

May 6, 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
Commitments to Provide Information, April 12 Technical Meeting
PROGRESS REPORT

I refer to your letter dated April 13, 2011 on the above noted subject. At the April 12, 2011 Technical Meeting in Yellowknife, Canadian Zinc Corporation (CZN) committed to provide additional information. This letter with appendices provides the information requested. Our reply refers to the items listed in your letter. Please note that this letter is a progress report since some items are not complete at this time. We expected to be able to provide the remaining items in the next few days.

1. Review of error on Table F5, Appendix F for treated mine water during low flows (8L/s rather than 80L/s), including implications to Appendix D, Tables 5 and 8.

Refer to letter attached from Northwest Hydraulics Consultants (NHC) in Appendix A. The implications regarding Appendix D of the IR2 reply are addressed in other documents referred to below.

2. Analysis of the likelihood of the return period for the documented 1 in 16 year Prairie Creek low flow.

Refer to letter attached from NHC in Appendix A. The answer is 1 in 25 years.

3. Time periods between first and second set of TIE tests i.e., dates for each test.

On January 28th, a cerio daphnia test was conducted a simulated effluent ratio of mine water to process water of 4:1. On Feb 15th, a 5% effluent strength was tested. Therefore, there was approximately 2.5 weeks between the two tests.

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4. Tailings management: volume of DMS waste rock diverted to waste rock pile.

Not complete.

5. Compile a list of operational contingency plans in the event that mine effluent cannot be

discharged into Prairie Creek.

Operational contingency plans regarding site water management and water discharge are

explained in Table 1.

We also committed to updating our Commitments Table with cross-referencing. This is given as

Table 2.

6. Velocity of the effluent discharge for each exfiltration pipe. For each of the modelling scenarios (max, mean and minimum open water and max, mean, and minimum ice cover),

the projected velocity increase at the boundary of the IDZ as result of flow and effluent.

Refer to letter attached from NHC in Appendix B (data contained in their Table 3).

7. Review of transcription error in Appendix L, table 1 (i.e., mean depth and max depth)

and any implications this error may have to modelling.

Refer to letter attached from NHC in Appendix A. There were no implications to modelling.

8. Background information and examples of the use of exfiltration discharge design in other

locations.

Refer to letter attached from NHC in Appendix A.

9. Cross sectional percentage of the discharge flow area relative to Prairie Creek as a

whole for each flow scenarios (max, mean and minimum open water and max, mean, and

minimum ice cover).

Refer to letter attached from NHC in Appendix B (data contained in their Table 3).

10. Expected effluent output parameters from the sewage treatment plant.

Following communication with Environment Canada, we were informed that this issue relates to assumptions of sewage effluent quality based on 2009 data from Diavik, given that 2010 data are

worse. As a result of other work undertaken since the Technical Meeting, Appendix F from the

IR2 reply has been updated. The updated version is attached as Appendix C (not complete). The

sewage effluent issue is addressed in this document.

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11. Examine Northern Species Sensitivity Distribution Approach to establishing SSWQO for Copper, Cadmium Zinc, and Mercury for fish relative to the general guidelines.

Not complete.

12. Predictions of impacts of nutrient enrichment to the receiving environment.

Not complete.

13. Ecological consequences of SSWQO for cadmium, zinc, and mercury.

Not complete.

Other Items

Aerial surveys for wildlife occurrence in proximity to the access road were conducted over the 2010/2011 winter. A figure is attached (Figure X) showing the occurrence of caribou based on the surveys.

Conceptual engineering has been completed for a bridge structure over the incised tributary of Sundog Creek at Km 23 on the access road. A figure is attached showing a revised road alignment to tie into the proposed bridge location. Also attached are concept sketches of the bridge. Field survey will be completed this summer in order to further the engineering design.

Yours truly,

CANADIAN ZINC CORPORATION

David P. Harpley, P. Geo.

VP, Environment and Permitting Affairs

TABLE 1: CONTINGENCY TABLE (May 6, 2011)

ISSUE	CONTINGENCY
Discharge Water Quality	
Water quality of either treated mine water or treated process water does not meet specified criteria.	Recirculate offending stream, either within the WTP, or by pumping to the WSP.
Water quality of Catchment Pond does not meet EQC.	Stop discharge and pump back water to WSP.
Spill in Main Yard may affect Catchment Pond water quality.	Prepare to stop all discharge and pump back water to WSP.
Ammonia or nitrate concentrations rising in WSP to point where EQC could be exceeded.	Switch to stick explosives until concentrations abate.
Phosphate concentration rising in WSP to point where EQC could be exceeded.	Investigate cause. If necessary, explore tertiary treatment options.
Receiving Water Quality	
Monitoring indicates exceedence of objectives.	Review discharge water quality and AEMP results. Depending on cause, adaptive management as laid out in the AEMP may need to be employed.
Discharge Mechanism	
Efficiency of exfiltration pipe reduced.	Backwash. If not successful, switch to alternate pipe.
Gravity discharge not sufficient and discharge pumps off-line.	Pump back excess to WSP.
Pumps for discharge and pump back off-line.	Stop water treatment.
Intense rainfall and runoff overwhelms Catchment Pond.	Open emergency culvert to Harrison Creek.
Flood damages exfiltration pipes.	Use culvert to Harrison Creek until repaired.
Flood protection berm fails inundating site.	Stop treatment, open emergency culvert to Harrison Creek.
Water Treatment Plant Malfunction	
Power supply failure.	Switch to stand-by generators.
Problem occurs with one of two tanks for each of mine water and process water treatment circuits.	Switch all treatment to the other tank.
Problem with process water treatment circuit.	Stop process water treatment.
Problem with mine water treatment circuit.	Stop mine water treatment.
Problem with mine water treatment circuit and treatment needs to continue.	Stop process water treatment and use process water circuit for mine water.
Water Storage Limitations	
Process water cell at over-capacity.	Treat more process water and/or increase the proportion of process water recycled to the Mill (the recycle at 65% of the total feed is to prevent major ion build-up in the WSP, but the recycle can be 100% temporarily).
Mine water cell at over-capacity.	Treat more mine water and/or increase the proportion of mine water recycled to the Mill.

TABLE 1: CONTINGENCY TABLE (May 6, 2011)

Both cells at over-capacity.	Treat more and/or stop the Mill and have both WTP circuits treat mine water.
Intense rainfall event occurs when ponds full.	Temporarily use pond freeboard.
Process water cell dyke fails or cell inoperable.	Stop Mill until dyke repaired or cell operable.
Process water cell dyke fails releasing process water to site.	Close Catchment Pond. Stop Mill until dyke repaired and released water treated. Treat and discharge process water via closed 'winter' pipe.
Mine water cell dyke fails or cell inoperable.	Send mine water directly to Mill and WTP.
Mine water cell dyke fails releasing mine water to site.	Close Catchment Pond. Stop Mill until dyke repaired and released water treated. Treat and discharge mine water and process water via closed 'winter' pipe, or mine water only if additional capacity required.

