



August 13, 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
Letter from the Smbaa K'e Dene Band dated April 28, 2010

This letter is in response to the letter dated April 28, 2010 from the Smbaa K'e Dene Band (SKDB). The letter referred to inaccuracies in Canadian Zinc Corporation's (CZN) Consultation Log contained in Appendix 26 of CZN's Developer' Assessment Report (DAR), and cautioned CZN not to make general statements about what Smbaa K'e supports or does not support.

CZN finds that in some respects it is a challenge to fulfill the obligations of reporting consultations with affected parties to the Review Board, while at the same time being sensitive to the wishes of those parties, some of which are not evident at the time of reporting. It is difficult to provide an account of discussions that is acceptable to all, while avoiding reference to specifics because of confidentiality issues. CZN provided general statements in the Consultation Log because of the latter concern, and for the sake of brevity. The letter from the SKDB has taken issue with the general statements made, and requested amendments to the Log. Consequently, CZN is providing a more detailed account below of the consultations in question.

It is true that no formal meeting took place on February 19, 2010 and that CZN met informally with some members of the community. We did not seek to imply otherwise. We also acknowledge our error in referring to Dennis Deneron as a former chief of the ADK instead of the SKDB.

Wilbert Antoine of CZN visited Trout Lake on the day in question. This was an impromptu visit in the company of Kevin Heron (Imperial Oil). Mr. Antoine met informally with Chief Dolphus Jumbo, Development Corporation Manager Rick Phaneuf, two elders and a community member. Excerpts from the conversations are provided below; however they are not attributed to a specific person because we have not contacted them subsequently to obtain their consent. This can be done if there is any dispute regarding the origin and accuracy of the comments.

One person advised that the community was very busy with construction on a new airstrip, bridges, winter road upgrade and housing repairs. The community had acquired new equipment, including a backhoe, skid-steer loader and 3 new gravel trucks. This was making community leadership nervous because of the money tied up and the jobs that would be lost after completion of the work. Mr Antoine said that CZN would hope to use the equipment and others once the Prairie Creek Mine is permitted and ramping up. The person said he was pleased to hear that, and that they were ready. Another person had similar comments. He said "Trout Lake supports all development", and looks forward to mine operations and jobs for their people, and that their new equipment was ready.

Another person said that he supports 'the pipeline' and other developments like the Prairie Creek Mine. Another person also said he supports the pipeline and Canadian Zinc, and that work for lots of people is good. He said the people are happy with the new equipment and that everyone is working. Another person said he has always strongly supported the pipeline, oil and gas and mining, and that he supports Canadian Zinc and is keen to use their new equipment on the project.

Please note that CZN has reported the actual statements made to Mr. Antoine in the text above and has not made general statements about what Sambaa K'e supports or does not support.

CZN is in agreement with the SKDB's position that their support for the project is conditional on strong and committed protection of the land, wildlife, and water; and, strong commitments to community benefits and appropriate compensation. CZN accepts these conditions as a 'given' in consultations and project planning.

We trust that the above details fulfill the request to amend our Consultation Log.

Yours truly,
CANADIAN ZINC CORPORATION



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