

NOV 1 2 2013

Mr. Kishore Rao Director World Heritage Centre UNESCO 7, place de Fontenoy 75352 Paris 07 SP France

Subject: State of Conservation - Nahanni National Park

Dear Mr. Rao:

I am writing in response to your letter of 8 October 2013 to H.E. M Jean-Pierre Blackburn, Ambassador and Permanent Delegate of Canada to UNESCO regarding permits granted recently to the Canadian Zinc Corporation to build an access road to the Prairie Creek Mine, located in the vicinity of the Nahanni National Park World Heritage site.

Nahanni National Park was established in 1976 and inscribed as a World Heritage site in 1978 with an area of 4,600 km². In 2009, the Park was expanded to 30,000 km², known as the Nahanni National Park Reserve (NNPR). The World Heritage site continues to have the original (1976) boundaries of the park and retains the name Nahanni National Park.

The NNPR completely encloses a 300 km² enclave that contains the Prairie Creek Mine owned by Canadian Zinc Corporation. This enclave is outside the World Heritage Site boundary.

The Prairie Creek Mine is partially developed with an existing mill and related infrastructure. The Mine was close to becoming fully operational in 1982 when silver prices collapsed, forcing the Mine's former owner into bankruptcy. The Mine was acquired by Canadian Zinc Corporation in 1991.

In December 2011, the Mackenzie Valley Environmental Impact Review Board's environmental assessment process concluded that, based on Canadian Zinc Corporation's proposed projects and mitigations, the proposed development of the Prairie Creek Mine was not likely to have any significant adverse impacts on the environment or to be a cause for significant public concern. The Review Board concluded that a more detailed environmental impact review of this proposed development was not necessary and that the Prairie Creek Mine project should proceed to the regulatory phase for approvals. Created by the *Mackenzie Valley Resource Management Act*, the Review Board's role is to conduct environmental impact assessments in the Mackenzie Valley with the objective of protecting the environment and the social, economic and cultural well-being of its residents. The Board is a quasi-judicial, multi-jurisdictional body at arm's length from government, and is made up of individuals nominated by the federal government, territorial





government and Aboriginal organizations. Nominees are selected and appointed by the federal Minister of Aboriginal Affairs and Northern Development.

The details provided above have been noted in response to Committee decisions of the 25th, 26th, 27th, 28th and 30th Committee sessions, and details have been provided in State of Conservation reports submitted in February 2005, February 2006 and June 2012.

In February 2012, Parks Canada and Canadian Zinc Corporation renewed their 2008 Memorandum of Understanding, through which they agreed to work together to achieve their respective goals:

- Parks Canada and Canadian Zinc Corporation agree to work collaboratively, within their respective areas of responsibility, authority and jurisdiction, to achieve their respective goals of managing Nahanni National Park Reserve and an operating Prairie Creek Mine;
- Parks Canada recognizes and respects the right of Canadian Zinc Corporation to develop the Prairie Creek Mine; and,
- Canadian Zinc Corporation acknowledges the co-operative management relationship Parks Canada shares with the Dehcho First Nations in the management of Nahanni National Park Reserve. This includes recognition of the 2003 Parks Canada—Dehcho First Nation Interim Park Management Arrangement and the role of the co-operative management mechanism—Nah?a Dehé Consensus Team.

In early September 2013, the final permits needed for constructing and operating a winter access road to the mine that passes through 82 kilometres of the Nahanni National Park Reserve were issued by Parks Canada. Permit issuance means that Canadian Zinc Corporation is now permitted to build the road, however it should be noted that the permits place a broad range of conditions on Canadian Zinc Corporation that provide the highest degree of protection for the park's ecological integrity and ensure that the road is constructed and operated safely. With respect to drilling specifically, no mining operations have or will take place within the park. However, Canadian Zinc Corporation has been undertaking exploratory drilling within the enclave as part of its planning for eventual mine operations. As it occurs outside Nahanni National Park Reserve and the Nahanni National Park World Heritage site, it is not regulated by Parks Canada.

