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Staff Report

Applicant: Canadian Zinc Corporation	
Location: Prairie Creek Mine, NT	File Number: MV2020D0007 and MV2020L2-0003
Date Prepared: June 15, 2020	Date of Board Meeting: June 25, 2020
Subject: Confirmatory of Preliminary Screening Exemption – May 13, 2020 Renewal Application	

1. Purpose

The purpose of this Report is to seek confirmation from the Mackenzie Valley Land and Water Board (MVLWB/the Board) that Canadian Zinc Corporation’s (CZN’s) May 13, 2020 Renewal Application for a Type A Land Use Permit (Permit) (MV2020D0007) and a Type A Water Licence (Licence) MV2020L2-0003 is exempt from preliminary screening in accordance with the Exemption List Regulations annexed to the *Mackenzie Valley Resource Management Act*.

2. Background

- September 18, 2008 – Application for Permit MV2008D0014 and Water Licence MV2008L2-0002 referred to the Mackenzie Valley Environmental Impact Review Board (Review Board) for Environmental Assessment (EA);
- December 8, 2011 – Review Board released EA0809-002;
- June 17, 2013 – Issuance of Permit MV2008D0014;
- September 17, 2013 – Minister of Aboriginal Affairs and Northern Development approves Licence MV2008L2-0002;
- September 23, 2013 – Board issues Licence MV2008L2-0002 to CZN;
- May 13, 2020 – Renewal Application received for Permit MV2020D0007 and Licence MV2020L2-0003;
- May 21, 2020 – Renewal Application deemed complete and review commenced;
- June 11, 2020 – Reviewer comments and recommendations on Renewal Application due and received;
- June 12, 2020 – Expiration of MV2008D0014;
- June 18, 2020 – Responses on Renewal Application due and received;
- **June 25, 2020 – Preliminary screening exemption request presented to the Board; and**
- September 22, 2020 – Expiration of Licence MV2008L2-0002.

3. Discussion

Project History

The Prairie Creek Mine has a long history dating back to the 1960s. From 1966 to the mid-eighties, Cadillac Resources did significant exploration work at the site, and developed mine infrastructure, but shut down prior to mining and operating the mill. CZN has owned and operated the site since 1991.

In 2008, CZN submitted Type A Permit Application MV2008D0014 alongside Type A Water Licence MV2008L2-0002 for mining and milling at Prairie Creek. Activities associated with the Applications were subject to Environmental Assessment (EA) EA0809-002, approved by the Minister on June 8, 2012. The Permit was issued for a term of 5 years, and expired on June 16, 2018. Following expiration of the Permit, the Board approved a two-year extension to the Permit, making the expiry date of the Permit June 16, 2020. The Licence was issued by the Board on September 23, 2013 for a term of seven years.

Description of the Renewal Application

On May 21, 2020 CZN submitted a renewal application to replace both Permit MV2008D0014 and Water Licence MV2008L2-0002 (attached). The Renewal Application included the following documents:

- Water Licence Application
- Land Use Permit Application
- Consolidated Project Description
- Engagement Plan
- Engagement Log and Record
- Spill Contingency Plan
- Waste Management Plan
- 2014 AEMP Design Plan
- Closure and Reclamation Plan
- Closure Cost Estimate

In the Permit and Licence Application (attached) CZN indicated that when they had obtained Permit MV2008D0014 and Water Licence MV2008L2-0002 in 2013 the Company had hoped to be able to move forward with commercial production, however challenging capital markets prevented this. CZN further indicated that they intend to make project enhancements so that Prairie Creek Mine is more financially attractive, and further analysis is required for the Company to be able to confirm changes. For this reason, CZN indicated that they are not seeking changes to the existing Permit or Water Licence conditions, but propose to address changes once the analyses are complete. This would require a new Water Licence given that CZN has applied for a 3-year term for Water Licence MV2020L2-0003, as indicated in the Water Licence Application.

CZN also indicated that because there are no changes being proposed to the scope of the undertakings for MV2020D0007 and MV2020L2-0003, they consider the Renewal Application to be exempt from preliminary screening.

Preliminary Screening

On December 8, 2011, the Review Board released their Report of EA and Reasons for Decision on the Canadian Zinc Corporation, proposed Prairie Creek Mine (EA0809-002) (attached). No additional preliminary screening related to mining and milling at Prairie Creek Mine has been required since EA0809-002.

Schedule 1, section 2 of the *Mackenzie Valley Resource Management Act Exemption List Regulations* states that:

A development, or a part thereof, for which renewal of a permit, licence or authorization is requested that

(a) has not been modified; and

(b) has fulfilled the requirements of the environmental assessment process established by the Mackenzie Valley Resource Management Act, the Canadian Environmental Assessment Act or the Environmental Assessment Review Process Guideline Order.