Consultation	Source
Continue to engage First Nations throughout the EA process.	DAR, section 7.2
Operate and participate in a Technical Advisory Committee (TAC) which will meet in the region three times annually to review and discuss mine operations and monitoring results, and other issues of mutual interest in the region.	DAR, section 7.3
Welcome NBDB, LKFN, other First Nation, and Government representation on the TAC.	Reply to IR2, Appendix J.
Appropriate collaborative monitoring initiatives with First Nations, Parks Canada and other regulatory agencies will be supported.	DAR, section 10.7.1
The Nahanni Butte community information representative position will be continued during operations.	DAR, section 11.3
Culture	
If possible heritage/cultural resources are found, they will be preserved and the authorities notified.	DAR, section 11.2
Deter and monitor un-authorized use of the access road and hunting.	DAR, sections 9.4.1 and 11.4
Employ an NBDB member as an environmental monitor.	Impact Benefits Agreement between NBDB and CZN, Jan. 20, 2011 (confidential).
Involve NBDB members in spill response training and inform the Band of any spills.	NBDB-CZN Meeting Report, June 10, 2010.
Regarding the proposed road re-alignments between the expanded NNPR boundary and the Liard River, an archaeological impact assessment will be conducted (hopefully in summer 2011). Note that this work will be done when the road alignment has been confirmed more accurately, and work will focus on the alignment from Nahanni Butte to Grainger Gap.	Reply to IR GNWT6
Socio-Economics	
Impact Benefit Agreements will be negotiated with the Nahanni Butte Dene Band and the Liidlii Kue First Nation.	DAR, Appendix 19
Negotiate a Socio-Economic Agreement with the GNWT	Technical Meeting, Oct. 6, 2010
A hire-first policy for qualified local (Nahanni Butte) residents, then Dehcho residents, then northern residents, will be adopted.	DAR, section 11.1
Services and supplies will be sourced locally and across the north, provided these are competitive.	DAR, section 11.1
Employment of Dehcho residents and social impacts will be monitored via annual IBA reports, and details of mine employment, training and contracts given out will be provided. Such reports will also be the basis for reporting to regulators.	DAR, section 11.3
Employees will be offered a variety of mine related training courses, including skills training in their area of employment and in safety. The Mine scholarship program will continue.	DAR, Appendix 19

The Mine will work with communities and its leaders to develop and implement strategies to limit negative health outcomes, such as drug and alcohol abuse.	DAR, Appendix 19
The Mine will continue to be active in Study Area communities through sponsorship programs that will improve life for communities and those not benefiting from the Project directly.	DAR, Appendix 19
Applicants for work at the mine will be notified that should they be employed, they will have to make appropriate arrangements for child care in their absence.	Reply to IR GNWT7
Contractors and subcontractors will be required to sign an Employment Contract and Code of Conduct regarding adhering to policies such as northern employment criteria, which will be part of selection evaluation criteria. Information on potential employees will be passed on to contractors, and Study Area communities will be notified of construction and hiring timelines.	Reply to IR GNWT8
The Mine's socio-economic Adaptive Management System will consist of: a <i>Monitoring System</i> consisting principally of a year-long process of collecting and analysing data and trends regarding the outcomes from participation in the Project and more general socio-economic progress of the Study Area; and, a <i>Response System</i> consisting of a formal session to communicate results and receive input from representatives of the affected communities on areas where changes could improve outcomes and productivity.	Reply to IR GNWT10
After fulfilling obligations to IBA's and the Nahendeh Aboriginal Economic Council, the Mine will advertise its needs in regional newspapers and continue participation in regional NWT trade shows to communicate the opportunities associated with the project. A database of NWT qualified businesses related to various services and supplies will be maintained.	Reply to IR GNWT13
An annual operations report will be produced to provide the public with information regarding the production schedule at the Prairie Creek Mine, its employment record, and planned activities for the upcoming year. This report will inform Study Area, Deh Cho and NWT residents and regulators, and will include information on employment and business procurement. Fish	Reply to IR GNWT15
Any habitat losses will be replaced to the satisfaction of Fisheries and	DAR, section
Oceans Canada (DFO).	10.2.4
DFO's <i>Operational Statements</i> for creek crossings, including span structures and ice bridges/snow-fills, will be adopted. Physical footprints will not be introduced within the high water mark of crossings, other than snow and ice.	DAR, section 10.2.4, and reply to IR2 DFO 2-5.
Disturbance of stream banks and riparian areas at stream crossings will be minimized. Stream banks will be protected as necessary, with the possible use of ice and/or matting. A stable road bed will be constructed adjacent to creeks and runoff control will be provided. Revegetation of riparian areas will be promoted.	DAR, sections 9.3.2 and 10.2.4

TABLE 2: COMMITMENTS TABLE (May 6, 2011)

Temporary crossing structures and snow-fills will be removed at break-up.	DAR, section 10.2.4
Best management practice sediment controls will be adopted at the Mine and along the access road.	DAR, section 10.2.5
A sediment and erosion control plan will be developed for construction and operation of the access road as a condition of a new road LUP.	Technical Meeting, Day 2, Oct. 7, 2010
The 'DFO Protocol for Winter Water Withdrawal from Ice-Covered Waterbodies in the NWT' will be adopted for water supply from lakes for road construction. Appropriate data will be provided to DFO for approval before extraction occurs. Assessment data for creeks will be collected and DFO consulted for approval before extracting water from creeks. Expected water sources are the Mine well, Mosquito Lake and the Liard River. A short spur road to Mosquito Lake already exists and will be utilized. Other lakes will be quantified and water extracted based on the protocol. The main water use is expected to be for road bed construction. Creek crossings will be primarily by snow-fill. Clear span structures will be considered if conditions vary from those expected.	Reply to IR2 DFO 2-4.
Disruption of the only known spawning location in the area (bull trout in Funeral Creek) during the spawning period (mid-August) will be avoided.	DAR, section 10.2.4
The site policy of no fishing and any other unnecessary disturbance of the aquatic environment will be continued.	DAR, section 10.2.4
Sources of aggregate will not be situated in river beds or within the high water mark of alluvial fans. No additional access roads and/or crossings will be required to access aggregate sources.	Reply to IR DFO2, and IR2 DFO 2-2.
To reclaim the Funeral Creek road after Mine closure, coarse material or organic material will be placed adjacent to the creek to prevent sediment discharge until vegetation has established. Any channels flowing over the re-contoured road area will be armoured. Silt fence will be used where necessary to control sediment immediately after re-contouring. Materials will be placed on the road bed and not the bed of Funeral Creek	Reply to IR DFO9
For exfiltration trench construction, measures for isolation of the work area and protection of the creek will be further developed after a positive EA outcome and during detailed design, to the satisfaction of DFO. A construction water management plan and spill contingency plan would also be developed.	
A detailed habitat assessment of the proposed location of the exfiltration trench will be conducted in 2011. Design modifications and/or the incorporation of additional elements will be considered as part of detailed design to avoid habitat loss. If it is determined that habitat loss is unavoidable, a suitable habitat compensation plan will be developed, also during detailed design.	Reply to IR2 DFO 2-3.
On mine closure, the approach to decommissioning of the exfiltration trench will be determined in consultation with DFO.	Reply to IR2 DFO 2-3.
Wildlife The National Posts Dans Bondarill be consisted in the decade growth of a	Tr1 1 3.61
The Nahanni Butte Dene Band will be consulted in the development of a wildlife management plan.	Technical Meeting, Day 2, Oct. 7, 2010