In regards to other mining activity in the vicinity, the mining interest in the Howard's Pass area, northwest of Nahanni National Park Reserve, changed hands earlier this year when Selwyn Resources Ltd. Canada was sold to Chihong Canada Mining Ltd. Chihong Canada Mining Ltd. is currently permitted to undertake exploration-related activities, including maintenance, on the 23 km portion of the Howard's Pass Access Road that passes through the northwestern corner of Nahanni National Park Reserve. This fall the company undertook limited maintenance activities on the road within the park, replacing four culverts. Some additional maintenance activities may be planned over the winter. The unnamed mine site, which is located northwest of the park in the Yukon Territory, is not currently permitted for mining operations, but remains in the exploration phase.

The Cantung mine, located in Tungsten, Northwest Territories and also to the northwest of Nahanni National Park Reserve, continues to be an active mine site. Previous State of Conservation reporting (2006) has made reference to this property. Parks Canada does not play a

regulatory role, as the mine and its access road are not on land owned by Parks Canada. However, Parks Canada continues to liaise with the owners of the Cantung mine to remain current on their operational plans.

I trust this information is helpful.

Sincerely.

Vice President

Heritage Conservation and Commemoration Directorate, Parks Canada Agency and

Head of Canadian Delegation to the World Heritage Committee

Attachment: Map of Nahanni National Park Reserve

Cc H.E. Jean-Pierre Blackburn, Ambassador and Permanent Delegate of Canada to UNESCO
 Nicolas Dimic, Deputy Permanent Delegate of Canada to UNESCO
 Vincent Garneau, Policy Advisor, Democracy, Commonwealth and Francophonie Division, Foreign Affairs and International Trade Canada
 Jeff Anderson, Vice President Operations, Western and Northern Canada, Parks Canada
 Robert Kent, Field Unit Superintendent, Southwest Northwest Territories, Parks Canada

State of Conservation Report Canadian World Heritage Sites May 2012

Waterton-Glacier International Peace Park

On November 14, 2011, the legislature of the Province of British Columbia passed the *Flathead Watershed Area Conservation Act*. The legislation received Royal Assent the same day and entered into effect immediately. This legislation further reinforces the commitments made in the *Memorandum of Understanding on Environmental Protection, Climate Action and Energy* that the Government of the Province of British Columbia signed with the Government of the State of Montana in February 2010.

The Flathead Watershed Area Conservation Act confirms in law decisions implemented in 2010 by regulation and administrative actions to remove mining, oil and gas exploration and development as permissible land uses in the Flathead watershed. With respect to the Flathead watershed, it prohibits any disposition of Crown lands for mining purposes, prohibits the issuance of permits under the Mines Act, prohibits the issuance of permits for oil and gas exploration and development under the Oil and Gas Activities Act, and prohibits disposition of Crown reserves under the Petroleum and Natural Gas Act. As such, the legislation legally prohibits mining, and oil and gas exploration and development in the Flathead watershed in British Columbia, adding a further element to the existing protective measures that are in place through the Southern Rocky Mountain Management Plan and the Kootenay-Boundary Land Use Plan.

Canadian Rocky Mountain Parks

This report provides an update on information previously submitted on 16 May 2011 and 15 November 2011.

Brewster Glacier Discovery Walk

With respect to a proposal to construct the "Brewster Travel Canada Glacier Discovery Walk" in Jasper National Park, part of the Canadian Rocky Mountain Parks World Heritage site, Parks Canada has determined that adverse effects are unlikely to occur to the national park's ecological values and/or the outstanding universal value of the World Heritage Site. Parks Canada announced the decision on February 9, 2012.

Parks Canada reached this conclusion following a rigorous environmental assessment process conducted under the Canadian Environmental Assessment Act (CEAA). In arriving at a decision, Parks Canada, as the responsible authority for the project, assessed the potential environmental effects of the proposal, the significance of those effects, the mitigating measures, and comments from the public and Aboriginal communities. Factors considered include wildlife, vegetation, hydrology and climate, visual and aesthetics, safety, traffic safety, visitor experience and public access, and geology and landforms. Parks Canada expressly took into account ecological integrity, cultural resources, and the values of the Canadian Rocky Mountain Parks World Heritage site.

