



June 8, 2018

Northern Projects Management Office
Canadian Northern Economic Development Agency
5019 – 52nd Street
Yellowknife, NT
X1A 1T5

Attention Adrian Paradis, Project Officer

**Re: Prairie Creek Mine All Season Road EA 1415-01
Report of Environmental Assessment
Information Requests from Federal and Territorial Responsible Ministers,**

Dear Mr Paradis:

We refer to the letter from Indigenous and Northern Affairs Canada (INAC), dated January 19, 2018, issuing five specific “information requests” (IR’s) in connection with the implementation plans for various measures and proponent commitments contained in the Mackenzie Valley Review Board’s (the Review Board’s) Report of Environmental Assessment (REA) of Canadian Zinc Corporation’s (CZN’s) proposed All Season Road (ASR) into the Prairie Creek Mine.

INAC, on behalf of the Responsible Ministers, in providing CZN with the five information requests, identified specific issues raised by Indigenous organisations that needed further clarity through proponent engagement, so the Responsible Ministers can be confident that the Crown has discharged its legal duty to meaningfully consult with potentially impacted Indigenous communities and organisations.

INAC requested that CZN engage with the Naha Dehe Dene Band (NDDDB), Liidlii Kue First Nation (LKFN) and the Dehcho First Nations (DFN), as recommended by the Review Board, to gain an understanding of the concerns of the Indigenous organizations, discuss and determine how the Indigenous organisations will be included in monitoring, and discuss the Indigenous organisations’ requests for support to participate in implementation of the measures recommended by the Review Board and the commitments made by CZN in the environmental assessment process.

As requested by INAC, CZN has engaged with Indigenous organisations to discuss the implementation of various measures recommended by the Review Board, the sharing and incorporation of Dene traditional knowledge and values into project design, and the inclusion of Indigenous communities and organisations in environmental and wildlife monitoring of the ASR.

A number of engagements were held with Indigenous organisations, including NDDDB, LKFN, DFN and Acho Dene Koe (ADK), and draft implementation plans and related documents were

prepared and distributed on March 5, 2018 to those Indigenous organisations for review and discussion. Comments on CZN's draft IR replies were received from LKFN in a letter dated April 6, 2018 following which CZN revised the IR replies.

Arising from the discussions, CZN has signed a Process Agreement, along with the NDDB and LKFN, which provides for CZN to negotiate an Environmental Management Agreement (EMA) with the NDDB and LKFN to provide for Indigenous review, participation and oversight of the ASR during permitting, design, construction, operation and closure phases, and the implementation of the mitigation measures contained in the Review Board REA. The first EMA negotiation meeting was held in Nahanni Butte on June 5, 2018. Subject to further discussion, the final EMA may include other Indigenous groups in the area. The Parties hope to conclude an agreement over approximately the next three months.

The following documents are attached to this letter:

- Attachment 1: CZN's reply to the IR's, including relevant background information;
- Attachment 2: Draft implementation plans for those REA measures, parts of REA measures and CZN commitments noted in the preambles of the IR's, describing how CZN anticipates Indigenous communities and organisations will participate in the implementation plans, subject to further discussion and negotiation to conclude an EMA;
- Attachment 3: A joint letter from the NDDB and LKFN to the Minister of Crown-Indigenous Relations and Northern Affairs (CIRNA) to inform her of the intention of the NDDB and LKFN to negotiate an EMA with CZN which will serve as a formal mechanism to ensure the mitigation measures and CZN's environmental protection commitments outlined in the REA are appropriately implemented and Indigenous group concerns are addressed, and that the NDDB and LKFN support the approval of the REA subject to the EMA being in place prior to any management or construction plans associated with conditions in ASR permits being approved; and,
- Attachment 4: Engagement Records.

There is an additional attachment, which contains the signed versions of the Process Agreement for the negotiation of the EMA. This attachment is confidential, and for viewing by the Minister and the Responsible Ministers and their representatives only.

CZN provided the NDDB and LKFN a further opportunity to comment on the documents in Attachments 1 and 2. CZN has incorporated comments that were gratefully received into the versions provided. However, we note that the IR reply, and draft implementation plans, are CZN's, and that the comments received from NDDB and LKFN reflect that, and that in the case of the draft implementation plans, the comments were made in the expectation that further engagement will occur.

