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Staff Report

Applicant: Canadian Zinc Corporation Ltd. (CZN)	
Location: Prairie Creek Mine, NT	File Number: MV2019L2-0006 and MV2019C0011
Date Prepared: January 27, 2020	Date of Board Meeting: February 7, 2020
Subject: Management Plans - Resubmission Extension Request	

1. Purpose

The purpose of this Report is to present to the Mackenzie Valley Land and Water Board (MVLWB/the Board) an extension request to the resubmission deadline for the Waste Management Plan, Spill Contingency Plan, Effluent Treatment Plan, and Minewater Treatment Contingency Plan required as per Part E, condition 3-6 of Water Licence MV2019L2-0006 (Licence). The Waste Management and Spill Contingency Plans are also required as per Conditions 39 and 64 of Land Use Permit MV2019C0011 (Permit).

2. Background

- September 9, 2019 – Issuance of Water Licence MV2019L2-0006 and Land Use Permit MV2019C0011;
- November 27, 2019 – Canadian Zinc Corporation submitted an extension request to the resubmission deadline for management plans;
- December 9, 2019 – Review of extension request commenced;
- January 13, 2020 – Reviewer comments and recommendations due and received;
- January 20, 2020 – Responses due and received;
- **February 7, 2020 – Extension request presented to the Board for decision;**
- September 8, 2024 – Expiration of Land Use Permit MV2019C0011; and
- September 8, 2026 – Expiration of Water Licence MV2019L2-0006.

3. Discussion

On September 9, 2019, the Board issued the Licence and Permit for mineral exploration activities at the Prairie Creek Mine. The Licence and Permit were renewed from previously issued authorizations (MV2001L2-0003 and MV2012C0008). In accordance with comments made during the review of the renewal applications, the Board required CZN to resubmit the following management plans within 90 days from the issuance of MV2019L2-0006 and MV2019C0011 (by December 8, 2019): Waste

Management Plan, Spill Contingency Plan, Effluent Treatment Plan, and Minewater Treatment Contingency Plan.

Extension Request

On November 27, 2019, CZN submitted a five-month extension request for the resubmission of management plans associated with the issuances of MV2019L2-0006 and MV2019C0011. CZN made the extension request to coincide with their intent to close the mine early in December 2019. CZN indicated they would potentially reopen the mine in May 2020.

4. Comments

No comments.

5. Public Review

By January 13, 2020, comments and recommendations on the extension request were received from three reviewers:

- Environment and Climate Change Canada (ECCC);
- Government of the Northwest Territories Department of Environment and Natural Resources, Environmental Assessment and Monitoring (GNWT-ENR); and
- GNWT Lands Dehcho Region (GNWT-Lands).

ECCC made no comments pertaining to the content of the extension request. CZN responded to reviewer comments and recommendations by January 20, 2020. The Review Summary and Attachments (attached) identifies the concerns presented in this report.

Main Issues Raised during the Review

The following summarizes the main issues raised during the review:

- Whether the five-month extension request would result in a submission date (approximately May 9, 2020) near the start of mine operations (potentially May 2020, as indicated by CZN) and subsequently not allow sufficient time for review of the management plans; and
- Non-compliant waste discharging in 2019.

GNWT-Lands and GNWT-ENR both recommended the plans be submitted early enough to facilitate review prior to exploration activities occurring. GNWT-ENR recommended a three-month extension be granted to allow enough time for review of the management plans prior to the start of operations. CZN responded to the recommendation stating a three-month extension would only allow approximately 1.5 months of remaining time (from the comment date) to update the management plans. Board staff agree with GNWT-ENR that a five-month extension would result in a submission date too close to the anticipated opening period of the mine (potentially May 2020).

The issue of non-compliant waste discharging was followed by a letter (attached) from GNWT-ENR to CZN on January 23, 2020 indicating non-compliant discharge occurred at SNP Station 3-4 in 2019 (attached).

6. Conclusion

Board staff are of the opinion that the management plans should be re-submitted with enough time for review prior to mine activity in 2020.

7. Recommendation

Board staff recommend the Board **make a motion to approve a three-month extension to the submission deadline for the Waste Management Plan, Spill Contingency Plan, Effluent Treatment Plan, and Minewater Treatment Contingency Plan** required as part of Water Licence MV2019L2-0006 and Land Use Permit MV2019C0011 issuances.

