

Mackenzie Valley Land and Water Board
 7th Floor - 4910 50th Avenue
 P.O. Box 2130
 YELLOWKNIFE NT X1A 2P6
 Phone (867) 669-0506
 FAX (867) 873-6610

EA 0405-02
 CZN Expansion

269

FILE NUMBER: MV2001C0022
MV2004C0030

Date: June 1, 2004

To: Mr. Alan Taylor

Company: Canadian Zinc Corporation

Copied To: Vern Christensen, Executive Director, MVEIRB (50)

Fax Number: (604) 688-2043

From: Marilyn For Melody McLeod

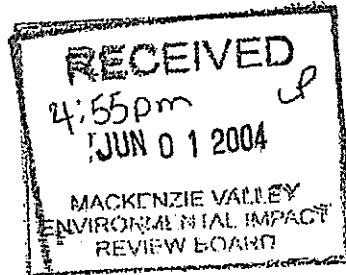
Number of pages including cover 11

Remarks:

Board Decision – Amendment Request
 Mineral Exploration at Prairie Creek Mine

- Letter
- Preliminary Screening Report

- Enclosures
- As requested
- For your information
- For your comment
- For your approval



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Delivered _____

Fax June 1, 2004
PA

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**Mackenzie Valley Land and Water Board**

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June 1, 2004

File: MV2001C0022
MV2004C0030

Mr. Alan Taylor
Canadian Zinc Corporation
Suite 1202 – 700 West Pender Street
VANCOUVER, BC V6C 1G8

Fax: (604) 688-2043

Dear Mr. Taylor:

**Board Decision – Amendment Request
Mineral Exploration at Prairie Creek Mine**

The Mackenzie Valley Land and Water Board (MVLWB) met on June 1, 2004 to deal with the aforementioned application. The decision was to refer the application to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) for an environmental assessment pursuant to Subsection 125(1) of the *Mackenzie Valley Resource Management Act*. Please note that the application is being referred to the MVEIRB as a new Land Use Permit and has been assigned file number MV2004C0030.

The application is being referred to the MVEIRB specifically due to public concern about the cumulative effects of this project on the South Nahanni Watershed. For further clarification, please see the attached reasons for decision and the preliminary screening report.

If you have any questions, contact Bob Wooley, Executive Director at (867) 669-0506 or email mvlwbpermit@mvlwb.com.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Melody J. McLeod".

Melody J. McLeod
Chair

Attachment

Copies to: Vern Christensen, MVEIRB
Charlene Coe for Ed Hornby, South Mackenzie District, DIAND,
Yellowknife
Herb Norwegian, Deh Cho First Nation
Chief Keyna Norwegian, Liidlii Kue First Nation

PRELIMINARY SCREENING REPORT FORM

| | |
|--|------------------------------|
| PRELIMINARY SCREENER: MVLWB REFERENCE / FILE NUMBER: MV2001C0022 TITLE: Mineral Exploration, Prairie Creek Mine Site ORGANIZATION: Canadian Zinc Corporation MEETING DATE: June 1, 2004 | EIRB REFERENCE NUMBER: |
|--|------------------------------|

- Type of Development:
- New
 - Amend, EIRB Ref. #
 - Requires permit, license or authorization
 - Does not require permit, license or authorization

Project Summary

- (1) Operation Summary
 - Land based diamond drilling of up to 60 holes to further delineate the mineral resources on the Prairie Creek Property
 - Access to drill sites will be mainly by existing tote roads but short 20-30 metre access spurs may have to be constructed
 - Drilling will be conducted on existing drill pads or from new drill pads located adjacent to existing tote roads
 - The existing camps facilities at the Prairie Creek Mine will be used
 - Operation to be conducted during the summer months until November 29, 2006 when the LUP expires
- (2) Fuel
 - All fuels needed for the operation will be stored at the existing, fully bermed fuel tank farm facility at the Prairie Creek Mine site. Fuel will be transferred to equipment in small batches on an as needed basis by helicopter or pick up truck.
 - No fuel will be stored at each individual drill site or access spur site except within the fuel tanks in the equipment.
- (3) Equipment
 - 2 Longyear Super 38 drills or equivalent
 - 1 Cat front end loader
 - 1 Cat bulldozer
 - 1 Cat grader
 - 2 rock trucks
 - 3 pickup trucks

Scope

Conduct mineral exploration activity consisting of 50 to 60 diamond drill holes located throughout the Prairie Creek Mine property.

Coordinates: 61°33'N & 124°48'W.

Principal Activities (related to scoping)

- | | | |
|---------------------------------------|---|--|
| <input type="checkbox"/> Construction | <input checked="" type="checkbox"/> Exploration | <input type="checkbox"/> Decommissioning |
| <input type="checkbox"/> Installation | <input type="checkbox"/> Industrial | <input type="checkbox"/> Abandonment |
| <input type="checkbox"/> Maintenance | <input type="checkbox"/> Recreation | <input type="checkbox"/> Aerial |
| <input type="checkbox"/> Expansion | <input type="checkbox"/> Municipal | <input type="checkbox"/> Harvesting |
| <input type="checkbox"/> Operation | <input type="checkbox"/> Quarry | <input type="checkbox"/> Camp |
| <input type="checkbox"/> Repair | <input type="checkbox"/> Linear / Corridor | <input type="checkbox"/> Scientific |
| <input type="checkbox"/> Research | | |
| <input type="checkbox"/> Water Intake | <input type="checkbox"/> Sewage | <input type="checkbox"/> Solid Waste |
| <input type="checkbox"/> Other: | | |

Principal Development Components (related to scoping)

- | | |
|---|--|
| <input type="checkbox"/> Access Road | <input type="checkbox"/> Waste Management |
| <input type="checkbox"/> construction | <input type="checkbox"/> disposal of hazardous waste |
| <input type="checkbox"/> abandonment/removal | <input checked="" type="checkbox"/> waste generation |
| <input type="checkbox"/> modification e.g., widening, straightening | <input type="checkbox"/> Sewage |
| <input type="checkbox"/> Automobile, Aircraft or Vessel Movement | <input checked="" type="checkbox"/> disposal of sewage |
| <input type="checkbox"/> Blasting | <input type="checkbox"/> Geoscientific Sampling |
| <input type="checkbox"/> Building | <input type="checkbox"/> trenching |
| <input type="checkbox"/> Burning | <input checked="" type="checkbox"/> diamond drill |
| <input type="checkbox"/> Burying | <input type="checkbox"/> borehole core sampling |
| <input type="checkbox"/> Channelling | <input type="checkbox"/> bulk soil sampling |
| <input type="checkbox"/> Cut and Fill | <input type="checkbox"/> Gravel |
| <input type="checkbox"/> Cutting of Trees or Removal of Vegetation | <input type="checkbox"/> Hydrological Testing |
| <input type="checkbox"/> Dams and Impoundments | <input type="checkbox"/> Site Restoration |
| <input type="checkbox"/> construction | <input type="checkbox"/> fertilization |
| <input type="checkbox"/> abandonment/removal | <input type="checkbox"/> grubbing |