Parks Canada has determined that the proposed Brewster Travel Canada Glacier Discovery Walk is not likely to cause significant adverse environmental effects. The Brewster Travel Canada Glacier Discovery Walk proposal is now subject to additional steps in the development review process, before Parks Canada arrives at a final decision to issue permits and land use agreements to allow the proposal to proceed. Construction of the proposed Brewster Travel Canada Glacier Discovery Walk could begin in 2012.

Head-Smashed-In Buffalo Jump

This report describes the proposed alterations beside and on the exterior of the Interpretive Centre at Head-Smashed-In Buffalo Jump for a phased implementation beginning in the 2012-13 fiscal year, pending budgetary decisions.

Snow Attenuation Measures

The design of the entry and exits in the underground Visitor Centre has created great difficulty in years of poor winter weather and heavy snowfall. The combination of high winds and snow results in heavy snow drifts at all entry/exit points. This creates both an operational drain on maintenance staff and budgets and a safety hazard because the drifts frequently block exits from the building, particular at the top of the cliff. In order to prevent these accumulations the original architect has designed additions to these points of building exposure which will require the installation of new concrete supports, new glass roofs and new natural landscaping to soften the impact of the new structures.

New Storage and Washroom Facility

In 1987, when the Interpretive Centre was originally designed and built, maintaining a small footprint for the Interpretive Centre was one of the paramount considerations for being able to build the facility in close proximity to the main kill site. It meant reduced washroom facilities and storage space. The entire facility was built to be enclosed within what is known as a slump block, a major portion of the cliffside's geologic structure which failed and fell from the cliff at some point in the historic past. It is an area that is virtually sterile of historic resource material. The area immediately to the south of the interpretive centre is part of this slump block as well as disturbed ground by virtue of the original construction. The site archaeologist has indicated that the Archaeological Survey of Alberta has no research concerns relative to this land. It has been earmarked for the construction of another underground concrete structure for the installation of new washrooms and storage space. The profile of the entrance is relatively innocuous and will be the only visible portion of the new building.

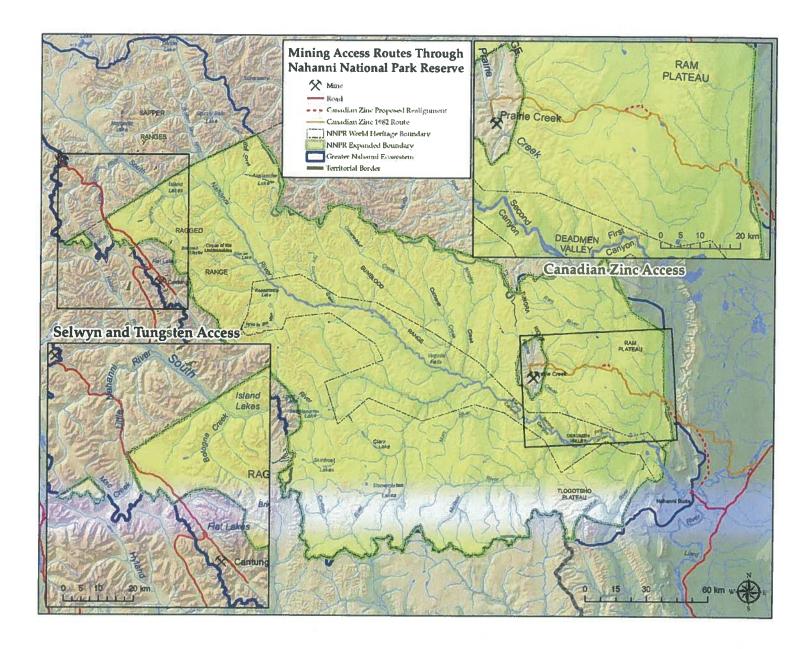
Nahanni National Park

This report provides information on recent activity in the vicinity of Nahanni National Park World Heritage site.

The 1978 World Heritage site designation is contiguous with the original 1976 Nahanni National Park Reserve boundaries, at 4,600 square kilometres in size. This designation does not apply to the expanded area of the park, which in 2009 saw another 25,400 square kilometres added to the park.