For the May 13, 2020 Renewal Application to be considered exempt from preliminary screening, the development must not have been modified or changed. Upon reviewing EA0809-002 and CZN's Updated Project Description (UPD) submitted with the May 13, 2020 Renewal Application, Board staff conclude that as CZN has proposed no project changes or activities that would alter the purpose or function of a structure, no screening is required.

4. Comments

Not applicable.

5. Review Comments

Board staff specifically requested the submission of comments regarding exemption from preliminary screening in the public review of the May 13, 2020 Renewal Application. By June 11, 2020 comments were received from five reviewers and Board staff, including:

- Acho Dene Koe First Nation;
- Dehcho First Nations (DFN);
- Government of the Northwest Territories (GNWT) – Lands – Dehcho Region (Lands Inspector);
- GNWT-Lands and GNWT Environment and Natural Resources (GNWT-ENR); and
- Racher Consulting, on behalf of Łı́ıdlı́ Kúé First Nation and Nahąq Dehé Dene Band

Only one comment from reviewers directly addressed preliminary screening. Specifically, Racher Consulting indicated that "We agree with NorZinc that this application should be exempted from preliminary screening" (Racher, comment 2). DFN also provided evidence that the May 13, 2020 Renewal does not include project changes that need to be screened through their recommendation that "...the project has not been modified since it was previously authorized" (DFN, comment 1).

6. Security

Not applicable.

7. Conclusion

Board staff have reviewed EA0809-002 and CZN's May 13, 2020 Renewal Application and conclude there are no changes that need to be screened.

8. Recommendation

Board staff recommend the Board confirm that the May 13, 2020 Renewal Application for Land Use Permit MV2020D0007 and Water Licence MV2020L2-0003 is exempt from preliminary screening as per the Exemption List Regulations.

A draft decision letter is attached.

9. Attachments

- [Land Use Permit Application & Water Licence Application](#)
 - [Consolidated Project Description](#)
 - [Engagement Plan](#)
 - [Engagement Log and Record](#)
 - [Spill Contingency Plan](#)
 - [Waste Management Plan](#)
 - [2014 AEMP Design Plan](#)
 - [Closure and Reclamation Plan](#)
 - [Closure Cost Estimate](#)
- [Report of Environmental Assessment and Reasons for Decision EA0809-002](#)
- Review Summary and Attachments
- Draft Decision Letter from the Board

Respectfully submitted,



Kimberley Murray
Regulatory Specialist



Jacqueline Ho
Regulatory Specialist

Review Comment Table

Board:	MVLWB
Review Item:	Canadian Zinc Corporation - Mining and Milling, Prairie Creek Mine - Renewal Applications (MV2020D0007 and MV2020L2-0003)
File(s):	MV2020D0007 MV2020L2-0003
Proponent:	CanZinc Corporation
Document(s):	MV2020L2-0003 - CZN - Water Licence Application - May 13 20.pdf (312.55 KB) (312 KB) MV2020D0007 - CZN - Land Use Permit Application - May 13 20.pdf (315.41 KB) (315 KB) MV2020D0007 MV2020L2-0003 - CZN - Consolidated Project Description - May 13 20.pdf (12.52 MB) (12.5 MB) MV2020D0007 MV2020L2-0003 - CZN - Engagement Plan - May 13 20.pdf (257.7 KB) (257 KB) MV2020D0007 MV2020L2-0003 - CZN - Engagement Log and Record - May 13 20.pdf (4.05 MB) (4 MB) MV2020D0007 MV2020L2-0003 - CZN - Spill Contingency Plan - May 13 20.pdf (15.82 MB) (15.8 MB) MV2020D0007 MV2020L2-0003 - CZN - Waste Management Plan - May 13 20.pdf (6.04 MB) (6 MB) MV2020D0007 MV2020L2-0003 - CZN - 2014 AEMP Design Plan - May 13 20.pdf (15.5 MB) (15.5 MB) MV2020D0007 MV2020L2-0003 - CZN - Closure and Reclamation Plan - May 13 20 (2.72 MB) MV2020D0007 MV2020L2-0003 - CZN - Closure Cost Estimate (Appendix 4) - May 13 20.pdf (112.86 KB) (113 KB)
Item For Review Distributed On:	May 21 at 11:13 Distribution List
Reviewer Comments Due By:	June 11, 2020
Proponent Responses Due By:	June 18, 2020
Item Description:	<p>Canadian Zinc Corporation (the Applicant) submitted complete renewal applications for a type A water licence (licence) and type A land use permit (permit). The purpose of the Applications is for underground mining of lead and zinc mineralization using explosives, followed by milling and flotation to produce mineral concentrates at the Prairie Creek Mine. This includes the operation of a camp for 110 personnel during routine operations, and 150 personnel during construction activities. The activity is currently authorized under Licence MV2008L2-0002 and Permit MV2008D0014 which expire on September 22, 2020 and June 15, 2020, respectively. The Applicant has requested a three-year term for the Licence and a five-year term for the Permit. The Applicant has also requested</p>

