



## ENGAGEMENT RECORD

**Party Engaged:** Naha Dehe Dene Band (NDDB)

**Date/Time:** March 1, 2016 / 10.00

**Location:** Nahanni Butte Gym, NT

**NDDB Attendees:** Chief Peter Marcellais; Council member Burton Campbell; Elders; Francis Betsaka, Leon & Jean Marie Konisenta, Raymond Vital; community member; Darrel Betsaka; and NB Band Manager Mark Pocklington. NOTE: A lot of absence due to bad FLU.

**CZN Attendees:** Alan Taylor, David Harpley, Wilbert Antoine

**Issues Discussed:** CZN provided Meeting Notes for the meeting (see attached).

The Band Manager opened the meeting, with an opening prayer by Councillor Burton Campbell.

Mr. Pocklington, the Band Manager, began the meeting with introductions, comments and noted the concerns of the community. He said the All Season Road will provide the potential for benefits to the community as a balance for additional impacts. Mr. Pocklington thanked CZN for visiting to explain their plans. There was a brief discussion regarding future meetings, and a need to explore teleconference and video conference options to reduce travel.

Alan Taylor introduced the CZN team, and continued the meeting by briefly summarizing the first sections of the pre-prepared meeting stops, stopping between each section for questions/comments.

Mr. Taylor gave a very brief history of the project in terms of road access, saying that Cadillac's focus was silver, which would have been flown out, and that little thought was given to lead and zinc. He also noted that when CZN made mine operations applications, CZN already held a winter road permit so did not apply for a new road permit. However, the winter road was subsequently scoped into the following EA.



Mr. Taylor explained that the present global mining is depressed, with low commodity prices. As such, Mine operations are not possible currently because the necessary capital investment cannot be secured. However, we know the industry goes through cycles, and eventually commodity prices will recover. Mr. Taylor said lead and zinc prices are around US\$0.78/lb currently, and need to be in the US\$1.10 range before the Mine would be viable based on an all season road.

Mr. Taylor explained why the all season road is so important to the Mine project: avoid the significant working capital to sustain operations without income between winters; smelters want a steady stream of concentrate throughout the year; CN Rail don't have enough gondolas to transport the concentrate with a winter road; smaller, cheaper storage facilities and Tetcela Transfer Facility not needed; inbound freight/parts cheaper.

Mr. Harpley continued reviewing the meeting notes from the sections covering road construction. He said the road will mostly be built in winter, with the top surface built in summer. Construction material will come from 'borrow' along the route. The road will be single lane, 5 m wide, with pullouts for passing.

Mr. Harpley said that few animals have been noted along the western part of the road corridor. For example, only 3 caribou were seen on an adjacent hilltop during 2 weeks of fieldwork in September 2014. Conversely, moose were commonly seen along the eastern part.

Mr. Harpley discussed road access controls, including the private barge crossing of the Liard River and the check point west of the river to be operated by NDDDB members. Mr. Harpley noted the difficulties of applying a no-shooting corridor to deter unauthorized road use, but said the road could be designated private as part of Dehcho land claims settlement, however the schedule for this is uncertain.

Mr. Pocklington asked if truck traffic would be in convoys or not. Mr. Harpley replied that convoys were likely in winter, but in summer trucks would need to be staggered in order to avoid a bottleneck at the Liard River crossing.

Mr. Harpley said that it was CZN's intention that the NDDDB benefit significantly from the Mine project. He said that the Company understood and accepted that the all season road presents additional impacts to the NDDDB, and that therefore a supplementary IBA for the all season road is warranted and appropriate. Mr. Harpley noted that the Band Manager had that day provided CZN with a draft Band Council Resolution regarding their intention to negotiate a supplementary IBA.

Burton Campbell asked about jobs and training associated with the road, specifically Class 1 and 3 licensing. Mr. Harpley said that CZN had every intention of promoting training programs with partners, and referred to past training programs.



Darrel Betsaka, who provides translation for Elders in the community and joined the meeting late, said that a major concern is outside harvesting along the road. Mr. Harpley agreed and said that had been discussed prior to his arrival. Mr. Betsaka asked how long it would take to build the road. Mr. Harpley said 3 years, but that included a winter road in the first year. Mr. Betsaka asked how many bridges there would be. Mr. Harpley said about a dozen (actually it is currently 9 to 11).

