



**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**

<b>Applicant:</b> Canadian Zinc Corporation	
<b>Location:</b> Prairie Creek Mine All Season Road – Liard Highway to Prairie Creek Mine, NT	<b>File Number:</b> MV2014F0013, MV2014L8-0006, MV2019L8-0002
<b>Date Prepared:</b> January 2, 2020	<b>Date of Board Meeting:</b> January 16, 2020
<b>Subject:</b> Administrative Update and Land Use Fee Request	

**1. Purpose**

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

- a) An administrative update to Permit MV2014F0013 and Licences MV2014L8-0006, MV2019L8-0002 held by Canadian Zinc Corporation (CZN); and
- b) A Request for the Board to direct CZN to pay land use fees for MV2014F0013.

**2. Background**

- November 13, 2019 – Effective date of Permit (MV2014F0013) and Licenses (MV2014L8-0006, MV2019L8-0002);
- **January 16, 2020 – Administrative update and land use fee request presented to the Board for decision;**
- November 12, 2024 – Expiration of Permit MV2014F0013; and
- November 12, 2039 – Expiration of Licence MV2014L8-0006 and Licence MV2019L8-0002.

**3. Discussion**

Administrative Update

On November 13, 2019, the Board issued a Type A Permit (MV2014F0013) and two Type B Licences (MV2014L8-0006, MV2019L8-0002) to Canadian Zinc Corporation to construct, operate, and maintain an All Season Road from the Liard Highway to Prairie Creek Mine, including the construction, operation, and maintenance of a temporary Winter Road.

Following issuance of the authorizations, Board staff noted a mistake in condition 109 of Permit MV2014F0013. The text indicates that “A minimum of 90 days prior to the commencement of Phase 1 activities, the Permittee shall submit to the Board, for approval, a Closure and Reclamation Plan”. However, the text should read “Within 90 days following the effective date of this Permit, the Permittee shall submit to the Board, for approval, a Closure and Reclamation Plan”. Board staff also noted mistakes

in Schedule 5 condition 1 j) ii. in Licence MV2014L8-0006 and Schedule 4 condition 1 j) ii. in Licence MV2019L8-0002. The text reads “Preferred Closure and Reclamation option and method for each Project component identified in Part H condition 4 (Part G condition 4) above” for MV2014L8-0006 and MV2019L8-0002, respectively. However, both schedule items should read “Preferred Closure and Reclamation option and method for each Project component”. These conditions have been corrected in the respective attached Permit and Licences.

#### Land Use Fee Request

Permit MV2014F0013 is an authorization for sections of the Winter Road and All Season Road that will cross both non-federal and Indian Affairs Branch (IAB) federal lands. As per the Mackenzie Valley Land Use Regulations (MVLURs) CZN must accompany a permit application with any applicable land-use fee, as set out in Schedule 1 of the MVLUR for federal public lands. When CZN applied for the Permit on April 22, 2014, they indicated “Land already in use for winter road” next to the Land use fee section (attached). CZN was referring to Type A Permit MV2012F0007 that was issued on January 10, 2013 for a winter road that would connect the Prairie Creek Mine to the Nahanni Butte access road (issuance letter attached). Board staff note that MV2012F0007 would have been active in 2014 when CZN applied for MV2014F0013, but the Permit has since expired on January 8, 2018. Given that the scope of MV2012F0007 and MV2014F0013 are different, CZN is required to pay applicable land-use fees for MV2014F0013 as per the MVLUR.

Based on information provided in CZN’s Post-EA Information Package and Updated Project Description, Board staff calculated that 18 hectares of federal lands would be used for the All Season Road (see attached correspondence with CZN). Board staff indicated that if CZN did not agree with Board staff’s calculation for land use fees of the federal lands, CZN could send a document that includes details for the correct land use that will occur on the IAB lands. As CZN did not reply to Board staff’s inquiry, Board staff conclude that the land use fees should be \$800.00 for IAB lands for Permit MV2014F0013.

#### **4. Comments**

Not applicable.

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

Not applicable.

#### **6. Security**

The status of security for this Project will not be affected by the Board’s decisions related to the Request.

#### **7. Conclusion**

Board staff conclude there are no outstanding issues or concerns with this administrative update and Request. Board staff suggest that the Board provide direction to CZN to pay outstanding land use fees. Draft wording is in the letter (attached).

#### **8. Recommendation**

Board staff recommend that the Board:

- a) Acknowledge the administrative update to Permit MV2014F0013 and Licences MV2014L8-0006 and MV2019L8-0002; and
- b) The Board directs CZN to pay the outstanding \$800.00 in land use fees for MV2014F0013.

A draft letter is attached.

#### 9. Attachments

- [CZN's Permit and Water Licence Application submitted April 22, 2014](#)
- [Issuance letter for CZN's Winter Road Permit MV2012F0007](#)
- [Correspondence regarding land use fees November 21, 2019](#)
- Draft Permit MV2014F0013 Conditions
- Draft Licence MV2014L8-0006 Conditions
- Draft Licence MV2019L8-0002 Conditions
- Draft Decision Letter from the Board

Respectfully submitted,



Kimberley Murray  
Regulatory Specialist



Jacqueline Ho  
Regulatory Specialist