A draft decision letter is attached.

8. Attachments

- [Water Licence MV2019L2-0006](#)
- [Land Use Permit MV2019C0011](#)
- [Management Plan Extension Request](#), dated November 27, 2019
- [Non-Compliance Letter](#), dated January 23, 2020
- Review Summary and Attachments
- Draft Decision Letter from the Board

Respectfully submitted,



Andrew Wheeler
Regulatory Specialist

Review Comment Table

Board:	MVLWB
Review Item:	Canadian Zinc Corporation - Prairie Creek Mine Mineral Exploration - Management Plans Extension Request (MV2019L2-0006 and MV2019C0011)
File(s):	MV2019C0011 MV2019L2-0006
Proponent:	CanZinc Corporation
Document(s):	Management Plan Extension Request (136kb)
Item For Review Distributed On:	Dec 9 at 10:05 Distribution List
Reviewer Comments Due By:	Jan 13, 2020
Proponent Responses Due By:	Jan 20, 2020
Item Description:	<p>Canadian Zinc Corporation Ltd. (CZN) has submitted a request to change the deadline for Waste Management Plan, Spill Contingency Plan, Effluent Treatment Plan, and Minewater Treatment Contingency Plan, which was due on December 8, 2019. The Waste Management Plan and Spill Contingency Plan are required under Land Use Permit MV2019C0011 and Water Licence MV2019L2-0006. The Effluent Treatment Plan and Minewater Treatment Contingency Plan are required under the Licence MV2019L2-0006.</p> <p><i>Please note that CZN's request on security adjustment and deferral are being addressed in a separate process and comments are those requests are not required in this review item.</i></p> <p>Reviewers are invited to submit comments and recommendations using the Online Review System (ORS) by the review comment deadline specified below. If reviewers seek clarification on the submission, they are encouraged to correspond directly with the proponent prior to submitting comments and recommendations.</p> <p>Reviewers may also wish to consider providing an overarching recommendation regarding whether they are in support of the submission, to provide context for comments and recommendations and to assist the Board with its decision.</p>
Contact Information:	Jacqueline Ho 867-766-7455 Kim Murray (867) 766-7458

Comment Summary

Environment and Climate Change Canada: Russell Wykes				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	ECCC Comment	<p>Comment ECCC has reviewed this file in accordance with our mandate, and has no comments at this time.&nbsp;</p> <p>Recommendation N/A</p>		Noted.
GNWT - ENR - EAM (Environmental Assessment and Monitoring): Central Email GNWT				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
3	General File	<p>Comment (doc) ENR Letter with Comments and Recommendations</p> <p>Recommendation</p>		Noted.
1	Topic: Plan Submission Extension	<p>Comment Canadian Zinc Corporation Ltd. (CZN) has requested a 5 month extension to submissions of the Waste Management Plan, the Spill Contingency Plan, the Effluent Treatment Plan and the Minewater Treatment Contingency Plan. ENR notes as per the MVLWB's online review system, these plans were due on December 8, 2019. If granted, a 5 month extension would result in a requirement for these plans to be submitted on May 8, 2020. ENR also notes that CZN has provided notice of non-compliant waste discharges during the 2019 discharge period. CZN's request suggests that seasonal water treatment is not required until June; however, while the new submission date for these plans is prior to the water treatment period, ENR does not believe there would be sufficient time for review and approval of these plans prior to the 2020 discharge period.</p>	<p>Jan 20: We note that there are already approved Waste Management, Spill Contingency, Effluent Treatment Plan and Minewater Treatment Contingency Plans on file from MV2001L2-0003. CZN has noted a number of times that the Company believes it has been incorrectly burdened with the management of minewater from the old workings, water that pre-dates CZN's tenure on the site and is not part of CZN's limited liability based on the terms of the existing Surface Lease. Water from the Decline that CZN developed complies with EQC. Water from the old workings does not. We have initiated discussions with ENR and Lands on this matter. ENR agrees that more time and further discussions are required. This will take some time. These</p>	Board staff agree with the reviewer comment and recommendation.