- modification
- Ditch Construction
- Drainage Alteration
- Drilling other than Geoscientific
- Ecological Surveys
- Excavation
- Explosive Storage
- Fuel Storage
- Topsoil, Overburden or Soil
 - fill
 - disposal
 - removal
 - storage

- planting/seedling
- reforestation
- scarify
- spraying
- recontouring
- Slashing and removal of vegetation
- Soil Testing
- Stream Crossing/Bridging
- Tunneling/Underground
- Road repair and access spur construction

NTS Topographic Map Sheet Numbers
95F10

Latitude / Longitude:
61°33' N; 124°48' W

Nearest Community and Water Body:
Community: Nahanni Butte
Water Body: Prairie Creek

Land Status (consultation information)

- Free Hold / Private
- Commissioners Land
- Federal Crown Land
- Municipal Land

Transboundary Implications

- British Columbia
- Alberta
- Saskatchewan
- Yukon
- Nunavut
- Wood Buffalo National Park
- Inuvialuit Settlement Region

Type of Transboundary Implication: Impact / Effect Development

Public Concern
(DESCRIBE)

PHYSICAL - CHEMICAL EFFECTS

IMPACT

1. Ground Water

- water table alteration
- water quality changes

MITIGATION

Drilling may penetrate a confined aquifer, resulting in artesian flow and a lowered potentiometric surface. Requiring the proponent to plug and permanently seal all drill holes where artesian flow is encountered should mitigate these effects.

Improper handling of drill wastes, fuels and garbage may result in toxic leachate reaching ground water through recharge areas. Requiring the proponent to use techniques that limit the volume of these substances that come into contact with soil or water, and techniques that reduce spill response times should help mitigate these effects.

The techniques to be used include: the use of a recirculating drill; the burning of all combustible garbage in a forced-air fuel fired incinerator; the use of drip pans at fuel transfer locations; and having readily available spill plans and kits, and personnel trained in the use of the kits on site. All spills are to be reported to the Spill Line.

- infiltration changes
- other
- N/A

IMPACT

2. Surface Water

- flow or level changes
- water quality changes

MITIGATION

The use of a recirculating drill will help reduce the volume of water required during drilling. Since exact drilling locations are not known, water sources are not yet known.

Improper handling of drill wastes, sewage and fuel may result in these substances entering surface waters. Drill waste contamination should be minimized by requiring the proponent to use a recirculating drill and to deposit all cuttings in a land based sump at least 100 m above the high water mark of any water body/course.

Sewage and greywater is to be deposited in the existing exfiltration sump on site which is currently permitted under MV2001C0022.

Hydrocarbon contamination should be minimized by locating fuel caches at least 100 m above the high water mark of a water body/course; by ensuring that all equipment crossing creeks is free of visible hydrocarbon residue; by checking the fuel containers every week for leaks; by having spill kits readily available at all drill and spur construction sites; and by using drip pans when refuelling equipment. The main fuel storage facility already permitted for use is fully bermed.

Using sumps will limit the aerial extent of possible contaminant source areas.

Sediments may enter water bodies/ courses through erosion of banks and hill slopes. To reduce erosion potential stream banks should not be cut; stream beds should not be used as access routes, erosion control structures should be installed where needed; and all disturbed areas should be recontoured/restabilized to conform to local topography.

- water quantity changes
- Drainage pattern changes
- temperature
- wetland changes / loss
- other:
- N/A

IMPACT
3. Noise

- noise in/near water
- other: noise increase
- N/A

MITIGATION

All equipment to be used will generate noise. No mitigation but impact should be for short, intermittent periods of time.

IMPACT
4. Land

- geologic structure changes
- soil contamination
- buffer zone loss
- soil compaction & settling
- Destabilization / erosion
- permafrost regime alteration
- other: explosives/scarring
- N/A

MITIGATION

Fuel and chemical spills could contaminate soils. Having spill kits and spill contingencies in place, as well as training personnel to respond to such events, will speed up response times. This should help reduce the impacts of any spills.

Constructing new access spurs and drill pads may cause soil compaction in currently undisturbed areas. These effects will be minimized by using, wherever possible, the existing tote roads, drill pads, campsite and main fuel tank farm facility.

Drilling and operating equipment near or in streams may cause bank erosion and destabilization. To reduce erosion potential, stream banks should not be cut; stream beds should not be used as access routes; drilling and trail construction should be well above the high water mark of any water body/course; erosion control structures should be installed where needed; and all disturbed areas should be recontoured/restabilized to conform to local topography.

IMPACT
5. Non Renewable
Natural Resources

- resource depletion

MITIGATION

No resources will be depleted during this operation but reviewers have stated concerns that this exploration may lead to mining of the mineral resources.

other:

N/A

IMPACT

6. Air/Climate/
Atmosphere

MITIGATION

Other

Standard filters on the equipment will reduce emissions but overall no mitigation.

N/A

BIOLOGICAL ENVIRONMENT

IMPACT

1. Vegetation

MITIGATION

species composition

species introduction

The equipment has been only used at the Prairie Creek Mine site for a number of years; therefore, the probability of introducing new plant species to the site is low.

toxin / heavy accumulation

other: foliage damage

Fuel and chemical spills could damage plant foliage. Having spill kits and spill contingencies in place, as well as training personnel to respond to such events, will speed up response times and minimize any impacts.

All vegetation will be removed at the new access spur sites and possibly at the drill sites. No mitigation unless the disturbed areas are revegetated (naturally or by human effort). An A&R plan for LUP MV2001C0023 is currently being reviewed that will address these issues because the A&R Plan has to take into account the entire mine site.

N/A

IMPACT

2. Wildlife & Fish

MITIGATION

effects on rare, threatened or endangered species

Reviewers have identified that the Prairie Creek watershed is important habitat for Grizzlies (listed as Special Concern under the *Species at Risk Act*) and Bull Trout (on COWSEWIC's Highest Priority Candidate List).

Disturbance to these species can only be minimized, not fully prevented but it should only be for a short period of time.

fish population changes

Spawning grounds can be protected by prohibiting the use of steam beds as access routes and by requiring that access routes be constructed at least 30 metres from any stream, and by prohibiting drilling within 100 metres of the high water mark of any stream.