The draft Wildlife Mitigation and Monitoring Plan (WMMP) will be updated during the permitting process. The plan will be considered a 'living' document, and further changes will be considered as necessary during operations, such changes being considered and discussed in the forum of the Technical Advisory Committee.	Reply to IR2 EC 2-3.
Guidelines found in the "Safety in Grizzly and Black Bear Country" document will be followed to prevent and mitigate bear-human interactions.	Reply to IR2, Appendix K.
All relevant observations of wildlife (particularly of Dall's sheep, caribou, grey wolf, wolverine and grizzly bear) will be reported to mine environmental staff.	Reply to IR2, Appendix K.
If a nesting bird is found on site and eggs are present, monitoring will be conducted and efforts will be made to avoid the area. Any raptor nesting activity observed within 1.5 km of the Project will be reported to GNWT ENR.	Reply to IR2, Appendix K.
An effective Waste Management Plan will be implemented, particularly as it relates to the disposal of food waste.	Reply to IR2, Appendix K.
Hunting, trapping and harvesting by site employees and contractors will be prohibited.	DAR, section 11.2
The transfer facilities will be closed, all fuel, waste and sewage removed, and free of all attractants outside of the haul season.	DAR, section 6.24.3 and Technical Meeting, Day 2
Non-mine vehicles, including all terrain vehicles (ATVs) and snowmobiles will be prohibited on site.	Reply to IR2, Appendix K.
Pets will be prohibited on site.	Reply to IR2, Appendix K.
The guidelines for responding to bear encounters (contained in the Health and Safety Plan) will be reviewed and updated.	DAR, section 10.3
On-site personnel will receive basic bear awareness and safety training, including information on bear behaviour, how to avoid bear encounters, and how to respond to bears in the case of an encounter. Site environmental officers will be tasked with overseeing the program in terms of enforcement and effectiveness.	Reply to IR2 PC2-7.
On-site personnel will be educated on the applicable policies and practices contained in the Wildlife Mitigation and Monitoring Plan.	Reply to IR2, Appendix K.
On-site personnel will be discouraged from using areas outside of immediate work sites.	Reply to IR2, Appendix K.
Wildlife sightings in proximity to the Mine site and access road will be recorded in a wildlife sightings log, including location, numbers observed and reactions.	DAR, section 10.3
The appropriate regulatory agencies (<i>e.g.</i> , GNWT ENR and Parks Canada) will be informed of any incidents with problem bears or other wildlife prior to action, unless imminent worker safety is at risk.	Reply to IR2, Appendix K.
Bear use of habitats near mining infrastructure (e.g. spring foraging by bears in disturbed areas) will be documented.	Reply to IR2, Appendix K.

A warning system will be developed for site workers in connection with	DAR, section
bear sightings, as well as a structure for reporting bear-human encounters.	10.3.1
Dead wildlife encountered in proximity to the mine site and access road	Reply to IR2,
will be recorded and geo-referenced.	Appendix K.
Site workers will be encouraged to eat only in designated areas, . Workers	Reply to IR2 PC2-
will be made aware as part of site orientation when they start that food,	7.
food waste and wrappings are not to be left around the site or in buildings	
where un-controlled entry is possible.	
Food waste will be collected and incinerated on a daily basis.	Reply to IR2 PC2-
	7.
All food and garbage/waste will be stored in bear-proof areas or bear-proof	Reply to IR2 PC2-
containers, including at the transfer facilities.	7.
All chemicals and supplies will be stored in an enclosed Warehouse	Reply to IR2 PC2-
structure. Small quantities will be transferred to their point of use (in the	7.
Mill or shops) as required.	
Measures aimed at reducing the number of birds that use the water storage	Reply to IR2,
pond (WSP) will be implemented.	Appendix K.
To reduce noise along the access road, the use of engine retarders will be	Reply to IR2,
discouraged.	Appendix K.
Flight paths to and from the mine will be considered according to the	Reply to IR2,
recommended guidelines for flying in caribou and sheep country, where	Appendix K.
feasible and within topographic and safety constraints.	
The Flight Impact Management Plan will be reviewed and updated.	DAR, section 10.3
A Dall's sheep monitoring program will be implemented to ensure that	Reply to IR2,
Project-related effects on sheep are minimized. A monitoring plan is	Appendix K.
described in the draft Wildlife Mitigation and Monitoring Plan, and this is	
considered to be a response to Undertaking 23 from the Oct. 7, 2010	
Technical Meeting.	
High snow banks along the access road will be avoided so that wildlife can	DAR, section 9.4.1
avoid traffic. Failing this, lower snow banks will be left every 100 m to	and 10.3
facilitate wildlife moving off the road surface.	D 1 1 10 DC1
Maximum traffic speeds for all sections of the access road will be	Reply to IR PC4
implemented accounting for road grade, curvature, adjacent sensitivities	
and sight-lines. Lower maximum speeds may be posted in the vicinity of	
sensitive wildlife areas.	Davidson ID DC4
Salt will not be used on the road alignment.	Reply to IR PC4
Vehicle operators will yield right-of-way to wildlife and will take all	Reply to IR2,
reasonable measures to avoid vehicle-wildlife incidents.	Appendix K.
When any SARA species is visible on the road, vehicle activity will cease	Reply to IR2,
until the animals have moved a safe distance away or are no longer visible.	Appendix K.
A signage system will be employed along the access road to inform vehicle	Reply to IR2,
operators of vehicle/wildlife conflict areas.	Appendix K.
All vehicles will be equipped with two-way radios. Wildlife sightings	Reply to IR2,
along the access road will be geo-referenced and reported to road	Appendix K.
supervisors.	

Non-mine road traffic will be deterred from using the road by signage and	Reply to IR2,
operating a check-point and screening station near the south-eastern	Appendix K.
terminus of the access road, manned by representatives from the Nahanni	rippendix ix.
Butte Dene Band.	
Public use of the access road and evidence of land use, such as hunting,	Reply to IR2,
fishing, camping, or firewood harvesting will be noted and reported.	Appendix K.
	* *
The south-eastern end of the access road will be blocked at specified	Reply to IR2,
locations after each hauling season with gates, berms, pits and/or boulders to discourage use.	Appendix K.
Wildlife monitors will conduct ground surveillance during the initial mine	Reply to IR2,
start up and production period.	Appendix K.
Wildlife Monitors will conduct ground-based surveys of the access road	
(during winter operation), mine infrastructure sites, and the airstrip to	Reply to IR2, Appendix K.
	Appendix K.
assess caribou presence and identify caribou aggregations in the Project area.	
A radio call-in procedure will be implemented so that observations of	Reply to IR2,
caribou along the access road can immediately be relayed to the Road	1 2
Operations Supervisor.	Appendix K.
A procedure will be implemented so that caribou observations made by	Reply to IR2,
aircraft pilots during transport of crews and materials will be reported to	Appendix K.
the Wildlife Monitor.	Appendix K.
	Domly to ID2
Wildlife Monitors will contribute to a detailed quarterly report of wildlife	Reply to IR2,
observations and incidents that occurred during the monitoring period.	Appendix K.
Reports will be submitted to First Nations, GNWT ENR, Environment	
Canada and Parks Canada.	Darder to ID2
For caribou, wood bison, grizzly bear, wolverine, peregrine falcon, short-	Reply to IR2,
eared owl, horned grebe, rusty blackbird, olive-sided flycatcher, and	Appendix K.
common nighthawk, any mortality directly relating to the operation of the	
mine site or access road will trigger a review of mitigation strategies.	D1 4- ID2
Summer maintenance work on the all season road will be voluntarily	Reply to IR2,
restricted to the period July-September. Wildlife monitors will check for	Appendix K.
nesting birds before work commences.	
Operations Management	ID 1 A 1'
Existing Prairie Creek Mine buildings and structures were designed and	IR reply, Appendix
constructed by Kilborn Engineering Ltd. to the National Building Code.	D.
All new facilities will be also.	TD 1 4 "
During the detailed design phase, a deterministic hazard assessment (DHA)	IR reply, Appendix
for the project site will be undertaken, including review of ground	D.
acceleration coefficients.	D. D
All personnel will receive appropriate training to ensure they are fully	DAR, section 6.25
aware of health, safety and environmental policies and practices and able to	
perform tasks in compliance with established policies and legislation; and	
to ensure employees are fully aware and trained to respond to an	
emergency.	

