



August 16, 2010

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
Non-Regulatory Agreements

I refer to your July 23, 2010 letter regarding instructions to the developer and parties on information requests. Canadian Zinc Corporation (CZN) is pleased to provide an outline of type and scope of non-regulatory agreements being worked on.

Impact Benefit Agreement – Nahanni Butte Dene Band (NBDB)

CZN has had many meetings with the NBDB regarding a comprehensive impact benefit agreement (IBA). Discussions have covered benefits for the community preceding and during mine operations at Prairie Creek, and include financial compensation, preferred access to jobs and business opportunities, mine and access road monitoring, and community support initiatives. CZN hopes to conclude an agreement in the near future, the details of which will be confidential.

Impact Benefit Agreement – Liidlii Kue First Nation (LKFN)

CZN has had several meetings with the LKFN regarding a comprehensive impact benefit agreement (IBA). Discussions have covered benefits for the community in the form of project participation, as well as preferred access to jobs and business opportunities. CZN hopes to conclude an agreement before year end.

Socio-Economic Accord – Government of the Northwest Territories (GNWT)

CZN intends to initiate discussions with the GNWT regarding a socio-economic accord covering the project once the IBA's are nearly complete. The accord is expected to cover training and employment, business procurement plans, and project plans to minimize social impacts and maximize socio-economic benefits to the NWT.

CZN-Parks Canada-Dehcho First Nations (DCFN) Technical Committee

The CZN-Parks Canada-DCFN Technical Committee has met on a number of occasions over the last few years to discuss expansion of the Nahanni National Park Reserve and plans for the Prairie Creek Mine. CZN has proposed that the committee evolve into a project oversight committee for the mine operating and closure phases, and that aboriginal organization, other government agency, and general public participation be provided for. CZN has discussed these proposals with Parks Canada, the NBDB and Indian and Northern Affairs Canada to date. The NBDB have expressed an interest in committee participation immediately. CZN intends to hold further discussions, and to expand on the function and scope of the evolved committee.

Yours truly,
CANADIAN ZINC CORPORATION

A handwritten signature in blue ink, appearing to read "D. Harpley".

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