Covering all water in-takes with mesh will prevent the entrainment of fish.

waterfowl population changes

breeding disturbance

population reduction

species diversity change

health changes (Identify)

behavioural changes

Wildlife may avoid the area during times of operation because of the noise and/or smells (exhaust, chemicals). No mitigation.

habitat changes / effects

Parks Canada is concerned that this development will fragment continuous habitat areas. No mitigation but for the most part currently existing infrastructure will be used; therefore, further fragmentation of the landscape should be minimal.

The number and total area of new access spurs and drill pads that have to be constructed are unknown.

- game species effects
- toxins / heavy metals
- forestry changes
- agricultural changes
- other:

N/A
INTERACTING ENVIRONMENT

IMPACT
 1. **Habitat and Communities**

MITIGATION

- predator-prey

Improper garbage handling may attract numerous predators to the area which will increase the pressure on prey species. Storing garbage in bear proof containers and burning garbage regularly will help mitigate this effect.

- wildlife habitat / ecosystem
- Composition changes
- reduction / removal of keystone or endangered species
- removal of wildlife corridor or buffer zone
- other:
- N/A

IMPACT
 2. **Social and Economic**

MITIGATION

- planning / zoning changes or conflicts
- increase in urban facilities or services use
- rental house
- airport operations / capacity changes
- human health hazard

- impair the recreational use of water or aesthetic quality

Reviewers and the public have raised concerns that development in the Prairie Creek watershed destroys the pristine nature of the whole South Nahanni Watershed, the location of the Nahanni National Park Reserve.

Canadian Zinc Corporation is in good standing with the Recorder's Office and has the legal right to work the claims and leases listed in the application.

- affect water use for other purposes
- affect other land use operations

quality of life changes

public concern

There is much concern regarding the cumulative effects of this operation on the downstream environment, including the Nahanni National Park Reserve, and the Prairie Creek watershed as a whole. More in-depth studies may be needed to determine these cumulative effects.

other:

N/A

IMPACT

3. Cultural and Heritage

MITIGATION

effects to historic property

increased economic pressure on historic properties

change to or loss of historic resources

change to or loss of archaeological resources

increased pressure on archaeological sites

change to or loss of aesthetically important site

effects to aboriginal lifestyle

other:

The area covered by two of Canadian Zinc's Mining Leases (2931 and 2854) was withdrawn under the Deh Cho Interim Measures Agreement, and as reported by Parks Canada, these lands are being considered for the expansion of the Nahanni National Park Reserve. These Leases were recorded prior to the withdrawal; therefore, Canadian Zinc has the legal right to work these leases.

N/A

NOTES:

Consultation

- Pursuant to Section 27 Subsections (a) and (b) of the Deh Cho First Nations (DCFN) Interim Measures Agreement, the MVLWB determined that written notice was given to the DCFN and that a reasonable period of time was allowed for DCFN to make representations with respect to the application.

PRELIMINARY SCREENER / REFERRING BODY INFORMATION

| | RA or DRA | ADVICE | PERMIT REQUIRED |
|---|--------------------------|-------------------------------------|--------------------------|
| <u>Federal/Territorial</u> | | | |
| Environment Canada | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Fisheries and Oceans | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Indian and Northern Affairs Canada | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Canadian Heritage (Parks Canada) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| National Energy Board | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Natural Resources Canada | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Public Works and Gov't Services | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Transport Canada | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Northern Oil and Gas Directorate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Canadian Nuclear Safety | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Industry Canada | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Canadian Transportation Agency | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| National Defence | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| GNWT - RWED | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| GNWT - MACA | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| GNWT - Transportation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| GNWT - Health | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Prince of Wales Heritage Center | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| MVEIRB | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <u>Other</u> | | | |
| Canadian Parks and Wilderness Society | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Terra Firma Consultants | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <u>Aboriginal / First Nations -Deh Cho</u> | | | |
| Deh Cho First Nations | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Liidlii Kue First Nation (Ft Simpson) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Deh Gah Goh'e Dene Council (Ft Prov.) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Acho Dene Koe First Nation (Fort Liard) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Nahanni Butte First Nation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Pehdzeh Ki First Nation (Wrigley) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| T'hadzehK'adeli First Nation (JMR) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Ka'a'gee Tu First Nation (Kakisa) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Sambaa K'e Dene Band (Trout Lake) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| K'atlodeeche First Nation (Hay River) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| West Point First Nations (Hay River) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Hamlet of Fort Providence | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Hamlet of Fort Liard | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Village of Fort Simpson | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Town of Hay River | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Enterprise Settlement Corporation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Dene Nation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Hay River Metis Nation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Hay River Metis Council | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Fort Liard Metis Local #67 | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Fort Providence Metis Council | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Fort Simpson Metis Local #52 | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Northwest Territory Metis Nation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Nahandeh Land and Environmental Services | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Development Corporation Manger, Sambaa K'e | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Research Cons., Sambaa K'e | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Mandell Pinder, Barristers & Solicitors, Ka'a'gee Tu First Nation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <u>North Slave</u> | | | |
| Dogrib Treaty 11 Council | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Dogrib Rae Band | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| W'ha Ti First Nation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Dechi Laot'l Council (Wekweti) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Gamefi First Nation (Rae Lakes) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lutselk'a Dana First Nation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Yellowknives Dene First Nation (Ndilo) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Yellowknives Dene First Nation (Deltah) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Rea-Edzo Metis Local #64 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| North Slave Metis Alliance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Hamlet of Rae Edzo | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Charter Community of W'ha Ti | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| City of Yellowknife | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

REASONS FOR DECISION

DECISION:

The Mackenzie Valley Land and Water Board (The Board) is satisfied that the preliminary screening of application MV2001C0022, Canadian Zinc Corporation, Amendment request has been completed in accordance with Section 125 of the Mackenzie Valley Resource Management Act.

The Board is satisfied that a reasonable period of notice was given to Communities and First Nations affected by the application as required by Subsection 63(2) of the MVRMA so that they could provide comments to the Board.

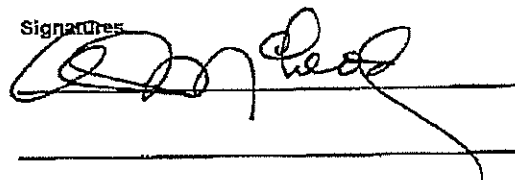
Having reviewed all relevant evidence on the Public Registry, including the submissions of the Applicant, the written comments received by the Board and any staff reports prepared for the Board, the Board has decided that in its opinion that there is significant public concern regarding the proposed development.