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CZN has been informed by the NDDB and LKFN that they will be jointly writing to the DFN and ADK to explain the engagements conducted with CZN regarding the REA of the ASR, and their decision to negotiate an EMA as a means of addressing the concerns raised by the NDDB and LKFN. CZN understands that the letters will ask the DFN and ADK to respond and support the decisions and plans of NDDB and ADK. CZN has also been informed that copies of the letters by NDDB and ADK will be provided to CZN. CZN will forward these to the Northern Projects Management Office in due course, as well as the replies from DFN and ADK, assuming CZN is sent copies.

In addition, CZN and the NDDB have signed a Memorandum of Understanding (MOU) to negotiate a Traditional Land Use Agreement (TLUA) which will address, amongst other things, supplemental benefits accruing to the Band associated with the ASR.

In the Process Agreement, the Parties also agreed to propose to the Federal Minister of CIRNA that the Minister include in her decision on the Review Board Report a condition, or a direction to the Mackenzie Valley Land and Water Board (Water Board) and Parks Canada, that permits for the ASR not be issued before an EMA is negotiated and concluded between the Parties.

In this letter, CZN is formally requesting that the Minister of CIRNA consider including in her decision on the Review Board Report a condition or a direction as described above, if possible. Further, CZN requests that, if possible, the Minister of CIRNA also include in her decision a condition or a direction that permits for the ASR not be issued before a TLUA is negotiated and concluded between the NDDB and CZN.

CZN has agreed to accept the inclusion of such conditions but in the event that the Minister is unable to include such conditions, or provide such directions to the Water Board and Parks Canada, CZN has agreed to request and recommend to the Water Board and Parks Canada that the permits for the ASR contain a condition that an EMA is to be negotiated and concluded between the Parties, and a TLUA is to be negotiated and concluded between the NDDB and CZN, before any management or construction plans associated with other conditions in the permits can be approved.

CZN trusts that this letter, with the supporting documents, is an adequate and complete response to the Information Requests of January 19, 2018, such that the Responsible Ministers can be confident that the mitigation measures in the REA will be implemented, that Indigenous participation in the ASR will be suitably addressed, and that the Responsible Ministers can be satisfied that this response is sufficient to make a decision on the Review Board's recommendation to approve the ASR.

If you have any questions regarding the above, please do not hesitate to contact us.

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Sincerely,



David P. Harpley
VP Environment and Permitting Affairs

cc.

Teresa Joudrie, NPMO
Adrian Paradis, NPMO
Jonah Mitchell, Parks Canada Agency
Tom Hoggarth, DFO
Patrick O'Neill, NRCan
Mark Hopkins, INAC
Willard Hagen, DM GNWT Lands
Kate Hearn, ADM GNWT Lands
Alan Taylor, COO CZN

Attachment 1

CZN's IR Reply



Prairie Creek Mine All Season Road Response to Responsible Ministers' Information Requests

On September 12, 2017, the Mackenzie Valley Environmental Impact Review Board issued its Report of Environmental Assessment (REA or EA Report) and Reasons for Decision for Canadian Zinc Corporation's (CZN) Prairie Creek All Season Road Project for the Prairie Creek Mine and submitted the EA Report to the Federal Minister of Crown-Indigenous Relations and Northern Affairs.

The Review Board recommends that approval of the All Season Road be granted subject to implementation of the measures described in the REA, which it considers are necessary to prevent significant adverse impacts on the environment and local people.

In a letter dated January 19, 2018, Indigenous and Northern Affairs Canada (INAC), on behalf of the Responsible Ministers, provided CZN with five information requests, identifying specific issues raised by Indigenous groups that need further clarity through proponent engagement, so the Responsible Ministers can be confident that the Crown has discharged its legal duty to meaningfully consult with potentially impacted Indigenous groups.

INAC requested that Canadian Zinc engage the Naha Dehe Dene Band (NDDDB), Łı́ıdlı́ Kúę First Nation (LKFN) and the Dehcho First Nations (DFN), as recommended by the Review Board, to gain an understanding of the Indigenous groups' concerns, discuss and determine how the Indigenous groups will be included in monitoring and discuss the Indigenous groups' requests for support to participate in implementation of the measures recommended by the Review Board and the commitments made by Canadian Zinc in the environmental assessment process.

As requested by INAC, Canadian Zinc has engaged with Indigenous groups to discuss the implementation of various measures recommended by the Review Board, including the sharing and incorporation of Dene knowledge and values into project design, and the inclusion of a Dene monitoring program for environmental, wildlife and cultural monitoring of the All Season Road.

