



Resource & Land Management  
P.O Box 1500  
Yellowknife, NT X1A 2R3

January 27, 2017

Nahanni Butte Dene Band  
General Delivery  
Nahanni Butte, NT X0E 0N0

Attn: Chief Peter Marcellais

**Re: Nahanni Butte IAB Lands – Proposed All-season Road Access to Prairie Creek Mine.**

While Canadian Zinc Corporation's proposal for an all-season access road to the Prairie Creek Mine is under review by the Mackenzie Valley Environmental Impact Review Board (MVEIRB), I would like to take this opportunity to clarify Canada's expectations with regard to the land tenure instruments that will be required for the Federal portion of this development project.

By definition, Indian Affairs Branch (IAB) Lands are Federal Crown Lands set aside for the use and benefit of Indian Bands. As such, IAB Lands are managed under Federal jurisdiction and while managed cooperatively and in the best interest of the Band, are not lands directly owned by the Band. For this reason, Indigenous and Northern Affairs Canada (INAC) retains the role of final approval of projects and dispositions issued on IAB lands in close consultation with the Band.

For the project under consideration, INAC will require the following land tenure instruments: firstly, that Canadian Zinc Corporation apply for a formal License of Occupation for that portion of the road that falls within the Indian Affairs Branch (IAB) lot, with Terms and Conditions that will mirror those of the Licence of Occupation granted by the Government of the Northwest Territories; and secondly, that Canadian Zinc Corporation be issued a formal surface lease for the proposed laydown area within the IAB lot on the south side of the Liard River, to ensure environmental protection.

In order for Indigenous & Northern Affairs to issue the Licence of Occupation and the Surface Lease, the Nahanni Butte Dene Band must first relinquish their interest in these lands through a Band Council Resolution (BCR), and this preliminary step can be initiated immediately. Once the entire project is approved, INAC will promptly proceed to process the requisite land tenure instruments. If the project does not go ahead as planned, INAC will return the BCR to your office and the land will remain under IAB status.



We have thoroughly reviewed the previously-discussed option to utilize a Permission to Occupy (PTO) instrument, and have concluded that this option does not offer sufficient environmental protection of the IAB lands going forward. In the Information and Backgrounder document provided to you earlier, it states that a PTO must be issued to an individual. Canadian Zinc Corporation would not be eligible for this instrument. We understand this is a change from previous communications, but Canada will require that the land tenure instruments issued for the access road and laydown area be consistent with the tenure issued for similar developments elsewhere.

Additionally, we have noted the recent January 25, 2017 story in the Northern News Services indicating that the Nahanni Butte Dene Band has initiated the first stages of construction on the access road within the boundaries of the IAB lot. In this regard, please refer to the *Mackenzie Valley Land Use Regulations* attached for the type of activities that will trigger the requirement for a Water Licence and Land Use Permit -- specifically Sections 4 and 5 which outline the thresholds that will trigger a Type A or Type B Licence.

If you have any questions or would like clarification, you can contact me at (867) 669-2440 or at [michael.roesch@aandc.gc.ca](mailto:michael.roesch@aandc.gc.ca).

Sincerely,



Mike Roesch  
Senior Program Manager

Encl.