



August 26, 2011

Chuck Hubert
Environmental Assessment Officer
Mackenzie Valley Review Board
Suite 200, 5102 50th Avenue,
Yellowknife, NT
X1A 2N7

Dear Mr. Hubert

RE: Environmental Assessment EA0809-002, Prairie Creek Mine
DFO Reply to Request for Ruling from Parks Canada

We refer to the August 26, 2011 letter from Fisheries and Oceans (DFO) regarding the Request for Ruling (RfR) submitted by Parks Canada. Canadian Zinc Corporation (CZN) wishes to provide clarifications to comments made by DFO regarding the option of building a second water storage pond.

On August 21, 2011 CZN presented a habitat assessment of the second pond site conducted on August 12, 2011. The second line of the field report states that the inspection was conducted “during a period of pronounced precipitation”, and not “during low flow conditions” as stated by DFO. In fact, Prairie Creek was in flood at the time, and water levels were roughly equal to the August 2007 flood, making the flood one of three high stage floods seen in the area over the last decade (the other one was in 2006). Therefore, the assessment was indeed conducted during high flow conditions, and thus the requirements specified by DFO have been addressed.

DFO noted that Prairie Creek is braided in this area, and asked for clarification of the normal high water mark. The August 21st submission also included a design report by Golder Associates. Figure 2 of that report shows the pond footprint with respect to Prairie Creek. The creek is a single channel adjacent to the site until a point just upstream of Galena Creek where a braid starts, leading to a broadening of the overall channel, as shown on the figure. The outline of the outer edge of the overall channel is accurately shown on the figure, and the pond footprint is set at least 30 m back from this. No active braid extends beyond the outline shown (see Figure 1 of the Golder Associates vegetation and wildlife impact assessment, also attached to CZN’s August 21st submission). The outline is also a true indication of the normal high water mark, based on frequent visual observations each year (the area is used for material storage, including explosives when blasting operations are in progress, and SNP stations exist in this area). The peak annual high water mark does not normally extend beyond this line. Therefore, based on this information, we conclude that the proposed pond is not likely to result in impacts to fish and fish habitat. However, CZN will be pleased to work with DFO during the detailed design phase to ensure any concerns of theirs are addressed, which amongst other things, may or may not require a minor adjustment of the pond footprint and set-back from the creek.

We trust the above provides all of the information required by DFO at this time for their assessment.

Yours truly,
CANADIAN ZINC CORPORATION

A handwritten signature in blue ink, appearing to read "D. Harpley", is positioned below the company name.

David P. Harpley, P. Geo.
VP, Environment and Permitting Affairs