Aggregates for the Mine would be sourced from the on-site quarry and possibly other local sources. Any crushing required will occur set back from the creek with a buffer for runoff.	DAR, section 8.2.5
Explosives for Mine operations will be exclusively emulsions or sticks.	Reply to IR NRCan1
Reagents currently stored on the Reagent Storage Pad south of the Mine will be consumed during operations or taken off-site for disposal.	DAR, section 6.3.11.
Due care and precautions will be taken during the winter transfer of sulphuric acid from tankers to storage tanks.	DAR, section 8.2.4
All concentrates will be shipped in bags free of external concentrate dust . Any torn bags will be double-bagged, and any spillage cleaned-up completely.	DAR, section 6.24.3
Water for fire suppression will be taken from the water ring main.	DAR, section 6.3.15
Drummed hazardous waste will be collected in the Waste Transfer Area for off-site disposal by a registered carrier following all applicable regulations.	DAR, section 6.14
Waste motor and lubricating oil will either be blended with diesel fuel or used for incinerator ignition.	DAR, section 6.14
Existing infrastructure will be surveyed for asbestos-containing material, and any such material found will be removed and landfilled within the Waste Rock Pile footprint.	DAR, section 6.14
A solid waste facility will be operated consisting of a solid waste landfill for inert material, a fenced sewage sludge landfill and a landfarm for hydrocarbon contaminated soil.	DAR, sections 6.14 and 8.2.5
Heat traced pipe will carry process water and mine water to and from the Water Storage Pond. Lines will be inspected frequently, and will run along the access road and not next to Prairie Creek.	DAR, sections 6.3.15 and 8.8.4
A spill contingency plan for the Mine and access road will be reviewed and updated. The plan will include the transport, manufacture and use of explosives and components of explosives.	Reply to IR NRCan1 and IR2, Appendix I
Water treatment sludge will be combined with the backfill mix and taken underground, as will ash from the incinerator. In the unlikely event that monitoring and assessments during operations indicate that a period of water treatment needs to continue after mine closure, any sludge will be stabilized with cement and taken to a suitable disposal location. This might be a mine portal that has not been completely backfilled in order to accommodate the sludge, or part of the Waste Rock Pile before cover placement.	Reply to IR2 NRCan 2-6.
Annual geotechnical inspections of major structures (Water Storage Pond, Waste Rock Pile, Flood Protection Berm), and terrain in and around them, will be undertaken.	DAR, section 10.4.4
The Catchment Pond will be lined with a low permeability geomembrane, and the existing culvert to Harrison Creek will be retained for emergency use only.	DAR, section 8.7.2
Lander Co. V.	

The Catchment Pond discharge mechanism will include pumps on stand-by which can be activated to ensure sufficient discharge. The outfall line will have a valve or gate which can be temporarily closed, if necessary. Discharge of treated water to Prairie Creek during winter will occur via a pipeline from the WTP connected to the outlet culvert in the Catchment Pond. The pond would be isolated from the line to avoid freezing effects. There will be a safety return line from the Catchment Pond to the Water Storage Pond with installed pumps. The outfall line will have a valve or gate which can be temporarily closed, if necessary.	DAR, section 8.7.2, and reply to IR2 INAC 2-11.
The following plans will be developed: Water Storage, Treatment and Discharge Monitoring and Management Plan; Solid and Hazardous Waste Management Plan; Explosives Management Plan; Aquatic Effects Monitoring Plan.	DAR, section 10.7.3
Medical personnel will be on call 24/7 to provide medical, educational and counselling services	Reply to IR GNWT7
Sub-contractors will be required to adhere to all of the Mine's commitments.	CZN May 6, 2011 letter to MVRB
Road	
The existing Cat and Grainger Camp sites will be reclaimed. A small tote road to Grainger Camp from the new road alignment would be built for temporary access.	DAR, section 6.3.16
Kledo's general approach to road construction (Appendix B) will be adopted (although CZN is not committed to use Kledo).	Reply to IR2 PC2-1.
The western flank of the Silent Hills contains historic failures, and permafrost may exist along the Polje alignment. These areas will be examined in more detail during the detailed design phase of the project.	DAR, Appendix 16
Side hill cuts and fills will generally be avoided except where the evidence is that the ground is free of ice rich permafrost. Cut material will be used if appropriate, or used elsewhere, but not discarded downslope.	IR reply, Appendix D, and reply to IR2 PC 2-1.
The Polje re-alignment will include fill placement, but gaps/swales will be left so natural runoff flow directions are not significantly modified.	Reply to IR2 PC2-1.
Polje Creek will be spanned with a bridge structure which would remain for the duration of the Mine. The base of the deck will be at least 1 m above the normal high water mark. Abutments will be set-back from the top of bank.	and DFO 2-5.
All new road alignments will retain the organic layer as much as possible to insulate the underlying soil and limit the potential for permafrost thaw. Adequate drainage will also be provided to avoid unstable slopes.	DAR, section 10.4.2
A level road bed will be created using dozers with shoes fitted on the bottom of the blades. This will ensure minimal disturbance of the organic layer.	IR reply, Appendix E.
Regarding the accumulation of debris on the existing road from upslope, the information will be used to plan the road location with respect to the toe of the slope (in active debris areas).	IR reply, Appendix D.

