



Mackenzie Valley Land and Water Board
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May 3, 2019

File: MV2019L2-0006

Mr. David Harpley
Canadian Zinc Corporation
SUITE 1710-650 West Georgia Street
P.O. Box 11644
Vancouver BC V6B 4N9

Email: david@canadianzinc.com

Dear Mr. Harpley;

Water Licence Application – Incomplete
Mineral Exploration – Prairie Creek Mine, NT

The Mackenzie Valley Land and Water Board (MVLWB or the Board) received your application for a Water Licence on April 24, 2019. Your application has been reviewed and found to be lacking sufficient information. In order for this application to be considered complete and forwarded for review, the following information must be submitted to our office:

1. A breakdown by water source, any amounts of water to be used for proposed activities. The Application form indicates that no water will be used. However, the Mining Exploration Questionnaire submitted with the Application describes freshwater withdrawal facilities. The Questionnaire notes that the water withdrawn for camp use will not be used for licenced activities, but also that development and drilling operations will use mine water.

Please provide detailed information regarding water use which will occur under this licence, including the use of mine water. Please note that this information must be used to calculate water use fees for the application, which must be included as well as the application fee.

2. Section 1.14 of the Mining Exploration Questionnaire appears to be incomplete. Please provide a full accounting of expected chemical characteristics of discharge as required by the Questionnaire.
3. It is further noted that in the Questionnaire, CZN makes several references to EA0809-02, and attaches a Project Description Report which describes activities related to their applications for a separate Mining Permit and Licence. Board staff note that EA01-003 was conducted for the activities related to the current application. CZN's mixing of the project descriptions and references to an EA conducted for different activities may lead to confusion for reviewers and the Board as to what activities are actually being accounted for in the current

application. Please ensure references to previous assessments, studies undertaken to date, and any information provided is specifically relevant to the current application. Where information related to other applications is provided, proper context and explanation should be included to prevent confusion.

CZN must provide a comprehensive description of the specific activities to be covered by the current Licence Application and ensure they are carefully delineated and separated from activities covered by other existing instruments. This will assist reviewers and the Board in their review of the Application. Where this information has been previously provided, please attach it or provide links to where the information can be found on the Board's public registry.

4. Water Licence Application Form – Item 10. CZN provides minimal information regarding predicted environmental impacts and proposed mitigation. It is noted that leachate from waste rock is expected to be benign, and that discharge water will have low metal content. Please provide sufficient evidence to support these assertions, and describe impacts and proposed mitigation in detail. If this information has been previously submitted, please attach it or a link to where this information can be found on the Board's public registry.
5. Water Licence Application Form – Item 12. CZN notes that studies are “[a]s for the original application, and the reports submitted in fulfillment of licence conditions”. Please provide a list of the referenced studies, including copies of the studies, or links to where they can be found on the Board's public registry.
6. An application fee of \$30.00, made out to the **Receiver General for Canada**.
7. Further information regarding security related to this Licence is needed. CZN notes in the April 24, 2019 cover letter that security is currently held under LUP MV2008D0014 and Water Licence MV2008L2-0002 and references Surface Lease 95F/10-5-5 and the attached Abandonment and Restoration Plan. Board staff note that security is currently held in association with existing Licence MV2001L2-0003 and Land Use Permit MV2012C0008 for the specific exploration activities associated with those instruments. Is CZN of the opinion that security held in accordance with the mining Licence, Permit, and Surface Lease overlaps with these activities and accounts for them?

It is recommended that CZN engage with the Government of the Northwest Territories regarding security and potential overlap, and ensure an appropriate security estimate is provided, or evidence is provided supporting an assertion that the activities are otherwise secured under overlapping instruments. Please note this information will also affect the related Land Use Permit Renewal Application MV2019C0011.

Upon receipt of this information, your application will be reviewed in accordance with the *Waters Act* and the *Mackenzie Valley Resource Management Act*. For further assistance, please refer to the “Guide for Completing Water Use Applications to the Mackenzie Valley Land and Water Board” available on our website at www.mvlwb.ca/mv under “Forms and Guides”.

If you have any questions or concerns, please contact me at (867) 766-7453 or email jmorse@mvlwb.com.

Yours sincerely,

A handwritten signature in black ink, consisting of a series of loops and curves, positioned below the text "Yours sincerely,".

Julian Morse
Regulatory Specialist

Copied to: Laurie Nadia, Regional Superintendent, GNWT – Lands
Nahum Lee, Water Resources Officer, GNWT – Environment and Natural Resources