



économique du Nord

February 27, 2018

Chief Gerald Antoine Łíidlı Kúé First Nation PO Box 469 Fort Simpson, NT, X0E 0N0

VIA Email & Fax

RE: EA1415- 01 Report of Environmental Assessment on the proposed Prairie Creek All-Season Road and Łiídlı Kúé First Nation's December 27. 2017 Letter

Dear Chief Antoine.

Thank you for your December 27, 2017 letter to the Canadian Northern Economic Development Agency's (CanNor) Northern Projects Management Office. As you are aware, the federal Minister (FM) and the federal and territorial responsible ministers (RMs) are currently reviewing the Mackenzie Valley Environmental Impact Review Board's (MVEIRB) September 12, 2017 Report of Environmental Assessment and Reasons for Decision (REA), the public record for the above noted environmental assessment (EA1415-01), as well as post-REA correspondence including those to CanNor from Łiidlı Kúé First Nation (LKFN) on October 20, 2017 and December 27, 2017 and from Canadian Zinc Corporation (CZN) on November 21, 2017.

Prior to making a decision on the REA pursuant to subsection 130 (1) of the Mackenzie Valley Resource Management Act (MVRMA), the FM and the RMs must be satisfied that they have meaningfully discharged their legal duty to consult with potential adversely impacted Indigenous Governments and Organizations (IGOs). The FM and RMs must also be satisfied that the measures, as written in the REA, and CZN's commitments as set out in Appendix C of the REA, will be adequately implemented.

To better inform the FM's decision under subsection 130 (1) of the MVRMA, the FM, with support from the RMs, sent an information request to CZN on January 19, 2018 pursuant to subsection 130 (4.06) of the MVRMA. The information request seeks clarity from CZN as to how they intend to implement some of the REA's measures and CZN's commitments. The information request also explicitly directs CZN to further engage with potential adversely impacted IGOs, including the LKFN, the Nahanni Butte Dene Band, and the Dehcho First Nations regarding concerns raised by those IGOs and implementation of the measures contained within the REA. The FM's information request can be viewed on the MVEIRB's public registry.

The FM and the RMs have noted that your correspondence of December 27, 2017 and CZN's correspondence of November 21, 2017 both mention the 2011 Impact Benefits Agreement (IBA), entered into by LKFN and CZN for the Prairie Creek Mine and Winter Road. As indicated in the FM's information request, IBAs are agreements between IGOs and project developers.



Neither Government nor any other third parties are privy to the details of such agreements, nor can they direct an IGO or a project developer to modify or enter into an IBA.

The FM and RMs are aware of CZN's recent correspondence with the Mackenzie Valley Land and Water Board (MVLWB) regarding Land Use Permit MV2012F0007 and have provided comments in response to the request from the MVLWB. These comments can be viewed on the MVLWB's <u>public registry</u>.

Representatives from the FM and RMs met with CZN on February 6, 2018, and February 15, 2018 to provide clarity to CZN regarding the intent and requirements from the FM's January 19, 2018 information request. CZN has been encouraged by the FM and RMs to initiate dialogue with the IGOs identified in the information request, including with the LKFN. The records from the two above noted meetings will be posted to the MVEIRB's public registry.

The FM and the RMs will review CZN's response to the FM's January 19, 2018 information request. Should the FM and the RMs determine that the response is inadequate, the FM may opt to issue a further information request or requests under subsection 130 (4.06) of the MVRMA. We trust that the LKFN will in good faith meaningfully participate in the engagements that CZN has been directed to undertake as part of CZN's role in the furtherance of the procedural aspects of the Crown's consultation obligations.

Finally, we wish to confirm that the RMs will consider all letters and other communication with IGOs as part of the FM's decision on the REA and will respond as appropriate.

Should you have any questions, please continue to contact the CanNor NPMO's Project Officer Umar Hasany (umar.hasany@canada.ca).

Sinderely.

Teresa Joudrie A/Director General

NPMO CanNor Kate Hearn

Assistant Deputy Minister Planning and Coordination

Department of Lands

Government of the Northwest Territories

Cc:

Grand Chief Herb Norwegian, Dehcho First Nations

Chief Peter Marcellais, Nahanni Butte Dene Band

Jonah Mitchell, Field Unit Superintendent Southwest Northwest Territories, Parks Canada Agency

Tom Hoggarth, Regional Director, Ecosystem and Fisheries Management, Fisheries and Oceans Canada

Patrick O'Neill, Director General, Explosive Safety and Security Branch, Natural Resources Canada

Mark Hopkins, Director General, Natural Resources and Environment Branch, Indigenous and Northern Affairs Canada

Gary Bohnet, Principal Secretary, Office of the Premier of the Northwest Territories

Mike Aumond, Secretary to Cabinet, Executive and Indigenous Affairs, Government of the Northwest Territories

Willard Hagen, Deputy Minister, Department of Lands, Government of the Northwest Territories

Mark Cliffe-Phillips, Executive Director, MVEIRB

Shelagh Montgomery, Executive Director, MVLWB