This newly expanded area contains an enclave - which is not included in the park lands - that includes the proposed Prairie Creek Mine (see attached map).

In December 2011, The Mackenzie Valley Environmental Impact Review Board authorized Canadian Zinc Corporation to initiate the regulatory process of mine development, the stage at which the company will need to obtain the appropriate permits to proceed. The decision does not provide final approval for construction and operation of the mine. Regulatory agencies including the Mackenzie Valley Land and Water Board, Aboriginal Affairs and Northern Development Canada and Parks Canada must provide specific land and water permits authorizing construction and operation of the mine before any development can proceed. The regulatory stage will include permits and mitigations to ensure this project and its operation will not compromise the existing ecological integrity of the park. As a result, Nahanni's Outstanding Universal Value is not expected to be impacted.







Mr. Kishore Rao

Director

World Heritage Centre UNESCO 7, place de Fontenoy 75352 Paris 07 SP France

Subject:

State of Conservation - Nahanni National Park

Dear Mr. Rao:

I am writing in response to your letter of 19 November 2013 to my predecessor, Dr. Larry Ostola, regarding permits granted to build an access road to the Prairie Creek Mine, located in the vicinity of the Nahanni National Park World Heritage site. I would also like to acknowledge receipt of comments provided by IUCN, which you sent on 17 July 2014.

As explained in previous correspondence, Nahanni National Park was established in 1976 and inscribed as a World Heritage site in 1978 with an area of 4,600 km². In 2009, the Park was expanded to 30,000 km², known as the Nahanni National Park Reserve (NNPR). The World Heritage site continues to have the original (1976) boundaries of the park and retains the name Nahanni National Park.

The NNPR completely encloses a 300 km² enclave that contains the Prairie Creek Mine owned by Canadian Zinc Corporation. This enclave is outside the World Heritage site boundary.

In February 2012, Parks Canada and Canadian Zinc Corporation renewed their 2008 Memorandum of Understanding (MOU), through which they agreed to work together to achieve their respective goals. A technical committee has been established under this MOU to provide a forum for the two parties to undertake detailed discussions on matters such as permitting and environmental assessment.

In early September 2013, the final permits needed for Canadian Zinc Corporation to construct and operate a winter access road to the mine that passes through 82 kilometres of the Nahanni National Park Reserve (but not the World Heritage site) were issued by Parks Canada. This road originates outside Nahanni and appropriate permits for that part of the road were granted by the Mackenzie Valley Land and Water Board (MVLWB). The MVLWB is the territorial regulator for the portions of the road outside of Nahanni.

Recently, the company has submitted a formal permit application to Parks Canada and MVLWB for an all-season access road to the Prairie Creek Mine as an upgrade to the proposed winter road. Canadian Zinc Corporation is of the view that an all-season road would meet their operational and financial needs better than the winter road. The proposed transition from the permitted winter access road to an all-season road constitutes a significant change in scope and potential impacts for the infrastructure that is contemplated for Nahanni. While a winter road is constructed largely of snow pack which disappears with melt each spring and would only have traffic for approximately three months a year, the all-season road would involve constructing a permanent gravel roadbed through much of the route in the park and







would be subject to heavy truck traffic year-round.

In submitting their application, the company indicated that they expect the project would be referred to environmental assessment (EA). Following a preliminary screening where a number of parties, including Parks Canada, the Government of the Northwest Territories and Aboriginal communities recommended that an EA proceed, the project was formally referred to EA on May 22, 2014. The EA is currently in the scoping phase, during which the elements of the project to be studied will be identified.

The EA process will include a significant Aboriginal consultation component. Parks Canada will ensure that the Crown duty to consult is met by harmonizing with the MVLWB consultation process for greater efficiency, where possible, and carrying out its own consultations, where required.

Parks Canada and Canadian Zinc Corporation have established a Technical Committee which provides a forum for detailed discussions of technical matters. It will continue to meet periodically during the EA process. As in previous Technical Committee meetings, it will include participation by the Dehcho First Nations, Parks Canada's Aboriginal cooperative management partners for Nahanni National Park Reserve.