		<p>Recommendation 1) ENR recommends that CZN be granted a 3 month extension period which would require submission on March 8, 2020 to allow sufficient time for review and approval prior to the 2020 discharge season.</p>	<p>discussions will have a bearing on the content of the Effluent Treatment Plan and the Minewater Treatment Contingency Plan. If only a 3 month extension is granted, there is only approximately 1.5 months remaining. While mine water flow commences in June, the flow is relatively low early in the month, increasing in the latter half of the month. Plan review and approval should be possible before then with a 5 month extension. Therefore, we continue to ask for a 5 month extension.</p>	
2	None	<p>Comment None</p> <p>Recommendation 2) ENR recommends that this additional time be used by CZN to prepare concrete Water Management and treatment Plans (including contingencies) that avoids non-compliant waste discharge in 2020 and beyond.</p>	<p>Jan 20: We agree, however as noted in our response to ENR 1, we believe the responsibility and approach for this requires further discussion with ENR.</p>	<p>Board staff agree with the reviewer comment and recommendation.</p>
GNWT - Lands - Dehcho Region: Kyle Christiansen				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	<p>Extension request for submission of management plans MV2019C0011</p>	<p>Comment Inspectors from the Department of Lands reviewed the letter requesting an extension on the submission date for the management plans associated with Land Use Permit MV2019C0011. </p> <p>Recommendation Inspectors recommend no work to be done under the MV2019C0011 Land Use Permit until all management plans are submitted and approved. Inspectors believe management plans should be submitted early enough to accommodate the</p>	<p>Jan 20: See our response to ENR 1. We understand the Inspector's position re use of MV2019C0011. However, to be clear, mine site reopening in the spring of 2020 does not require the use of MV2019C0011, which is for a 2nd underground decline. Site care and maintenance is undertaken seasonally under the current Surface Lease, and approved management plans are already in place. Therefore,</p>	<p>Board staff agree with the reviewer comment and recommendation.</p>

		review process before the mine site reopens in the spring of 2020.	revised management plans do not necessarily need to be reviewed and approved before site reopening.	
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January 13, 2020

Jacqueline Ho
Regulatory Specialist
Mackenzie Valley Land and Water Board
7th Floor – 4910 50th Avenue
P.O. Box 2130
Yellowknife, NT
X1A 2P6

Dear Ms. Ho,

**Re: Canadian Zinc Corporation
Water Licence – MV2019L2-0006
Land Use Permit – MV2019C0011
Management Plan – Extension Request
Request to Adjust Security**

The Department of Environment and Natural Resources (ENR), Government of the Northwest Territories has reviewed the request at reference based on its mandated responsibilities under the *Environmental Protection Act*, the *Forest Management Act*, the *Forest Protection Act*, the *Species at Risk (NWT) Act*, the *Waters Act* and the *Wildlife Act* and provides the following comments and recommendations for the consideration of the Board.

Topic 1: Plan Submission Extension

Comment(s):

Canadian Zinc Corporation Ltd. (CZN) has requested a 5 month extension to submissions of the Waste Management Plan, the Spill Contingency Plan, the Effluent Treatment Plan and the Minewater Treatment Contingency Plan.

ENR notes as per the MVLWB's online review system, these plans were due on December 8, 2019. If granted, a 5 month extension would result in a requirement for these plans to be submitted on May 8, 2020.

ENR also notes that CZN has provided notice of non-compliant waste discharges during the 2019 discharge period.

CZN's request suggests that seasonal water treatment is not required until June; however, while the new submission date for these plans is prior to the water treatment period, ENR does not believe there would be sufficient time for review and approval of these plans prior to the 2020 discharge period.

Recommendation(s):

- 1) ENR recommends that CZN be granted a **3 month extension period** which would require submission on March 8, 2020 to allow sufficient time for review and approval prior to the 2020 discharge season.
- 2) ENR recommends that this additional time be used by CZN to prepare concrete Water Management and Treatment Plans (including contingencies) that avoids non-compliant waste discharge in 2020 and beyond.

Comments and recommendations were provided by ENR technical experts in the Water Management and Monitoring Division and the Dehcho Region and were coordinated and collated by the Environmental Assessment and Monitoring Section (EAM), Environmental Stewardship and Climate Change Division.

Should you have any questions or concerns, please do not hesitate to contact Patrick Clancy, Environmental Regulatory Analyst at (867) 767-9233 Ext: 53096 or email patrick.clancy@gov.nt.ca.

Sincerely,



Patrick Clancy
Environmental Regulatory Analyst
Environmental Assessment and Monitoring Section
Environmental Stewardship and Climate Change Division
Department of Environment and Natural Resources
Government of the Northwest Territories