A number of meetings were held with the Indigenous groups and draft implementation plans and related documents were prepared and distributed to the Indigenous groups for review and discussion.

As a result of those discussions, Canadian Zinc signed a Process Agreement, along with the NDDDB and LKFN, which commits Canadian Zinc to negotiate and enter into an Environmental Management Agreement (EMA) with the NDDDB and LKFN. The EMA will provide for the

Dene communities' review, participation and oversight of the All Season Road (ASR) during permitting, design, construction, operation and closure phases, and the implementation of the mitigation measures contained in the Review Board REA.

This document addresses the main issues raised in the INAC letter dated January 19, 2018 and provides responses to the Information Requests (IR's) therein.

As the INAC letter of January 19, 2018 also refers to implementation plans for certain mitigation measures and CZN commitments in the REA, some draft outline implementation plans are provided in an attached document in order to demonstrate how CZN proposes to approach implementation, and to serve as an initial basis for consideration by, and discussion with, Indigenous communities and organizations regarding the approach, content and Indigenous advice and participation.

Information Requests arising from Indigenous Groups' responses

The INAC letter dated January 19, 2018 states that the Information Requests identify specific issues raised by the Indigenous groups that need further clarity through proponent engagement. The letter references responses from Indigenous groups to letters from the Government of the Northwest Territories (Department of Lands - Project Assessment Branch) and the Northern Projects Management Office of the Canadian Northern Economic Development Agency, dated September 12, 2017, inviting comments on Aboriginal consultation.

In the three responses by the NDDDB dated October 2, October 5 and December 7, 2017, the NDDDB, which represents the most potentially impacted community, agreed that the all season road be approved and asked the Minister to expedite this approval. The NDDDB did not raise any concerns about the implementation of measures or commitments. The main issues raised by NDDDB were: formal recognition of their traditional rights; that the Review Board did not include a specific condition requiring a traditional land use agreement between the Band and CZN covering the road corridor; and expansion of the boundaries of their Indian Affairs Branch (IAB) lands.

In their response letter dated November 6, 2017, the Acho Dene Koe First Nation (ADKFN) acknowledge there has been continuous consultation with CZN since 2004, and since that time ADKFN has maintained a positive relationship with CZN and a number of ADKFN's requests and concerns have been addressed. The only concern raised by ADKFN relating to the ASR in that letter was regarding the increased level of traffic on the Fort Liard Highway. ADKFN did not raise any concerns about the implementation of measures or commitments.

LKFN in their letter dated October 20, 2017 raised a number of concerns regarding the implementation of measures in the REA. These included concerns about the independent technical review panel, traffic control, wildlife management and monitoring, harvesting impacts, water quality and quantity concerns, acid rock drainage and metal leaching, fish and fish habitat impacts, cultural and heritage protections, Dene knowledge integration, archaeological assessment, rare plants, invasive species management, permafrost management, and other matters. The DFN, in their letter dated October 20, 2017 supported the views and positions of LKFN.

Canadian Zinc agreements with Indigenous groups and the GNWT

Canadian Zinc has long standing working relationships with the local communities. During the public hearings, the development of the project received broad support from the local communities, as noted in the Review Board Report:

“Based on the evidence on the record, the Review Board observes that community members in Nahanni Butte as well as the Chief and Council support the All Season Road. During the public hearing in Nahanni Butte, the Board clearly heard community members speak in support of the Project. The Board also heard support for the Project during the hearing from residents of Fort Simpson. The Board accepts that there is broad support for the employment opportunities that the All Season Road will provide in the communities of Nahanni Butte and Fort Simpson.” [Report of EA Section 16.2, Page 329]

Canadian Zinc previously entered into Impact Benefits Agreements with each of the NDDB and LKFN.

In January 2011, the Company signed the NAH?A DEHE DENE PRAIRIE CREEK AGREEMENT which provides for an ongoing working relationship between CZN and the NDDB that respects the goals and aspirations of each party and will enable Nahanni community members to participate in the opportunities and benefits offered by the Prairie Creek Project, and confirms their support for the Prairie Creek Mine.

In June 2011, the Company signed an Impact Benefits Agreement with LKFN in which the LKFN agreed to support CZN in obtaining all necessary permits and other regulatory approvals required for the Prairie Creek Mine Project.

CZN’s IBA with the NDDB sets out an employment opportunity priority, with NDDB members being the first priority. CZN and its Contractors are required to use reasonable commercial efforts to fill available employment opportunities with qualified and interested individuals based on the employment opportunity priority.