	<p>an exemption from preliminary screening because the Applicant believes that the development has not been modified since it was previously authorized.</p> <p>Using the Online Review System (ORS), reviewers are invited to submit comments and recommendations on the documents linked below by the review comment deadline specified. Reviewers may also wish to consider providing an overarching recommendation regarding whether the Board should approve the submission, to provide context for the comments and recommendations and assist the Board with its decision. Notices of intent to file a claim for water compensation must also be submitted by the review comment deadline. If reviewers seek clarification on the submission, they are encouraged to correspond directly with the Applicant prior to submitting comments and recommendations.</p> <p>Board staff agree the renewal Applications may be exempt from preliminary screening in accordance with the Exemption List Regulations. If you believe the renewal applications have been modified since the Environmental Assessment EA0809-002 dated December 8, 2011 and a preliminary screening is required, please describe your rationale and provide comments and recommendations (e.g., on impacts and mitigation measures) to assist with the Board’s preliminary screening determination.</p> <p>Board staff are seeking input from reviewers on whether a technical session and/or public hearing would be necessary given that the scope of the renewals would result in an alteration solely to the terms of the authorizations. A draft work plan will be distributed for review once comments have been received on whether a technical session and/or public hearing should be held. Please note the Board cannot cancel a Public Hearing until 10 days prior to the scheduled date.</p> <p>All documents that have been uploaded to this review are also available on our public Registry. If you have any questions or comments about the ORS or this review, please contact Board staff identified below.</p>
Contact Information:	<p>Andy Wheeler 867.766.7467 Jacqueline Ho 867-766-7455 Kim Murray (867) 766-7458</p>

Comment Summary

Dehcho First Nations: Carrie Breneman				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Response
1	Comments on CZN's Mining and Milling Renewal Applications	Comment N/A Recommendation Dehcho First Nations (DFN) supports the comments provided by Łíídlı́ Kúé First Nation and		Board staff note DFN's comment that the project has not been modified since it was previously authorized as it relates to

		Nahᓇᓴ Dehé Dene Band on Canadian Zinc Corporations' Renewal Application. DFN does not expect a technical session or public hearing, as the project has not been modified since it was previously authorized.		preliminary screening (i.e. this provides evidence that screening is not required).
Racher Consulting: Kathy Racher				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Response
1	Joint submission of Łíídlı́ Kúé First Nation and Nahᓇᓴ Dehé Dene Band	Comment Note the KRacher Consulting is submitting these comments on behalf of the LKFN and the NDDDB. Recommendation None		
2	Extending the term of NorZinc's mining authorizations	Comment NorZinc is requesting a renewal of water licence MV2008L2-0002 for a 3-year term and a replacement of land use permit MV2008D0014 for a 5-year term. We understand that NorZinc is making these requests to ensure their mining authorizations remain valid while they complete their plans for expanding the throughput of ore at the mine. Since NorZinc plans on making an amendment application in the next year to accommodate their expansion plans, they are not seeking any changes to either the licence or the permit at this time. Recommendation As part of our review of the application, we have identified the need for some updates to the current authorizations based on changes in policy (e.g., new AEMP guidelines, new CCME	June 17: Thank you.	Board staff note the comment that LKFN and NDDDB believe this application should be exempt from preliminary screening.

		<p>guideline for dissolved zinc) or studies done (e.g., baseline water quality in Prairie Creek, updated groundwater modelling) since the original licence/permit were granted in 2013. However, since additional amendments will be necessary to accommodate NorZinc's mine expansion proposal, we believe that it makes most sense to consider all the potential changes to the mining authorizations when the final details of the mine expansion are available. Therefore, we support NorZinc's request for a 3-year term for its mining water licence and a 5-year term for its mining land use permit. Since we are not considering changes to any other conditions of either authorization at this time, we do not believe a technical session or a public hearing are needed prior to approving the current application. We agree with NorZinc that this application should be exempted from preliminary screening.</p>		
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