Chief Peter Marcellais asked Band members if they preferred an all season road or a winter road. Raymond Vital and Leon and Jean-Marie Konisenta said an all season road. After a pause, Mr. Harpley said that, with respect, the question is really Mine and all season road or no Mine for the foreseeable future because of the poor economics with a winter road. Mr. Campbell said he wanted to learn more about training opportunities before answering.

Raymond Vital said that the old logging road to the Liard River (that the all season road will follow) has 2-3 short muskeg areas, but is otherwise mostly solid ground.

Mr. Harpley was asked to explain the current EA process and why the Band was being pressed to provide information requests (IR's). Mr. Harpley said that the Board is mandated to manage the EA process within timelines, but that those only applied to Board activities, and that the proponent (CZN) had some latitude regarding the schedule. For that reason, if the Band needed more time, it would be more effective to discuss this with CZN, and then CZN could support a delay, as had occurred with the IR's. Mr. Harpley explained the key steps in the process, from scoping, through the assessment report (DAR), adequacy, IR's, technical meetings, 2<sup>nd</sup> IR's, interventions, public hearing and decision. He said that, therefore, we are about two thirds of the way through the process. Mr. Harpley also said that the Band need not be concerned regarding opportunities to provide their input to the Board, given that there will be a 2<sup>nd</sup> IR step, interventions and the public hearing to come, and that the Board places great importance on input from the Bands and that the input would carry significant weight in the final decision. He also said that the Band is not obliged to provide IR's, they can choose to defer on this occasion if they wished. Mr. Pocklington asked Mr. Harpley to please summarize the EA process in writing as he would like to circulate it to all Band members. Mr. Harpley agreed to do this.

Mr. Taylor encouraged NDDB to contact CZN directly if they needed to resolve any concerns or issues. He said if any questions or concerns arose after the meeting, the Band Manager could document these and forward them to CZN Vancouver for clarification and answer.

Mr. Harpley said that, since the Band wanted to discuss a supplementary IBA, and that CZN was present now, that a preliminary discussion could be held regarding a framework for an IBA, which the Band could then consider privately later. After this was affirmed, Mr. Harpley said that several options were available regarding benefits,



including set-aside contracts related to the all season road, specific jobs (which is already a given in the existing IBA), training, and some form of royalty or toll. He noted that different members might have different preferences, and that therefore, the IBA might include a variety of benefits. Mr. Harpley encouraged the Band to consider this further before the parties meet again.

Mr. Harpley said that he realized the Band needed some time to decide whether and how they wanted to address their IR options, but that a decision should be made soon as the Board will be wanting to know.

Alan Taylor thanked Chief, Council, Elders and members in attendance for their time. He also suggested a bi-weekly teleconference with the community to keep everyone up to date with progress, which was agreed. Mr. Harpley also undertook to provide written updates for later distribution.

The meeting concluded @ 11:50 AM.

**Issues Resolved:**

To work on a supplementary IBA.  
To provide regular updates to the community, and have regular teleconferences.  
To explore video conferencing options.

**Issues Unresolved:**

Additional access control instruments.

**Meeting Addendum:**

Since the meeting in the community, the Band and CZN have been in communications regarding the issues discussed. The Band has affirmed their desire to negotiate a supplementary IBA for the all season road following a Band Council Resolution to that effect, which CZN is in agreement with. The Band has also expressed a desire to be directly involved in flagging the road alignment on the ground during the detailed design phase prior to construction. CZN is in agreement with this, and had already been contemplating this. Nahanni members will partner with engineering personnel in defining the precise location of the alignment based on local and traditional knowledge, and engineering considerations. Significant alteration of the alignment defined during the EA will not occur, but minor alterations are possible, at the discretion of the relevant Inspector. Prior to flagging the route on the ground, a brochure of heritage resources will be developed for use by ground crews. During the flagging, all crews will inspect for the presence of heritage resources within the proposed road footprint, assisted and directed by Nahanni members. Crews including Nahanni members will also inspect the other areas of proposed development, including borrow pits, pit access roads, construction/maintenance camps, and the Tetcela Transfer Facility, if it is to be



developed. The signature of CZN below affirms CZN's commitment to the involvement of Nahanni Butte members in the activities described above.

**Signature of Representatives Confirming Accuracy of Engagement Record:**

**Naha Dehe Dene Band:**

PETER MARCELLAIS - chief  
Name

Peter Marcellais  
Signature

Brian Ekotla - councillor  
Name

Brian Ekotla  
Signature

Burton Campbell - Councillor  
Name

[Signature]  
Signature

**Canadian Zinc:**

David Harpley  
Name

[Signature]  
Signature