Please rest assured that Parks Canada will continue to give full consideration to the Outstanding Universal Value for which Nahanni National Park was inscribed on the World Heritage List under criteria (vii) and (viii) during the review process for this project proposal.

I trust this information is helpful.

Sincerely

George Green

Vice President

Heritage Conservation and Commemoration Directorate, Parks Canada Agency and

Head of Canadian Delegation to the World Heritage Committee

CC H.E. Jean-Pierre Blackburn, Ambassador and Permanent Delegate of Canada to UNESCO
Nicolas Dimic, Deputy Permanent Delegate of Canada to UNESCO
Louise Filiatrault, Secretary-General, Canadian Commission for UNESCO
Édouard Huot, Policy Advisor, United Nations Division, Department of Foreign Affairs,
Trade and Development Canada
Jeff Anderson, Vice President Operations, Western and Northern Canada, Parks Canada
Robert Kent, Field Unit Superintendent, Southwest Northwest Territories, Parks Canada

This report provides an update on information reported on 23 September, 2014, and in response to the letter received from the World Heritage Centre on 11 February, 2015.

There are three mining interests in the areas surrounding the Nahanni National Park World Heritage site. This will serve to provide an update on the activities of these companies and how they relate to the World Heritage site.

As previously noted, Nahanni National Park was established in 1976 and inscribed as a World Heritage site in 1978 with an area of 4,600 km². In 2009, the Park was expanded to 30,000 km², known as the Nahanni National Park Reserve (NNPR). The World Heritage site continues to have the original (1976) boundaries of the park and retains the name Nahanni National Park.

As has also previously outlined, in early September 2013 the final permits needed for Canadian Zinc Corporation to construct and operate a winter access road to the mine that passes through 82 kilometres of the Nahanni National Park Reserve (but not the World Heritage Site) were issued by Parks Canada. This road originates outside Nahanni and appropriate permits for that part of the road were granted by the Mackenzie Valley Land and Water Board (MVLWB). The MVLWB is the regulator for the portions of the road outside of Nahanni National Park Reserve.

Flat River Mine

The North American Tungsten Ltd.'s Cantung tungsten mine is located on the Flat River outside of the World Heritage site, on a tributary of the South Nahanni River. Over the last year the company has experienced a period of financial difficulties, resulting in the company entering into creditor protection. The mine site closed down in late September 2015 and in late November 2015 it was announced that the Government of Canada had assumed custody of the mine site and will keep it in care and maintenance until a buyer can be found. The timeline for this is unknown.

Prairie Creek Mine

Canadian Zinc's Prairie Creek zinc mine is located on Prairie Creek, a tributary of the South Nahanni River, in an enclave surrounded by the park, but outside of the World Heritage site. Canadian Zinc was issued permits for mine operations and construction of a winter road several years ago, however, due to financial difficulties, very little of this work has been accomplished. An environmental assessment (EA) process for the permitting of an all-season road to the mine site is currently in a holding pattern while Canadian Zinc addresses deficiencies in its developer's assessment report that were identified by the Mackenzie Valley Environmental Impact Review Board, the entity that administers EAs in the Mackenzie Valley.

Howard's Pass Mine

Selwyn Chihong Mining Limited's Howard's Pass mine is located outside the park and outside the South Nahanni watershed, but the Howard's Pass Access Road that reaches the mine site passes through NNPR outside of the World Heritage site. Last year the all-season access road was reopened to single-lane traffic through a project to install a number of bridges and dozens of culverts as well as resurface the road, cut back adjacent vegetation and dig out ditches. In July 2015, the company applied for permits to widen the road to two lanes for full mine operations. This application is currently the subject of an environmental assessment process administered by the Mackenzie Valley Environmental Impact Review Board. Currently the EA is in its early stages, with community consultations now taking place to develop a terms of reference for the developer's assessment report. This report will describe the details of the project, its potential impacts and proposed mitigations. The EA process is expected to last approximately 18 months.

Report on the State of Conservation, January 2016 - Nahanni National Park

None of the development activity described herein falls within the boundaries of the World Heritage site, however, Parks Canada will continue to monitor this work and take appropriate measures to ensure that the Outstanding Universal Value for which Nahanni National Park is inscribed is maintained.