Further, CZN made the following commitments during the Mine/winter road EA (REA, p. 82):

“CZN has undertaken to employ NBDB members as environmental monitors at the mine and for the access road. CZN is also looking to NBDB members first for the operation of checkpoints on the road to manage traffic and the possible use of the road by individuals not on mine business.”

The LKFN IBA has provisions that:

- ensure CZN undertakes operations in an environmentally sound manner;
- provide for LKFN to appoint a qualified Monitor to monitor environmental compliance and potential impacts on the environment or wildlife;
- establish a liaison committee to coordinate collaboration on environmental matters;

- and other provisions which allow LKFN and CZN to work together to prevent or mitigate environmental impacts.

CZN's hiring priorities for the Project with respect to Indigenous people are defined through the Impact Benefit Agreements and a Socio-Economic Agreement (SEA) concluded with the GNWT.

CZN ensured that other Indigenous groups and government were aware of the hiring priorities by including the following provisions in the SEA concluded with the GNWT, which is available publicly:

"In this Agreement, Hiring Priorities means giving priority to hiring members of the following groups in the following order:

- a. Members of the IBA Communities;
- b. Members of the NAEC Communities;
- c. Members of the Dehcho Communities;
- d. Aboriginal Persons residing in the Northwest Territories;
- e. NWT Residents who have been continuously resident in the Northwest Territories at least six months prior to being hired;
- f. all others residing in or relocating to the Northwest Territories, and then
- g. all others."

The Nahendeh Aboriginal Economic Committee (NAEC) Communities are, (in addition to Nahanni Butte and Fort Simpson), Jean Marie River, Trout Lake, Fort Liard and Wrigley.

The logic under-pinning this hiring priority is that Nahanni Butte is the nearest and directly impacted community associated with the Project. However, the community is small and is unlikely to be able to satisfy many of the employment demands. As the next closest, and as an IBA Community and larger community, Fort Simpson is expected to be better able to satisfy employment demands and consequently most of the Aboriginals employed by the Project are likely to be Fort Simpson residents.

CZN has planned that EM's for the Mine would be provided with accommodation, meals and transport at, and to and from, the Mine. It is assumed that EM's for the access road, would logically reside and travel daily from Nahanni Butte, certainly the eastern portions thereof, as well as check-point staff.

The Review Board accepted that the Impact Benefits Agreements with NBDB and LKFN will apply to the All Season Road:

"The Review Board accepts that the existing Socio-economic Agreement and Impact Benefits Agreements with NBDB and LKFN will apply to the All Season Road". [Report on EA, Section 16.2, Page 329]

CZN has stated publicly that it expects to negotiate supplemental agreements or provisions relating to the ASR project with the IBA communities.

FRAMEWORK FOR INDIGENOUS GROUP PARTICIPATION IN THE IMPLEMENTATION OF MEASURES

As noted above, Canadian Zinc has agreed to enter into an Environmental Management Agreement (EMA) with the NDDB and LKFN to provide for Dene communities' review, participation and oversight of environmental planning and control for the ASR during permitting, design, construction, operation and closure phases, and the implementation of the mitigation measures contained in the REA. Subject to further discussion, the final EMA may include other Indigenous groups in the area.

Indigenous group participation in the Prairie Creek Mine Project was envisaged previously during EA0809-002, in the permitting for the Mine under various land use permits and water licences, and in existing Impact Benefit Agreements (IBA's) with the NDDB and LKFN and Socio-Economic Agreement (SEA) with the GNWT.

The mechanisms to provide for participation were identified as the Technical Advisory Committee (TAC) and Socio-Economic Advisory Committee (SAC), in addition to IBA and SEA provisions.

It is anticipated that the TAC will meet three times per year, once in Nahanni Butte, once in Fort Simpson and once at the Mine. The purpose of the different locations is to allow community members to be part of TAC discussions at least once a year, with an annual visit to the Mine to observe activities. Members from each Dene community in the area are expected to participate in all TAC meetings, along with representatives from Parks Canada and CZN. Members from other Indigenous groups in the region may also attend. The TAC is intended to be inclusive and not restrictive. The main TAC meeting each year would be in Fort Simpson, at which representatives from various government departments would be invited to attend, and during which reports on annual monitoring data and other regulatory matters could be reviewed and discussed.