A geotechnical investigation is proposed to support the final design of the access road. The investigation will focus on portions of the access route west of Km 85, specifically, the proposed polje by-pass and immediately west of Wolverine Pass.	IR reply, Appendix D.
The route east of Km 85 will be visually reviewed annually before the following winter. After the first winter of road operations, drainage management at and west of Wolverine Pass will be reviewed, as will the route west of Km 85 to assess the function of cross-road drainage.	IR reply, Appendix D.
Construction and maintenance activities will be continually overseen by supervisors who will ensure appropriate techniques are used such that sediment will not be produced during periods of thaw. This will also apply to seasonal road closure activities, including snow-fill removal.	Reply to IR2 DFO 2-5.
Road monitoring will occur during both construction and operation. During construction, monitoring will be daily to assess how recently constructed portions are performing, and to determine requirements for portions being constructed. During operations, monitoring would initially be daily, with a reduction in frequency as road performance becomes better defined. Drivers will report on road conditions and any areas of difficulty or requiring repair. Snow accumulations will also be monitored to assess the potential for avalanches.	Reply to IR2 PC2-1.
After the first year of construction, and following extreme rainfall events at any time, the re-alignments will be checked for areas of instability, specifically the creek crossings, areas of fill placement, and the switch-backs in the Silent Hills. Low over-flights of these areas are initially proposed to allow for inspection. If problem areas are suspected, follow-up inspections will be made by helicopter, and will include set-downs and the use of small tools (e.g. shovels) and readily transportable materials (e.g. silt fence), as necessary. More significant remedial work would be undertaken during construction in the subsequent road season.	Reply to IR2 DFO 2-5.
Closure activities for side hill cut areas will be formulated using the observations and experience gained during the operating period. It is envisaged that material replacement will occur in order to restore a stable natural slope and provide a suitable medium for revegetation. Measures will be incorporated into the restored slopes to maintain stable surfaces until a vegetation cover has been established	Reply to IR2 PC2-1.
All trucks on the access road will carry spill kits, and drivers must have read the spill contingency plan and be prepared for an appropriate spill response in relation to their load. Drivers must be suitably qualified and experienced.	DAR, section 10.1
All trucks will have communications, will be on alert for on-coming traffic or wildlife presence in the roadway and will be in contact with a controller.	DAR, section 10.1
All of the vehicles and equipment using the access road will be properly maintained and free of leaks. Stationary equipment will use drip pans.	DAR, section 10.1
Road use (including vehicle speeds and driving conditions) will be monitored by radio and inspections. A journey management system (JMS) will be used (see Appendix I of the IR2 response for details).	DAR, section 10.1

The access road bed will be sampled before and after the seasonal haul period as a check on potential contamination from concentrate losses.	DAR, section 10.1
Haul trucks collecting the bags (from the Mine) will pass through a wheel wash before leaving the concentrate storage shed.	DAR, section 9.2
The existing Controlled Road Use Plan will be modified for access road operations to promote safety and minimize the risk of accidents.	DAR, section 10.2
Potentially unstable areas and karst features within 200 m of the access road will be inspected at a frequency dependent on observed conditions and changes or lack thereof of those conditions.	DAR, section 10.4
Temporary crossing structures and snow-fills will be removed at break-up to avoid blockage and erosion.	DAR, section 10.2
A stable road bed will be constructed adjacent to creeks and provide for runoff control and minimize the dispersal of sediment during precipitation events.	DAR, section 10.2
Re-vegetation of riparian areas will be promoted to further reduce the potential for sediment dispersal.	DAR, section 10.2
Chemicals will be transported and stored in approved containers.	DAR, section 10.3.1
The Spill Contingency Plan (SCP) will address all potentially hazardous substances used at the Mine or transported along the road. The SCP will contain information that clearly states the responsible party for spill response and clean-up.	Reply to IR2, Appendix I.
Portable spill response equipment will be maintained no more than 50 km from any location along the road.	Reply to IR2, Appendix I.
The SCP will include details of spill responses for all types of ground conditions, including frozen and non-frozen ground, and with and without snow cover. Opportunities for the rapid spread of contaminants will also be considered, such as in karst areas.	Reply to IR2, Appendix I.
A trained spill response team will be maintained at the Mine. Operators at the Transfer Facilities will also receive appropriate spill response training. Training will include classroom study, equipment deployment instruction and spill exercises.	Reply to IR2, Appendix I.
Spill exercises will be undertaken in summer (initial training) and winter (final training) conditions, and in locations representing the range of environmental conditions that will exist on the road.	Reply to IR2, Appendix I.
The erection of a guard rail-type barrier on the outer edge of the road from Km 11-16 will be evaluated to reduce the risk of spills along this section where the grade is steep and a tributary of Funeral Creek exists below.	Reply to IR2, Appendix I.
Suitable locations for the construction of run-away lanes will be investigated for sections Km 11-16 and 19-22.	Reply to IR2, Appendix I.
Specific speed limits may be set for specific types of trucks and loads through sensitive sections.	Reply to IR2, Appendix I.
The road operations supervisor will place limits on hours of driving over a prescribed period.	Reply to IR2, Appendix I.
The road will be regularly inspected and maintained during the operating season to ensure optimal performance and minimize risks from poor road bed conditions.	Reply to IR2, Appendix I.

TABLE 2: COMMITMENTS TABLE (May 6, 2011)

	D 1 . ID3
Trucks will be required to use chains from Km 0 to Km 29.	Reply to IR2,
	Appendix I.
To respond to spills, an Incident Command System (ICS) will be used that	Reply to IR2,
is widely used by governments and industry (see Appendix I of the IR2	Appendix I.
reply for details).	n 1
A silt or other form of curtain will be stored approximately mid-point	Reply to IR2,
between the mine and Funeral Creek ready for deployment to reduce flow	Appendix I.
in part of Prairie Creek adjacent to a spill.	
Control points will be established at key locations, and will include	Reply to IR2,
material to create temporary dams, absorbents, booms, board weirs and	Appendix I.
sand bags. Control points locations will include two upstream tributaries to	
Funeral Creek, on Sundog Creek just above the main falls and just before	
the fluvial outwash plain, and downstream of the Tetcela River and	
Fishtrap Creek crossings.	
Spill kits will be carried on vehicles with materials appropriate for the	Reply to IR2,
loads (i.e. type of sorbent). Comprehensive spill kits will be maintained at	Appendix I.
the mine site, Cat Camp, the Tetcela Transfer Facility, Grainger Gap, and	
the Liard Transfer Facility. Custom built and stocked road trailers	
dedicated to spill response, containing equipment, materials and tools will	
be considered.	
Water Storage Pond	
Mine water will be pumped up to the final sump on the 880 m level, 300 m	DAR, section
from the 870 portal. From there, the water will be pumped to the Water	6.16.7
Storage Pond. Back-up pumps will be available at the sump to ensure	
continuous pumping.	
The existing pond will be converted into the Water Storage Pond (WSP),	DAR, section 6.3.7.
with remedial works to stabilize the backslope and a new synthetic liner.	·
Repairs to the armour of the flood protection berm will continue when	DAR, Appendices
factors are favourable. Critical armour placement is complete. Follow-up	18C and 18D
work can be completed when circumstances permit, followed by	
embankment slope reconstruction.	
The crest of the WSP will be at elevation 881 m. The operating water level	Reply to IR PC41
will be between elevations 877 m and 880 m. The dam emergency spillway	ir J
will be incrementally below the 881 m crest elevation. The spillway will be	
located in the eastern dyke of the WSP so that in the highly unlikely event	
of an emergency controlled discharge, flows would report to the site	
surface water management system inside the flood protection berm.	
The WSP will be operated with a 1 metre freeboard which will be	CZN May 6, 2011
maintained at all times, unless a short-term emergency storage requirement	letter to MVRB
occurs.	
Detailed design of WSP surface water diversion ditches will be completed	IR reply, Appendix
after site grading plans have been prepared as part of final design. The	D, and reply to IR2
ditches will be lined. Monitoring plans will be included. The upslope area	INAC 2-6 and
	NRCan 2-2.
will be graded. The frequency and magnitude of extreme events (rainfall, snowmalt) in terms of stability analysis and design of diversions will be	INNCAIL 2-2.
snowmelt) in terms of stability analysis and design of diversions will be	
considered further as part of detailed design.	