As a result, the Board, having due regard to the facts and circumstances, the merits of the submissions made to it, and to the purpose, scope and intent of the Mackenzie Valley Resource Management Act and the Mackenzie Valley Land Use Regulations has decided that this Land Use Permit be referred to the MVEIRB for Environmental Assessment.

| PRELIMINARY SCREENING DECISION | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Outside Local Government Boundaries |
| <input type="checkbox"/> | The development proposal might have a significant adverse impact on the environment, refer it to the EIRB. |
| <input checked="" type="checkbox"/> | Proceed with regulatory process and/or implementation. |
| <input checked="" type="checkbox"/> | The development proposal might have public concern, refer it to the EIRB. |
| <input type="checkbox"/> | Proceed with regulatory process and/or implementation. |
| <input type="checkbox"/> | Wholly within Local Government Boundaries |
| <input type="checkbox"/> | The development proposal is likely to have a significant adverse impact on air, water or renewable resources, refer it to the EIRB. |
| <input type="checkbox"/> | Proceed with regulatory process and/or implementation. |
| <input type="checkbox"/> | The development proposal might have public concern, refer it to the EIRB. |
| <input type="checkbox"/> | Proceed with regulatory process and/or implementation. |

Preliminary Screening Organization
Mackenzie Valley Land and Water Board

June 1, 2004

Signatures


EA 0307-000

DM#

Assdy
by RB.



REF#
Mackenzie Valley Land and Water Board
7th Floor - 4910 50th Avenue • P.O. Box 2130
YELLOWKNIFE, NT X1A 2P6
Phone (867) 669-0506 • FAX (867) 873-6610

ZB
Z6b

~~SB~~

May 11, 2006

File: MV2004C0030

Mr. Alan Taylor
Canadian Zinc Corporation
Suite 1710, 650 West Georgia Street
PO Box 11644
VANCOUVER, BC V6B 4N9

Fax: (604) 688-2043

Dear Mr. Taylor:

ISSUANCE OF A TYPE "A" LAND USE PERMIT – Phase 3 Drill Program

Attached is Land Use Permit MV2004C0030 granted by the Mackenzie Valley Land and Water Board (MVLWB) in accordance with the *Mackenzie Valley Resource Management Act*. A copy of this Permit has been filed in the Public Registry at the office of the MVLWB. The MVLWB approved Land Use Permit MV2004C0030 for a period of five (5) years commencing May 11, 2006 and expiring May 10, 2011.

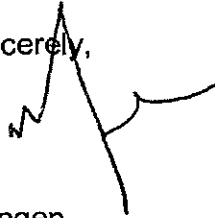
The reestablishment of existing roads and construction of new spur roads are within the scope of the Permit. However, Canadian Zinc Corporation should be aware that the *Northwest Territories Waters Act* and the *Northwest Territories Waters Regulations (NWTWR)*, which are attached for your reference, still apply. If activities undertaken as part of the reestablishment or construction of roads exceed the thresholds outlined in the schedules attached to the NWTWR, Canadian Zinc Corporation will be required to submit an application to the MVLWB for a water licence.

Please read all conditions carefully and note that as per Land Use Permit Condition 56, a security deposit in the amount of \$75,000.00 shall be posted with the Minister and copied to the Board prior to the start of the operation pursuant to section 32 of the *Mackenzie Valley Land Use Regulations*. Please submit payment of the security, made out to the Receiver General of Canada, to the MVLWB office.

Please be advised that this letter, with attached procedures, all inspection reports, and correspondence related thereto, are part of the Public Registry, and are intended to keep all interested parties informed of the manner in which the Permit requirements are being met. All Public Registry material will be considered if an amendment to the Permit is requested.

The full cooperation of Canadian Zinc Corporation is anticipated and appreciated.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Willard Hagen', written over the closing 'Yours sincerely,'.

Willard Hagen
Interim Chair

Attachments

Copied to: Distribution List



LAND USE PERMIT

| | | |
|--------------|-------------|--------------|
| Permit Class | Permit No | Amendment No |
| A | MV2004C0030 | |

Subject to the Mackenzie Valley Land Use Regulations and the terms and conditions in this Permit, authority is hereby granted to:

Canadian Zinc Corporation

Permittee

To proceed with the land use operation described in application of:

| | |
|---|------------------------|
| Signature Alan Taylor | Date April 23, 2004 |
| Type of Land use Operation Mineral Exploration | |
| Location Prairie Creek Properties | |

This permit may be assigned, extended, discontinued, suspended or cancelled pursuant to the Mackenzie Valley Land Use Regulations.

Dated Yellowknife this 11 day of May, 2006
at _____

Signature Chair

Signature Witness

Commencement Date

May 11, 2006

Expiry Date

May 10, 2011

NOTE

IT IS A CONDITION OF THIS PERMIT THAT THE PERMITTEE COMPLY WITH ANY OTHER APPLICABLE ACT, REGULATION, ORDINANCE BY-LAW OR ORDER. DEFAULT HEREOF MAY RESULT IN SUSPENSION OR CANCELLATION OF THIS PERMIT.

**CONDITIONS ANNEXED TO AND FORMING PART
OF LAND USE PERMIT NUMBER MV2004C0030**

Part A: Scope of Land Use Permit

1. This Land Use Permit entitles Canadian Zinc Corporation (the Permittee) to conduct mineral exploration and associated activities on their Prairie Creek properties (61° 33' N and 124° 48' W) as summarized below:
 - a) diamond drilling at up to 60 sites using ground and helicopter transported rigs;
 - b) storage of fuel;
 - c) use of an existing camp;
 - d) re-establishment of an existing road network;
 - e) construction of new spur roads and helicopter and drill pads;
 - f) clearing of vegetation;
 - g) transportation of equipment and supplies to and from the Prairie Creek Mine site and drilling locations; and
 - h) reclamation activities.
2. This Land Use Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area identified in part A, item 1 of this Land Use Permit.
3. Compliance with the terms and conditions of this Land Use Permit does not absolve the Permittee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.

Part B: Definitions

“**Board**” means the Mackenzie Valley Land and Water Board established under part 4 of the *Mackenzie Valley Resource Management Act*;

“**Drill Waste**” means all materials or chemicals, solid or liquid, associated with the drilling of boreholes and includes borehole cuttings;

“**Inspector**” means an **Inspector** designated by the Minister under the *Mackenzie Valley Resource Management Act*;

“**Sewage**” means all toilet wastes and grey water;

“**Sump(s)**” is a pit, trench, hollow or cavity excavated in the earth's surface for the purpose of depositing waste material therein; and

“**Watercourse**” means **Watercourse** as defined in the Mackenzie Valley Land Use Regulations.

