads "Kim Murray". The signature is written in a cursive, flowing style.

Kimberley Murray
Regulatory Intern