TABLE 2: COMMITMENTS TABLE (May 6, 2011)

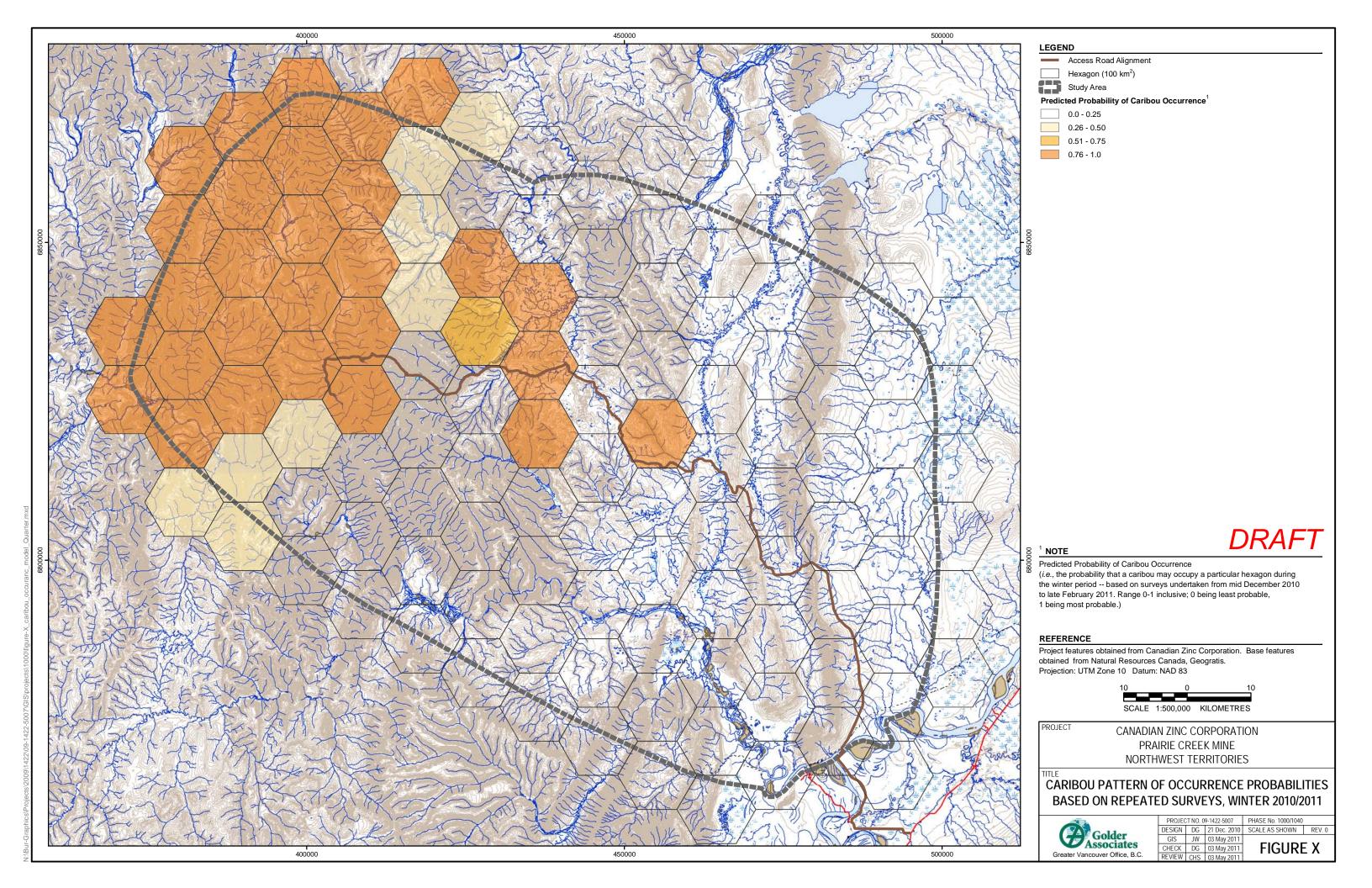
Water	
A new Mine Water Contingency Plan will be developed.	DAR, section 10.7.2
Seepage from the Waste Rock Pile will be collected in a lined pond and transferred to the Water Storage Pond, as will drainage from the lined DMS rock and ore stockpiles. Pond size and emergency spillway details will be confirmed during final design. The Waste Rock Pile lined seepage collection pond will be connected to the site water management system, either by pipeline or by borehole to the underground Mine workings. The pond will be sized to store 6500 m³ with a 1 m freeboard (accommodating the 1 in 100 year storm event). The pond will have a spillway to discharge flows that exceed pond capacity. The spillway will be located to discharge the peak flows entering the pond without displacing the water already in the pond. Sediment accumulations will be monitored and removed, as necessary. The WRP will have diversions around the pile footprint to prevent runoff from outside the footprint reporting to the pile collection pond. WRP site preparation and pond construction will include oversight and approval by a qualified engineer. The operation plan will include adjacent vegetation preservation to maintain the slope cover	DAR, sections 6.16.8 and 8.9.1, and IR reply, Appendix D. DAR, section 8.7.4 and Appendix 11, and IR reply, Appendix D.
Flows in Prairie Creek will be monitored continuously, and information relayed to the control room in the Water Treatment Plant. Further investigation of the WSP will be undertaken to determine the northern extent of the clay layer and condition of embankment clay. During construction, a quality assurance program will be implemented to ensure the intent of the design is achieved. A maintenance program for the north slope and embankments will be developed and will form part of an Operations and Maintenance Manual. A series of slope inclinometers, thermistor strings and piezometers will be installed after construction. Results will be analysed by a qualified engineer. Measures will be taken to control vegetation growth and to monitor for erosion.	IR2 reply, Appendix F. DAR, Appendix 12
A 1 metre freeboard will be maintained in the Water Storage Pond, and a lower operating level will be selected to maintain backslope stability. The water level will be closely monitored. Runoff from upslope will be diverted in lined ditches, west to Prairie Creek and east to the main camp ditch.	DAR, sections 8.7.5 and 8.8.1
If the dyke between the WSP and the Mine site were to fail, contaminated water could be released. The Catchment Pond outlets would be closed to contain the release. The Mill would stop operating so that process effluent is not being sent to the WSP or the treatment plant. The treatment plant would treat only Mine water and the water released from the WSP until the pond is repaired.	DAR section, 8.8.3
If a failure occurs upslope of the WSP putting it out of commission, Mill operations may be stopped and all Mine water treated and discharged until the WSP is back in operation.	DAR, section 9.2