CZN is considering activation of the TAC during the mine and all season road construction period. However, participation of Indigenous groups in the implementation of measures and commitments in the all season road REA requires a different participation structure than the TAC, for road design, construction and operation.

ENVIRONMENTAL MANAGEMENT AGREEMENT

Canadian Zinc has agreed to negotiate and enter into an environmental management agreement (EMA) with the NDDB and LKFN for the ASR that establishes appropriate responsibilities of the NDDB, LKFN and CZN in the cooperative development, project design, on-going review and monitoring, as well as modification of follow-up programs, to mitigate potential effects on the environment.

The EMA will provide for a cooperative approach to environmental management of the ASR, and provide transparency and oversight to local communities.

The EMA is intended as a formal mechanism which will be utilized, in addition to regulatory instruments, to ensure the mitigation measures and CZN's environmental protection commitments outlined in the Report of EA are appropriately implemented, and that concerns of the Dene communities are addressed. The EMA will complement the regulatory instruments to ensure Dene communities' participation, and the implementation of mitigation measures, compliance, monitoring and reporting and follow-up are carried out.

The environmental agreement will provide a tested mechanism to assure that CZN will implement the commitments to environmental monitoring, follow-up programs and adaptive management, that may not be suitably included in regulatory instruments, are implemented over the life of the project.

Guiding Principles of EMA:

It is expected that the Environmental Agreement will provide for:

- meaningful involvement of Dene communities in the development, implementation, management, monitoring and evaluation of measures and commitments that mitigate adverse environmental effects of the ASR;
- the development and implementation of a Dene-led environmental monitoring program and adaptive environmental management plan;
- incorporation of Dene knowledge in program design, monitoring and follow-up activities, and integration and promotion of the use of Dene knowledge in environmental monitoring and management;
- a cooperative approach for on-going environmental management and monitoring that is adaptive and flexible; and which will provide for flexibility over time, to accommodate unforeseen events;
- collaborative information sharing and consensus-building regarding all aspects of the ASR, including future regulatory applications;
- identification of opportunities to discuss problems encountered, recommend solutions and adaptations, and monitor the process;
- the opportunity for public participation;
- formal mechanisms for CZN to share information about ASR regulatory applications, and collect information about environmental interests and concerns from potentially impacted Dene communities;
- formal mechanisms for CZN to address environmental interests and concerns of the Indigenous communities regarding regulatory applications prior to, or outside of, regulatory processes; and,
- financial assistance to ensure that these goals are met, in the expectation that there may be a role for federal and territorial assistance as well as CZN assistance, where appropriate.

The Parties have proposed the establishment of an oversight committee to be comprised of NDDB, LKFN and CZN whose role will be to ensure the implementation of the EMA.

CZN, NDDB and LKFN have agreed and signed a Process Agreement to enable and facilitate effective communication, consultation and negotiation of the EMA between the Parties, and, when appropriate, with other Indigenous groups in the area, and to maintain a mutually beneficial, co-operative and productive relationship through which CZN recognizes and agrees to respect the Aboriginal and treaty Rights of the NDDB and LKFN while engaged in its planning, design and construction of the ASR, and the NDDB and LKFN agree to work with CZN to address any concerns which they may have regarding the ASR.

In the Process Agreement, the Parties have agreed to propose to the Federal Minister of Crown-Indigenous Relations and Northern Affairs that the Minister include in her decision on the Review Board Report a condition, or a direction to the Mackenzie Valley Land and Water Board and Parks Canada, that permits for the ASR not be issued before an EMA is negotiated and concluded between the Parties. We urge the Minister to consider this request in her decision on this matter.

In the event the Minister is unable to include such condition, or provide such direction to the Mackenzie Valley Land and Water Board and Parks Canada, that permits for the ASR not be issued before an EMA is negotiated and concluded between the Parties, CZN agrees to request and recommend to the Mackenzie Valley Land and Water Board and Parks Canada that permits for the ASR contain a condition that an EMA is to be negotiated and concluded between the Parties before any management or construction plans associated with other conditions in the permits can be approved. .

CZN's responses to the IR's, which follow below, reflect the intent to negotiate an EMA, and anticipate that the EMA will suitably address Indigenous participation in the ASR so the Responsible ministers can be confident that the mitigation measures in the REA will be implemented.

RESPONSES TO INDIGENOUS GROUP REPLIES

CZN's I responses to Indigenous groups' replies to letters from the Government of the Northwest Territories (Department of Lands - Project Assessment Branch) and the Northern Projects Management Office of the Canadian Northern Economic Development Agency, dated September 12, 2017, inviting comments on Aboriginal consultation, are provided below. These responses are intended as initial responses to the concerns raised and are subject to further engagement with the Indigenous groups.