Part C: Conditions Applying to All Activities (the headings correspond to subsection 26 of the Mackenzie Valley Land Use Regulations)

26(1)(a) LOCATION AND AREA

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| 1. | The Permittee shall not conduct this land use operation on any lands not identified in the Developer's Assessment Report, May 2005. | PLANS |
| 2. | The Permittee shall not construct drill sites within one hundred (100) metres of the ordinary high water mark of any Watercourse , unless otherwise authorized by an Inspector . | LOCATION OF ADITS AND DRILLSITES |
| 3. | The Permittee shall use existing camp facilities only. | CAMP LOCATION |
| 4. | When the Permittee is drilling within one hundred (100) metres of the ordinary high water mark of any Watercourse , they must employ a recirculating drill and ensure that Drill Waste does not enter any Watercourse . | LOCATION OF DRILLSITES |
| 5. | The Permittee shall not construct parallel lines or roads unless authorized by an Inspector . | PARALLEL ROADS |
| 6. | Any spur roads constructed as part of the permitted undertakings shall: (a) be no more than one hundred (100) metres in length; and (b) be located at least 30 metres from any Watercourse , except at stream crossings, unless otherwise authorized by an Inspector . | SPUR ROADS |
| 7. | The Permittee shall use Harrison Creek road to access drill sites near Casket Creek. Use of the road parallel to Casket Creek is prohibited. | HARRISON CREEK ROAD |
| 8. | The Permittee shall use the Little Quartz road network to access zones 8 and 9. Use of the Big Quartz road is prohibited. | LITTLE QUARTZ ROAD |
| 9. | The Permittee shall relocate Galena Creek road such that the number of water crossings are reduced from three to one. This work shall be completed prior to the movement of machinery along Galena Creek road, except for initial access to relocate the road. | GALENA CREEK ROAD |

26(1)(b) TIME

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| 10. | The Permittee's Field Supervisor shall contact an Inspector at (867) 695-2627 and the Board at (867) 669-0506 at least forty-eight (48) hours prior to the commencement of this land use operation. | CONTACT INSPECTOR/ BOARD |
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| <p>11. The Permittee shall advise an Inspector at least ten (10) days prior to the end of each drilling season of:</p> <p>(a) the plan for removal or storage of equipment and materials; and</p> <p>(b) the plan for any clean up or stabilization of the lands that will take place.</p> | <p>SEASONAL REPORTS BEFORE REMOVAL</p> |
| <p>12. The Permittee shall advise an Inspector at least ten (10) days prior to the final completion of the land use operation of:</p> <p>(a) the plan for removal or storage of equipment and materials; and</p> <p>(b) when final clean-up and restoration of the land used will be completed.</p> | <p>FINAL REPORT BEFORE REMOVAL</p> |
| <p>13. The Permittee shall provide the following information in writing to the Board and Inspector, at least forty-eight (48) hours prior to commencement of this land use operation:</p> <p>(a) person(s) in charge of the field operation to whom notices, orders, and reports may be served;</p> <p>(b) alternates; and</p> <p>(c) all methods for contacting the above person(s).</p> | <p>IDENTIFY AGENT</p> |
| <p>14. The Permittee shall submit to the Inspector and the Board every 30 days during active operations a progress report detailing on a 1:10,000 scale map the following information:</p> <p>(a) sites drilled and sites to be drilled within the next reporting period of 30 days;</p> <p>(b) water supply locations for past 30 days and water supply locations for the next reporting period of 30 days; and</p> <p>(c) temporary fuel cache locations for past 30 days and temporary fuel cache locations for the next reporting period of 30 days.</p> | <p>PROGRESS</p> |
| <p>15. The Permittee shall not cross any Watercourse during the period of August 16 to June 14 of any year, unless otherwise authorized by an Inspector. Water crossings shall only occur in areas of clean cobble.</p> | <p>SHUT DOWN PERIOD FOR STREAM FORDING</p> |
| <p>16. The Board and/or the Inspector reserve the right to impose closure of any area to the Permittee in periods when dangers to natural resources are severe.</p> | <p>CLOSURE</p> |
| <p>26(1)(c) TYPE AND SIZE OF EQUIPMENT</p> | |
| <p>17. The Permittee shall only use equipment identified in the accepted application or in the Detailed Project Description, December 2004.</p> | <p>ONLY APPROVED EQUIPMENT</p> |

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| 18. | The Permittee shall ensure a wildlife-proof garbage container is on site at all times. | GARBAGE CONTAINER |
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26(1)(d) METHODS AND TECHNIQUES

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| 19. | The Permittee shall plug all boreholes as the land use operation progresses. | PLUG HOLES |
| 20. | The Permittee shall not clear areas larger than identified in the Developer's Assessment Report, May 2005. | MINIMIZE AREA CLEARED |
| 21. | The Permittee shall remove or cut off and seal all drill casings at ground level immediately upon completion of drilling. | REMOVAL AND SEALING OF DRILL CASINGS |

26(1)(e) TYPE, LOCATION, CAPACITY AND OPERATION OF ALL FACILITIES

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| 22. | The Permittee shall locate all Sumps : (a) at least one hundred (100) metres above the ordinary high water mark of any Watercourse , unless otherwise authorized by an Inspector ; and (b) in a such a manner as to prevent the contents of the Sumps from entering any Watercourse . | SUMPS FROM WATER |
| 23. | The Permittee shall place and mound all material previously excavated over the Sump area to ensure ponding does not occur. | BACKFILL SUMP |
| 24. | The Permittee shall ensure that the land use area is kept clean at all times. | CLEAN WORK AREA |

26(1)(f) CONTROL OR PREVENTION OF PONDING OF WATER, FLOODING, EROSION, SLIDES AND SUBSIDENCE OF LAND

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| 25. | The Permittee shall, where flowing water from bore holes is encountered: (a) plug the bore hole in such a manner as to permanently prevent any further outflow of water; and (b) report the occurrence to an Inspector immediately. | PLUG ARTESIAN WELLS |
| 26. | Sediment/soil stockpiles shall be located above the ordinary high water mark, and stored, sloped and contained such that sediment does not enter any Watercourse . | WASTE MATERIAL PILES |
| 27. | The land use operation shall not cause obstruction to any natural drainage. | NATURAL DRAINAGE |
| 28. | The Permittee shall not cut any stream bank. | STREAM BANKS |