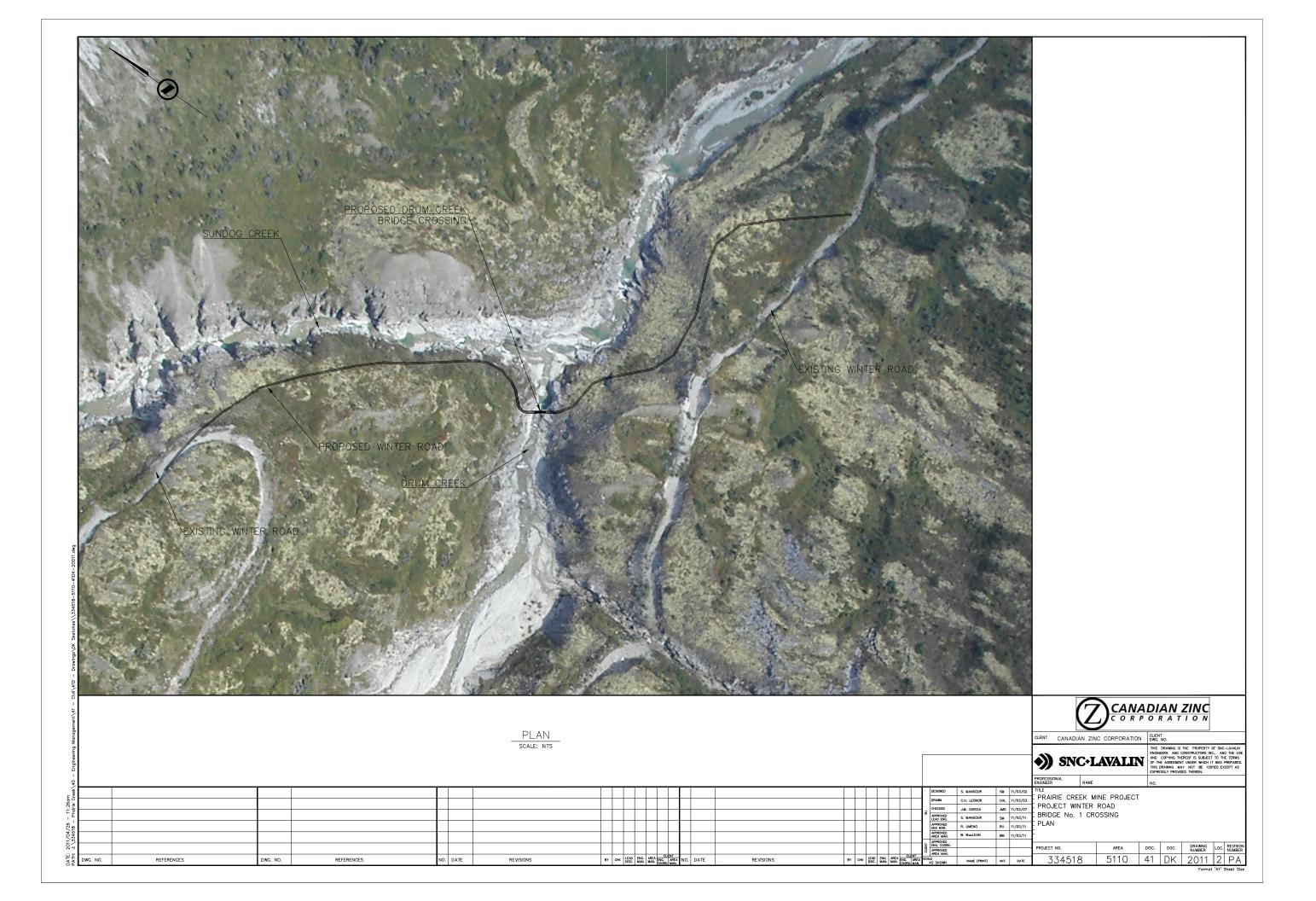
Only phosphate-free detergents will be used on-site. Alum will be added to precipitate phosphates. Sewage effluent will be pumped to the Water Storage Pond. Nitrogen concentrations will be minimized by using emulsion explosives with strict explosive management practices	DAR, sections 6.16.6 and 6.16.8, and reply to IR2 EC 2-1.
Sewage produced in outlying areas will be collected and transported to the Sewage Treatment Plant. Grey water will be treated the same as sewage.	DAR, section 6.16.6, and reply to IR2 PC2-7.
During construction, sedimentation from the WRP will be controlled using silt fencing, erosion control blankets or other technologies, as necessary. The completed drainage channels will include erosion and sedimentation control technologies. The performance of these channels will be monitored.	IR reply, Appendix D.
Discharge water quality and the receiving environment's ability to absorb the discharge will be closely monitored. Metals analysis capability will be available on site.	DAR, section 8.6 and NBDB-CZN Meeting Report, June 10, 2010.
During operations, data on actual and potential metal release from the Mine and WRP will be collected and assessed to further develop mitigation and monitoring plans for closure.	DAR, section 8.6
The Mine water treatment plant will be initially sized to treat 134 L/sec, but can be readily expanded to double the capacity (268 L/sec).	DAR, section 8.7.3
The WTP will include a clarifier to remove suspended matter and ensure discharge has low TSS.	DAR Addendum, section 7.1
The water treatment plants will have double pumping systems (one operating and one on stand-by). Stand-by power would operate both plants if power was lost from the main power plant	DAR, section 8.7.3
Treated water quality will be monitored closely to ensure discharge quality meets specified criteria. If water quality is unacceptable, discharge would be stopped by re-circulating the treated water inside the plant, then either the treatment capacity will be increased, or inflows from outside the plant will be stopped and flows will be diverted to the Water Storage Pond.	DAR, section 8.7.3
If discharge concentrations (to Prairie Creek) are higher than predicted, or monitoring detects changes which were not predicted, the response will depend on the parameters considered to be causing the problems, and when they occur. A review of water treatment schedule and performance will be undertaken in conjunction with toxicity studies in order to define the source of the variance from predictions.	± *
An AEMP will be designed and implemented for the project in accordance with INAC's "Guidelines for Designing and Implementing Aquatic Effects Monitoring Programs for Development Projects in the Northwest Territories - 2007."	CZN May 6, 2011 letter to MVRB
Once water quality objectives (WQO's) for Prairie Creek have been determined and agreed to, the Mine will manage the project so that they are met consistently, unless un-related circumstances occur (such as unforeseen natural events) that prevent the Mine from doing so.	CZN May 6, 2011 letter to MVRB