Naha Dehé Dene Band (NDDB)

NDDB's concerns related to the signing of a Traditional Land Use Agreement (TLUA) between the NDDB and CZN, and expansion of the Indian Affairs Branch (IAB) Lands proximal to the community and through which the ASR would traverse.

CZN has committed to negotiating and signing a TLUA, and has agreed and signed a memorandum of understanding with the NDDDB on June 6, 2018 to that effect. CZN supports the NDDDB's desire to expand the IAB Lands, and is willing to assist the Band in this endeavour.

Líídlíj Kúé First Nation (LKFN)

CZN is receptive to the majority of the comments provided by LKFN, and anticipates that most of the comments will be addressed and included in implementation plans, subject to further engagement.

LKFN stated that Dene knowledge must inform and be incorporated into the development of baseline research, monitoring programs and management plans, and that such knowledge should be acquired through the development of protocols and processes. CZN agrees that Dene knowledge must be incorporated into the development of baseline research, monitoring programs and management plans, and anticipates that this will be accommodated through the mechanism of the proposed EMA.

Specific comments by LKFN that require some further clarification are discussed as follows:

- Measure 5-1, Independent Technical Panel – Item 3 says that Panel composition must also include an individual with extensive Dene knowledge of the Project area. It is accepted that LKFN and others can and should provide this knowledge before and during panel deliberations as part of the panel's process and mandate. Item 4 refers to site-specific data respecting ground composition. A detailed geotechnical site investigation will be carried out to acquire such data to support road design.
- Measure 5-2, Traffic Control – Re Item 1, CZN will be providing traffic data and an updated risk assessment for Panel review.
- Suggestions 7-1 – 7-4, Harvest Monitoring – Since harvesters will need to enter and leave the area by the access road, it is logical that the planned check-point near Nahanni Butte, represents the best opportunity to monitor harvesting. The use of trail cameras will augment this monitoring for periods when the check-point isn't staffed, and for the possibility that some harvesters may attempt to by-pass the check-point. Project environmental monitors (EM's, hired by CZN) and independent EM's (appointed by Indigenous groups) can also contribute to harvest monitoring.
- Measure 9-1, Sundog Creek diversion – the need for independent third party review is discussed in the IR replies below.
- Measure 10-1, Traditional Knowledge - Regarding an Indigenous Knowledge study, this is discussed below in the IR replies.
- Measure 15-4, Indigenous Monitoring – Item 3 discusses regional monitoring of the project area in addition to “on-site” monitors. The Prairie Creek Mine is located in an enclave of territorial land within the Nahanni Nation Park Reserve (NNPR), and the

access road crosses the Park en route to the Liard Highway. Regional studies, involving Indigenous groups, are occurring in relation to NNPR activities. CZN has indicated to Parks Canada that the Company is willing to collaborate on monitoring programs. In addition, studies undertaken by the GNWT are occurring on territorial land adjacent to the eastern boundary of the NNPR. CZN believes that data from these studies is being shared with Indigenous groups.

Dehcho First Nations (DFN)

DFN's general comments were essentially similar to the comments from LKFN and are addressed above.

REPLIES TO INFORMATION REQUESTS

IR 1: INCLUSION AND APPLICATION OF DENE KNOWLEDGE

Engage with the Nahanni Butte Dene Band, Liídljį Kijé First Nation, and Dehcho First Nations, to gain an understanding of each Indigenous group's protocols and policies related to the sharing and inclusion of Dene knowledge and values and determine how such protocols and policies may apply to measures 6-1, 6-2, 6-3, 8-1, 9-1, 11-1, 11-2, 12-1 and 15-1.

The EMA currently being negotiated will specifically provide opportunities for Dene communities to review project plans, perform monitoring and be part of the implementation of mitigation plans. The EMA will include specific provisions for the inclusion of Dene communities' protocols and policies related to the sharing and inclusion of Dene knowledge and values (DKV), and determination of how such protocols and policies may be applied.

The REA measures refer to the inclusion of traditional knowledge (TK), however CZN understands that LKFN believes that Dene knowledge and values (DKV) are more encompassing and include but are not limited to TK.