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| 29. | The Permittee shall not use the bed of streams for access routes except for the purpose of crossing the streams. | STREAM BEDS – ACCESS |
| 30. | The Permittee shall construct dykes and diversion ditches as authorized by an Inspector . | DYKES/ DIVERSION |
| 31. | The Permittee shall implement sedimentation and erosion control measures as the land use operation progresses to prevent the entry of sediment into any Watercourse . Sedimentation and erosion control measures shall be inspected regularly and shall be repaired if damaged, or adjusted to maximize effectiveness in controlling erosion and sedimentation. | SEDIMENTATION AND EROSION CONTROL |
| 32. | The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface. | PREVENTION OF RUTTING |
| 26(1)(g) USE, STORAGE, HANDLING AND ULTIMATE DISPOSAL OF ANY CHEMICAL OR TOXIC MATERIAL | | |
| 33. | The Permittee shall not use chemicals in connection with the land use operation that were not identified in the accepted application or the Detailed Project Description, December 2004. | APPROVAL OF CHEMICALS |
| 34. | The Permittee shall use drip pans, or other similar preventative measures, when refuelling equipment on site. | DRIP PANS |
| 35. | The Permittee shall ensure that all Drill Waste is disposed of in such a manner that does not allow any harmful substances to enter any Watercourse . | DRILL WASTE DISPOSAL |
| 36. | The Permittee shall dispose of Drill Waste in Sumps or in portable, impermeable containers such that Drill Waste does not enter any Watercourse . | DRILL WASTE DISPOSAL |
| 37. | The Permittee shall contain any Drill Waste containing toxic or persistent chemical additives and remove that Drill Waste to an approved disposal facility. These activities shall be done in a manner acceptable to an Inspector . | DRILL WASTE DISPOSAL |
| 38. | The Permittee shall clean equipment and machinery as follows: (a) equipment and machinery shall be steam cleaned prior to crossing Prairie Creek south at Galena Creek; and (b) equipment and machinery shall be manually cleaned prior to crossing Prairie Creek north at Galena Creek. | CLEAN EQUIPMENT |
| 39. | The Permittee shall deposit all wastes produced by steam cleaning equipment and machinery in the impermeable Sump located at the fuelling station. Any wastes collected in this Sump shall be separated and cleaned in a manner acceptable to an Inspector . | CLEAN EQUIPMENT |

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| 40. | The Permittee shall ensure that all waste or debris manually cleaned from equipment and machinery do not spread to surrounding lands or to any Watercourse . | CLEAN EQUIPMENT |
| 41. | The Permittee shall report all spills immediately to the 24 hour Spill Report Line (867) 920-8130, which is in accordance with instructions contained in "Spill Report" form N.W.T. 1752/0593. | REPORT CHEMICAL AND PETROLEUM SPILLS |

26(1)(h) WILDLIFE AND FISHERIES HABITAT

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| 42. | The Permittee shall <i>minimize damage to wildlife and fish habitat</i> in conducting this land use operation. | HABITAT DAMAGE |
| 43. | The Permittee shall not obstruct the movement of fish while conducting this land use operation. | FREE FISH MOVEMENT |
| 44. | The Permittee shall construct and maintain the water intake using the DFO recommended 2.54 mm fine mesh size to prevent entrainment of fish. Other dimensions must follow DFO's <i>Freshwater Intake End-of-Pipe Fish Screen Guidelines</i> . | PREVENT ENTRAINMENT |
| 45. | The Permittee shall minimize disturbance to and contact with caribou, migratory birds or their nesting areas, Peregrine Falcon (<i>anatum</i>), Yellow Rail, Short-eared Owl, and western toad. | SPECIES AT RISK |

26(1)(i) STORAGE, HANDLING AND DISPOSAL OF REFUSE OR SEWAGE

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| 46. | The Permittee shall dispose of all Sewage as described in the Detailed Project Description, December 2004. | SEWAGE DISPOSAL |
| 47. | The Permittee shall <i>burn</i> all combustible garbage and debris, except plastics, daily, in a fuel-fired incinerator acceptable to an Inspector . | INCINERATION |
| 48. | The Permittee shall: (a) ensure that food and camp wastes remain inaccessible to wildlife at all times; and (b) use food handling and garbage disposal procedures that do not attract wildlife, including bears. | WILDLIFE / HUMAN CONFLICT |
| 49. | The Permittee shall ensure that all hazardous wastes, including <i>waste oil not used to power the incinerator</i> , receive proper treatment and disposal at an approved facility. | HAZARDOUS WASTE DISPOSAL |
| 50. | The Permittee shall dispose of all plastics and non-combustible solid garbage and debris such as scrap metal, wood and rubber at a disposal site or facility acceptable to an Inspector . | SOLID WASTE DISPOSAL |

26(1)(j) PROTECTION OF HISTORICAL, ARCHAEOLOGICAL AND BURIAL SITES

51. The Permittee shall not operate any vehicle within thirty (30) metres of a known or suspected archaeological site. OPERATE VEHICLE
52. The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site. DISTURBANCE OF SITE
53. The Permittee shall immediately cease any activity which disturbs an archaeological, historical, and/or burial site and contact the Board at (867) 669-0506 should an archaeological site or specimen be encountered or disturbed by any land use activity. CONTACTS
54. The Permittee shall ensure that all persons working under authority of this Land Use Permit are aware of these conditions concerning archaeological land use activity. NOTIFICATION TO EMPLOYEES

26(1)(k) OBJECTS AND PLACES OF RECREATIONAL, SCENIC AND ECOLOGICAL VALUE

55. The Permittee shall not feed wildlife. NO FEEDING WILDLIFE

26(1)(l) SECURITY DEPOSIT

56. The Permittee shall post with the Minister a security deposit in the amount of \$75,000 pursuant to section 32 of the Mackenzie Valley Land Use Regulations. SECURITY DEPOSIT
57. The Permittee shall be liable for any cost of damages over and above the amount of the security deposit. LIABILITY FOR DAMAGES
58. All costs to remediate the area under this Land Use Permit are the responsibility of the Permittee. RESPONSIBILITY FOR REMEDIATION COSTS

26(1)(m) FUEL STORAGE

59. The Permittee shall locate all temporary fuel caches: FUEL BY STREAM
- (a) at least one hundred (100) metres above the ordinary high water mark of any **Watercourse**, unless otherwise authorized by an **Inspector**; and
 - (b) in such a manner as to prevent any fuel from entering any **Watercourse**.
60. The Permittee shall not allow petroleum products to spread to surrounding lands or into any **Watercourse**. FUEL CONTAINMENT

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| 61. | The Permittee shall: (a) examine all fuel storage containers for leaks a minimum of once every day; and (b) repair all leaks immediately. | CHECK FOR LEAKS |
| 62. | The Permittee shall seal all fuel and chemical container outlets except the outlet currently in use. | SEAL OUTLET |
| 63. | The Permittee shall ensure that all fuel caches have adequate secondary containment with an impervious liner acceptable to an Inspector . | FUEL CACHE SECONDARY CONTAINMENT |
| 64. | The Permittee shall line all Sumps dug to contain fuel-fed pumps with an impervious liner as approved by an Inspector . | SUMP LINING |
| 65. | The Permittee shall submit to the Board for approval within ninety (90) days of the issuance of this Land Use Permit, an updated Spill Contingency Plan. The Spill Contingency Plan shall be reviewed annually and revised to reflect any changes in operation or technology. Any revisions shall be submitted to the Board for approval. | SPILL CONTINGENCY PLAN |
| 66. | The Permittee shall consistently maintain and have readily available spill kits, including shovels, barrels, sorbents, pumps, etc., at the site of operations at all times. | SPILL KITS |
| 67. | The Permittee may use the existing fuel in the tanks located within the main Tank Farm Facility located at the mine site but shall not add any new fuel to any of the tanks until the repairs listed in the letter from the Board to the Permittee dated January 11, 2006 under Water Licence MV2001L2-0003 are carried out. | USE OF DIESEL FUEL |