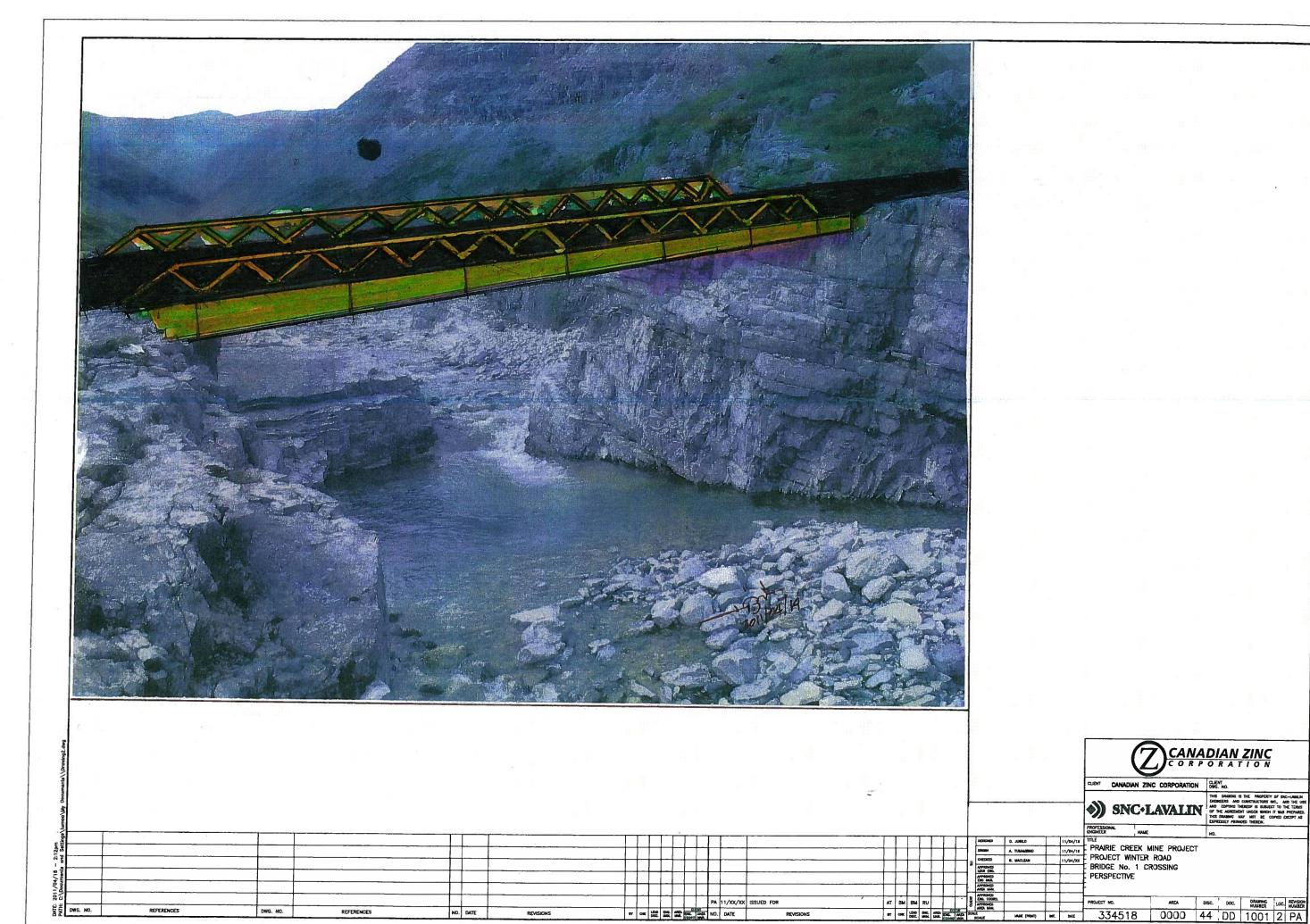
The Mine will manage the project so that the WQO's are met at the assessment boundary, unless other circumstances occur beyond the Mine's	CZN May 6, 2011 letter to MVRB
control.	TOTAL TO THE TELE
The WQO's will be considered applicable for all mechanisms of effluent	CZN May 6, 2011
discharge from the project (e.g. one or two exfiltration pipes, etc.).	letter to MVRB
The discharge of treated process water will not occur during the months of	CZN May 6, 2011
February and March.	letter to MVRB
Treated process water discharge during other winter months will be less	CZN May 6, 2011
than in other seasons, and will be managed to ensure a minimum dilution	letter to MVRB
ratio with creek water flow (see Appendix C) is maintained.	
Effluent that is acutely toxic will not be discharged.	CZN May 6, 2011
, s	letter to MVRB
Effluent that does not meet the conditions of the Water Licence (e.g.	CZN May 6, 2011
EQC's) will not be discharged.	letter to MVRB
Air	Tetter to 141 v RD
The existing power generating units will be replaced with fuel efficient,	DAR, section 6.3.1
compact generators with lower emissions. The existing exhaust stacks will	DAN, Section 0.3.1
be replaced with a single stack.	
	DAD section 6.2.0
A new, low emission incinerator will be brought in to incinerate Camp	DAR, section 6.3.9.
waste daily. The waste stream will not include plastics or sewage sludge.	DAD
Mitigation and adaptive management strategies and plans will be developed to minimize emissions related to fugitive dust and incineration.	DAR, section 10.5.
Air quality monitoring will likely include sampling for TSP, PM10 and	IR reply, Appendix
PM2.5 at a minimum of one location on the project boundary (perhaps	M.
adjacent to the creek). Passive monitoring stations for SO2 and NO2 would	
likely be co-located with the particulate monitoring station(s). A dust-fall	
monitoring program on the project boundary and adjacent (off-site) to	
significant material handling locations would also be proposed. Assessment	
of program requirements will be conducted in consultation with EC/ENR	
Closure	
Hydrogeological and geochemical data will be collected routinely during	Reply to IR
operations in order to update predictions of the behaviour of the backfill	1 7
and groundwater and surface water quality after mine closure. Post-closure	to IR2 INAC 2-3.
monitoring will include wells that monitor the mine 'pool', wells that	
monitor groundwater quality along the flow-path of metal release in	
bedrock and in the alluvial aquifers (HCAA and PCAA), and stations on	
Prairie Creek. Trigger levels linked to specified response actions will be set	
for selected monitoring wells to give an 'early warning' of a developing	
issue. Further study will be required during the operating period to better	
quantify the flow-path and attenuation mechanisms.	
All flotation tailings will ultimately be placed underground as a paste	DAR, section
backfill. No mine waste will remain on the Prairie Creek floodplain after	6.12.2
closure.	0.12.2
All sediment and tailings residues remaining in the WSP after closure will	DAD Addandum
	DAR Addendum,
be recovered and included in underground backfill.	section 2

TABLE 2: COMMITMENTS TABLE (May 6, 2011)

A natural cover will be placed on the WRP to limit infiltration and seepage	DAR, section 12
and promote revegetation. The final composition of the cover will be based	and Appendix 11,
on WRP monitoring during operations. The water management ditches and	and reply to IR2
other water control facilities will be upgraded, re-constructed or	INAC 2-16.
decommissioned as necessary. The seepage collection pond will be	
decommissioned once testing of runoff meets criteria. The Waste Rock Pile	
(WRP) final slope angle, cover design and runoff diversion structures will	
be designed to be stable in perpetuity	
Revegetation of the Mine site will rely on natural invasion to avoid	DAR, section 12
introducing exotic species. Observations of natural revegation around the	and reply to IR
mine site and along unused portions of the access road will be recorded to	GNWT2
justify the adoption of this approach to reclaim disturbed areas.	
Parks Canada wishes to initiate a study prior to road operations concerning	Technical Meeting,
techniques that might be used to improve revegetation and reclamation.	Day 2, Oct. 7, 2010
Collaboration from the Mine was requested and agreed to in the form of	
accommodation/meals and assistance with transport.	
For the first 3 years after closure, monitoring and inspections will occur	DAR, section 8.9.4,
monthly over the period March to November. Annual reports will be	and reply to IR2
produced. In the following 5 years, monitoring and inspections will occur	NRCan 2-6.
bi-monthly from May to September. In the final 5 years, monitoring and	
inspections will occur once a year in July (post-freshet). However, post-	
closure monitoring will continue until conditions have reached an	
equilibrium and stabilized, and it has been conclusively determined that no	
further closure activities are required.	
Updates to the closure and reclamation plan, including updated water	Reply to IR
quality predictions, are proposed for the time of Water Licence renewal,	GNWT2
normally every 5 years.	







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