In order to include and apply DKV, CZN will rely on and follow the advice of the EMA Parties, but expects that this will include community meetings, possibly workshops with traditional knowledge holders, involvement of Dene knowledge holders at key steps throughout the environmental planning and management process, and a need to address protocols around confidentiality concerns. The scope of the meetings, to be agreed with the EMA Parties, might also include an updated presentation by CZN on the project, a summary and description of the measures and commitments, including proposals for implementation.

As part of the regulatory processes administered by the Water Board and Parks Canada for issuing permits, CZN will make submissions and all parties will be afforded an opportunity to review the submissions and provide comments. Indigenous groups will be full participants in this process, and the EMA will provide for further discussion and consensus building.

IR 2: LKFN INDIGENOUS KNOWLEDGE STUDY

Engage with Liídljij Kijé First Nation to clarify the Indigenous groups' understanding of the Canadian Zinc Corporation's commitment to fund an Indigenous Knowledge Study.

CZN has engaged with LKFN on this issue and agrees that CZN will need to further engage with LKFN to better understand Dene knowledge, and how it can be incorporated into project design and monitoring. We expect to do this as a component of the EMA, and for any additional TK studies the Parties agree are necessary.

IR 3: SUNDOG CREEK DIVERSION PLAN

Engage with the Nahanni Butte Dene Band, Liídljij Kijé First Nation, and Dehcho First Nations, to gain an understanding of the Indigenous groups' request for an independent third party to review the Sundog Creek Diversion Plan.

The request for an independent third party to review the Sundog Creek Diversion Plan came from LKFN. The NDDDB and DFN have not requested a third party review.

CZN will further engage with LKFN in order to understand the reasons for LKFN's request, and to further consider the value of a third party review. We note that the technical review panel, which will be composed of independent third parties, has a mandate including hydrology, and that CZN's consultant, the Review Board's consultant, and the consultant used by Parks Canada during the EA are all independent third parties.

Measure 9-1 requires that the Sundog Creek Diversion Plan be approved by Parks Canada and by DFO prior to the start of construction. We expect that Parks Canada will use the same consultant to review the diversion plan before they approve the plan.

IR 4: INCLUSION OF INDIGENOUS GROUPS IN PROJECT MONITORING

Engage with the Nahanni Butte Dene Band, Liídljij Kijé First Nation, and Dehcho First Nations, to discuss and determine how the Indigenous group's will be included in monitoring the Project, particularly in regards to the implementation of measures 5-1 (parts 3 and 4), 6-1 (parts 2 and 3), 10-1, 10-2, 15-1 (part 2), 15-2 and 15-4, as well as any related Canadian Zinc Corporation's commitments.

As noted above, a main component of the EMA will be "a program for engaging Indigenous monitors during the construction, operation and closure phases of the ASR". This engagement will incorporate not just involvement in the monitoring programs but also inclusion in program design and implementation.

How Dene groups will be included in monitoring the ASR will be determined in conjunction with NDDDB and LKFN as part of EMA negotiations and implementation. We have outlined for discussion some initial thoughts on implementation plans in the attached document specific to the parts of measures and commitments listed in the IR.

We note there are other measures, not listed in this IR, that include a monitoring component e.g. 8-1, 9-1, 11-2.

IR 5: FUNDING SUPPORT FOR INDIGENOUS GROUPS PARTICIPATION

Engage with the Nahanni Butte Dene Band, Liidljij Kijé First Nation, and Dehcho First Nations:

- *to discuss support for those Indigenous groups' independent monitoring that would be practicable for the Canadian Zinc Corporation and consistent with the intent of measure 15-4 and other relevant measures and commitments and;*
- *to discuss the Indigenous groups' request for support to participate in the implementation of measures 6-1, 6-2, 8-1, 10-1, 11-1, 11-2, 12-1, 15-1 and 15-4.*

There are two parts to this IR. The first discusses the independent monitoring envisaged under Measure 15-4. CZN will engage with the noted Dene communities and organizations as part of the EMA to discuss the form and extent of independent monitoring that would be practicable.

The second part of the IR discusses support for Dene community participation in the implementation of Measures 6-1, 6-2, 8-1, 10-1, 11-1, 11-2, 12-1, 15-1 and 15-4. For most of these measures, there is an initial engagement component for the permitting and pre-construction period, an annual engagement component, a baseline and pre-construction investigation participation component, and a construction, operations and closure monitoring component.

It is CZN's understanding that government funding is available to largely cover the initial engagement component. Irrespective of this, funding for all components will be discussed and agreed between the Parties as part of the EMA.