26(1)(n) METHODS AND TECHNIQUES FOR DEBRIS AND BRUSH DISPOSAL

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| 68. | The Permittee shall dispose of all debris and brush by windrowing. All windrows of brush and debris shall be made to lie flat and compact by bucking the material into suitable lengths, lopping the branches from the stem, or crushing with heavy machinery, unless otherwise authorized by an Inspector . | BRUSH DISPOSAL |
| 69. | The Permittee shall progressively complete disposal of all debris and brush in a manner acceptable to an Inspector . | PROGRESSIVE BRUSH DISPOSAL |

26(1)(o) RESTORATION OF THE LANDS

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| 70. | The Permittee shall backfill and restore all Sumps progressively as operations proceed. | PROGRESSIVE SUMP RESTORATION |
| 71. | The Permittee shall save the organic and top soils stripped from the excavation area and place the organic and top soils over the disturbed area prior to the expiry date of this Land Use Permit. | SAVE AND PLACE ORGANIC SOIL |
| 72. | The Permittee shall commence and foster revegetation on the land used, as detailed within the "Reasons for Decision and Report of Environmental Assessment EA0405-002", within one (1) year of the completion of the land use operation. | RE-ESTABLISH VEGETATION |
| 73. | The Permittee shall complete all reclamation or stabilization of any lands used, including roads and drill pads constructed or used as part of the permitted undertakings, prior to the expiry date of this Land Use Permit in a manner acceptable to an Inspector . | CLEAN-UP |

26(1)(p) DISPLAY OF PERMITS AND PERMIT NUMBERS

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|-----|---|----------------|
| 74. | The Permittee shall display a copy of this Land Use Permit in the camp used to carry out this land use operation. | DISPLAY PERMIT |
| 75. | The Permittee shall keep on hand, at all times during this land use operation, a copy of the Land Use Permit. | COPY OF PERMIT |

26(1)(q) MATTERS NOT INCONSISTENT WITH THE REGULATIONS

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| 76. | The Permittee shall ensure that all persons working under the authority of the Land Use Permit are aware of and are appropriately trained to implement the conditions of this Land Use Permit and the Permittee's commitments made during the environmental assessment. | NOTIFICATION TO ALL EMPLOYEES/ CONTRACTORS |
| 77. | In order to address any cumulative effects related to the permitted undertakings, the Permittee shall make every reasonable effort to employ a local person, selected in consultation with the Dehcho First Nations, as a community environmental monitor who will independently report back to the Dehcho First Nations. | COMMUNITY MONITOR |

78. The Permittee shall submit to the **Board** an Annual Report by March 31 of the year following the calendar year being reported detailing the ongoing fulfillment of each of its commitments summarized under section 2.2.3 in the Report of Environmental Assessment, EA0405-002. Accompanying the Annual Reports shall be:
- (a) results of any work undertaken related to the wildlife and vegetation survey;
 - (b) results of any work undertaken to develop a native seed mix;
 - (c) wildlife sighting log; and
 - (d) any plans or reports related to the commitments completed or updated over the course of the year.

SCHEDULE IV
(Sections 5 and 8)

LICENSING CRITERIA FOR INDUSTRIAL UNDERTAKINGS

| Item | Column I Water Use/ Deposit of Waste | Column II Water Use and Deposit of Waste Permitted Without a Licence | Column III Water Use and Deposit of Waste Requiring a Type "B" Licence | Column IV Water Use and Deposit of Waste Requiring a Type "A" Licence |
|------|---|---|---|---|
| 1. | Direct water use in respect of (a) oil and gas exploration; and (b) any other industrial undertaking | Use of less than 100 m ³ per day* Use of less than 100 m ³ per day* | Use of 100 or more cubic metres per day* Use of 100 or more cubic metres per day and less than 300 cubic metres per day* | None Use of 300 or more cubic metres per day* |
| 2. | (1) Watercourse crossings, including pipelines, bridges and roads (2) Watercourse training, including channel and bank alterations, culverts, spurs, erosion control, and artificial accretion (3) Flood Control (4) Diversions (5) Alteration of flow or storage by means of dams or dikes. | Construction of a structure across a watercourse less than 5 metres wide at ordinary high water mark at point of construction Training (a) of intermittent watercourses, (b) of watercourses that are less than 5 m wide at the ordinary high water mark at the point of training, (c) involving infilling of a watercourse with no inflow or outflow and with a surface area of less than 0.5 ha, or (d) involving removal or placement of less than 100 m ³ of material, where cross-sectional area not significantly changed at point of removal or placement Construction of a temporary structure Diversion of a watercourse that is less than 2 m wide at ordinary high water mark at point of diversion Off-stream storage of a quantity of water less than or equal to 2 500 m ³ | Construction of a structure across a watercourse 5 or more metres wide at ordinary high water mark at point of construction All other watercourse training Construction of a permanent in- stream structure All other diversions Off-stream storage of a quantity of water greater than 2 500 m ³ and less than 60 000 m ³ , or instream storage of a quantity of water less than 60 000 m ³ | None None All other alterations or storage |
| 3. | Deposit of waste in conjunction with (a) oil and gas exploration, (b) oil and gas production, processing and refining, (c) quarrying and gravel washing, (d) hydrostatic testing, (e) cooling, or (f) other industrial undertakings | None None Deposit of waste in conjunction with quarrying above ordinary high water mark where there is no direct or indirect deposit of waste to surface water Any deposit of waste associated with cleaning or testing of previously unused storage tanks or pipelines Any deposit of waste that does not contain biocides or conditioners None | Deposit of drill waste to a sump None Deposit of waste in conjunction with quarrying below ordinary high water mark or deposit of waste in conjunction with quarrying above ordinary high water mark where there is a direct or indirect deposit of waste to surface water Any deposit of waste associated with cleaning or testing of used storage tanks or pipelines Any deposit of biocides or conditioners All | Deposit of drill waste in a manner other than to a sump All deposits of waste None None None None |

* Does not include water taken from an artificial reservoir with no natural inflow.

