Affaires indiennes et du Nord Canada

Environment & Conservation Box 1500 YELLOWKNIFE NT X1A 2R3

September 24, 2010

MVEIRB File Number: EA0809-002 Chuck Hubert Environmental Assessment Officer Mackenzie Valley Environmental Impact Review Board P.O. BOX 938 YELLOWKNIFE NT X1A 2N7

BY EMAIL: chubert@reviewboard.ca

Re: Canadian Zinc Prairie Creek Environmental Assessment First Round Information Request Response regarding Regulatory Instruments

Dear Mr. Hubert:

Indian and Northern Affairs Canada (INAC) is providing the following information as a response to the information request (IR) issued to all government parties by the Review Board, which requests that government parties provide:

- a list of permits, licenses or other authorizations administered by them that may be issued in respect of the proposed Prairie Creek Mine development by the regulator;
- the purpose and intent of each regulatory instrument; and,
- a brief description of how each regulatory instrument may be used to mitigate adverse effects of the Prairie Creek Mine.

In the context of *Mackenzie Valley Resource Management Act*, INAC does not issue "permits, licences or other authorizations" as a "regulator".

However, for informational purposes, INAC (as part of its mandate to manage Crown lands in the Northwest Territories) does issue surface land leases, licences allowing for occupation of Crown lands and quarry permits. Further information on land leases, licences and quarry permits is provided below.

Leases

Under the *Territorial Lands Act*, INAC (as Crown land manager) issues leases, which transfer part of the Crown's legal interest in the land to another for a specified period of time and purpose. A land lease gives the lessee the right to exclusive possession and occupation of the parcel of land that is the subject of the lease.

Licences

Under the Federal Real Property Regulations pursuant to the Federal Real Property and Federal Immovables Act, INAC is also authorized to issue licences permitting the non-exclusive occupation of Crown lands by another for a specific period of time and purpose. Such a licence does not provide the right to exclusive possession of land like a land lease does but it grants permission to do what would otherwise constitute a trespass on Crown lands (i.e. occupy the parcel of land for a specific purpose).

Quarry Permits

Under the *Territorial Quarrying Regulations*, enacted pursuant to the *Territorial Lands Act*, INAC issues quarry permits, which permit another to take a certain quantity of materials (such as gravel, etc.) from Crown land.

Prairie Creek Mine Crown Land Instruments

Canadian Zinc already holds a land lease for the purpose of the existing mine facilities in their "care and maintenance" mode and a land lease for the purpose of the existing airstrip. Once the project proposal currently subject to environmental assessment has been approved, a new lease will have to be entered into between the Crown and Canadian Zinc for the purpose of a producing mine in substitution for the existing "care and maintenance" lease. In addition, Canadian Zinc may require a licence for its occupation of the portion of the access road located within the INAC managed Crown lands outside of the Nahanni National Park Reserve boundary. Quarry permits may also be issued, should they be required for reclamation of the existing winter road and construction of the proposed road realignment.

Typically, the Crown land instruments discussed above are not used to implement regulatory mitigative measures. On the other hand, Land Use Permits (issued by the Mackenzie Valley Land and Water Board) would likely be required to regulate the manner in which Crown lands, which may be subject to a land lease, a licence allowing occupation of Crown lands and a quarrying permit, are used. It is the terms and conditions of a relevant Land Use Permit issued pursuant to s. 26(1) (a-q) of the *Mackenzie Valley Land Use Regulations* that could be used to mitigate potential adverse effects of the Mine.

If you have any questions about this response, please contact Krystal Thompson at 669-2595 or via email at krystal.thompson@ainc-inac.gc.ca.

Yours sincerely,

Teresa Joudrie

Director, Renewable Resources and Environment