DISTRIBUTION LIST by Fax

DEHCHO/ SOUTH SLAVE AREA

FIRST NATIONS

| | | | |
|----------------------------|---|----|--------------------------|
| Chief Fred Norwegian | TthedzehK'edeli First Nation (JMR) | | 867-809-2002 or 809-2071 |
| Chief Berna Landry | Deh Gah Got'ie Dene Council (Ft Prov.) | | 867-699-3134 |
| Chief Karen Felker | West Point First Nation (Hay River) | 19 | 867-874-2486 |
| Chief Roy Fabian | K'atlodeeche First Nation (Hay River) | 20 | 867-874-3229 |
| Chief Lloyd Chicot | Ka'a'gee Tu First Nation (Kakisa) | 21 | 867-825-2002 |
| Chief Gabe Hardisty | Pehdzeh Ki First Nation (Wrigley) | 23 | 867-581-3229 |
| Chief Keyna Norwegian | Liidlii Kue First Nation (Ft Simpson) | 25 | 867-695-2665 |
| Grand Chief Herb Norwegian | Dehcho First Nations | 35 | 867-695-2038 |
| Chief Eric Betsaka | Nahanni Butte First Nation | 36 | 867-602-2910 |
| Chief Harry Deneron | Acho Dene Koe First Nation (Fort Liard) | 37 | 867-770-4144 |
| Chief Dennis Deneron | Sambaa K'e Dene Band (Trout Lake) | 38 | 867-206-2828 |

COMMUNITIES

| | | | |
|--------------------------|-----------------------------------|----|--------------|
| Mayor Diana Ehman | Town of Hay River | 16 | 867-874-3237 |
| Mayor Raymond Michaud | Village of Fort Simpson | 17 | 867-695-2005 |
| Mayor Maggie Levavasseur | Hamlet of Fort Providence | 18 | 867-699-3360 |
| Mayor Winnie Cadieux | Enterprise Settlement Corporation | 24 | 867-984-3400 |
| Mayor Diane Gonet | Hamlet of Fort Liard | 39 | 867-770-4004 |

ABORIGINAL ORGANIZATIONS

| | | | |
|---------------------------|---|----|--------------|
| Laura Pitkanen | Dehcho Representative | | 705-756-4466 |
| President Dana Cross | Hay River Métis Nation | | 867-874-6888 |
| President Danny Beck | Hay River Métis Council | | 867-874-4472 |
| President Marie Lafferty | Fort Simpson Métis Local #52 | | 867-695-2040 |
| President Albert Lafferty | Ft. Providence Métis Council Local #57 | | 867-699-4319 |
| Darren Campbell | Fort Providence Resource Management Board | 27 | 867-699-3133 |
| Chris Paci | Dene Nation | 40 | 920-2254 |
| Heidi Wiebe | Deh Cho Land Use Planning Committee | 41 | 867-699-3166 |
| President Ernie McLeod | Fort Liard Métis Local #67 | 42 | 867-770-3266 |
| Frank Kotchea | Nahendeh Land & Environmental Services | 43 | 867-770-4573 |
| President Robert Tordiff | Northwest Territory Métis Nation | 45 | 867-872-2772 |

GOVERNMENT

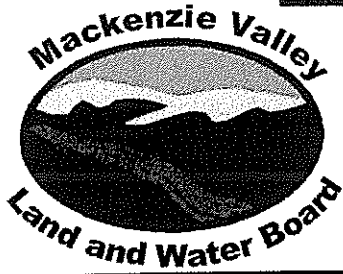
| | | | |
|-----------------------------|--|----|----------|
| Ed Homby | South Mackenzie District Office | 57 | 669-2720 |
| Kathleen Racher | DIAND - Water Resources | 58 | 669-2716 |
| Mineral Development Advisor | Mineral Development Division | 59 | 669-2705 |
| Tom Andrews | GNWT - Prince of Wales Heritage Museum | 60 | 873-0205 |
| Jason McNeil | GNWT - ENR | 63 | 873-4021 |
| Duane Fleming | GNWT - Health | 65 | 669-7517 |
| Greg Brady | GNWT - ITI | | 873-7340 |
| Mike Fournier | Environment Canada | 66 | 873-8185 |
| Josephine Simms | WCB | 67 | 873-4596 |
| Ernest Watson | DFO | 68 | 669-4940 |

DISTRIBUTION LIST by Fax

DEHCHO/ SOUTH SLAVE AREA

OTHERS

| | | | |
|--|--------------------------------------|----|--------------|
| Mandell Pinder, Barrister & Solicitors | (Ka'a'gee Tu First Nation) | | 604-681-0959 |
| Doug Bryshon | Dev. Corp Mgr Sambaa K'e(Trout Lake) | 44 | 867-874-4505 |
| Peter Redvers | Research Cons. Sambaa K'e | 44 | 867-874-4505 |
| Chuck Blyth | Nahanni National Park Reserve | 46 | 867-695-2446 |
| Katherine Cumming | Parks Canada | 47 | 204-983-0031 |
| Jennifer Morin | CPAWS | 49 | 873-9593 |
| Vern Christensen | MVEIRB | 50 | 766-7074 |



Mackenzie Valley Land and Water Board
 7th Floor - 4910 50th Avenue
 P.O. Box 2130
 YELLOWKNIFE NT X1A 2P6
 Phone (867) 669-0506
 FAX (867) 873-6610

FILE NUMBER: MV2004C0030

Date: May 11, 2006

To: Willard Hagen, Interim Chair

Organization: MVLWB

Fax Number: _____

From: Bob Wooley, Executive Director MVLWB

Number of pages including cover 14-


Remarks:

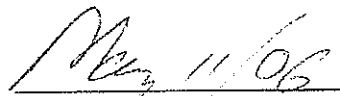
The attached Board Meeting items have been reviewed and are attached for your signature.

- Land Use Permit Type "A"
 - Issuance Letter
 - Land Use Permit Cover
 - Conditions
 - Distribution List
- Water License
 - Cover Page
 - General Procedures
 - Scope and Definitions
- Letter
- Final Clearance Letter
- Reasons for Decision
- Approval Letter for Reports/ Plans
- Approval Letter for Conditions
- Notification

- Enclosures
- As requested
- For your information
- For your comment
- For your approval
- For your action

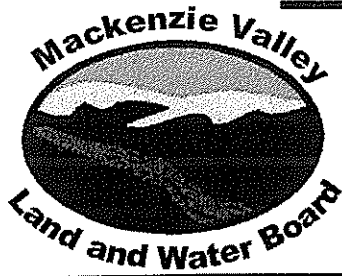
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 Date: May 11/06

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Remarks:

Issuance of Type "A" Land Use Permit – Phase 3 Drill Program

- Enclosures
- As requested
- For your information
- For your comment
- For your approval

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