THE GREAT SEAL OF THE STATE OF TENNESSEE

OFFICE OF THE GOVERNOR

Attachment 2

REA Measures Draft Implementation Plans



Draft Implementation Plans

Select Measures and Commitments

This document is a preliminary draft of the implementation plans for the measures and commitments contained in the Report of Environmental Assessment (REA) and referred to in the INAC Information Requests, and is intended as a basis for engagement with Indigenous groups towards the negotiation and implementation of the proposed EMA. That engagement will address all of the measures and commitments, including those not discussed here.

MEASURES

5.1 Independent technical review panel

5-1, parts 3 and 4, Panel Composition, Activities and Timing

The panel is to be composed of professional engineers or geoscientists with expertise in northern road design. As described in our EA submissions, CZN will develop a list of suitable candidates and present recommendations for consideration by Parks Canada, the Mackenzie Valley Land and Water Board, the Government of the Northwest Territories, Naha Dehe Dene Band, Lı́ıdlı́ı Kúęé First Nation, and Dehcho First Nations.

CZN will engage with Parks Canada, the Mackenzie Valley Land and Water Board, the Government of the Northwest Territories, Naha Dehe Dene Band, Lı́ıdlı́ı Kúęé First Nation, and Dehcho First Nations on panel activities. As part of this engagement, we propose that Indigenous communities provide advice and/or present material to the panel for consideration, including DKV, and are afforded an opportunity to ask the panel questions and provide guidance as to how they believe the panel should carry out its mandate. DKV protocols and policies can be included in this discussion.

6-1 Wildlife Management

This measure has a number of components:

- baseline data collection
- monitoring during construction and operations
- incorporating TK in developing and implementing monitoring programs
- adaptive management to manage impacts

Baseline Data

The measure refers to the collection of baseline data for caribou, Collared Pika and bird species at risk. Baseline data for Collared Pika and bird species at risk were collected in 2017 following review and approval of methods by Parks Canada and Environment Canada. The collection

program consisted of teams including Parks Canada staff, and each team included a research assistant from the NDDDB. Note, all work in the park requires study permits issued by Parks Canada, and these are only granted after internal review by Parks Canada with their Parks Consensus Team consisting of local Indigenous groups, including LKFN and DFN.

Further baseline data collection is required for Mountain Caribou from the Mine to the park boundary, and for Boreal Caribou from the park boundary to the Nahanni access road. CZN has not yet discussed appropriate data collection programs with Parks Canada, the GNWT or Indigenous groups. However, aerial surveys have been completed in the past in winter, and a pellet survey was completed in the park previously as a surrogate for non-winter surveys. At this point, we have assumed that an aerial survey for Mountain and Boreal Caribou will be completed. For Boreal Caribou, we expect the survey will confirm existing information that indicates very low numbers of Boreal Caribou proximal to the road. Continuing collection of data from Mountain Caribou collars by Parks Canada, and Boreal Caribou collars by GNWT, is also considered to be an important and useful source of baseline data.

Indigenous groups will be included in the activities conducted to develop baseline survey design, thus providing a means to incorporate DKV, and we expect that aboriginals will be part of the survey team.

We will share the resulting baseline data with Indigenous groups, and present the results to them in a culturally appropriate manner.

Monitoring during Construction and Operations

CZN previously developed a Wildlife Management and Monitoring Plan (WMMP) for the Mine and winter road. This plan was updated during the all season road EA (August 2016). The plan describes pre-construction, construction and operations wildlife monitoring. A further update will be required to incorporate the additional requirements from the REA. This will be subject to review by all parties, at which time Indigenous groups can suggest changes or additions based on DKV. A summary of all current requirements is provided below.

Pre-Construction

- Collared Pika – Ground survey immediately before ground disturbance between Km 15 and 40 to determine pika activity, and if detected, modify the development plan if possible i.e. different borrow source, minor alignment change
- Peregrine Falcon – An aerial or ground survey using binoculars of suitable nest habitat from Km 34.5-40 was conducted in 2016 and did not identify any nests. A further check is required prior to construction. If any active nests are found within 1.5 km of the road, construction will occur after the young have left (fledged).
- Bear dens – Road alignment survey crews will identify any previously used dens proximal to the road sections that differ from the original (1980's) winter road and to borrow sources. An aerial survey will also be undertaken in the fall after early snowfall to

identify active dens. If an active den is located proximal to areas of proposed winter disturbance, adaptive management will be applied.

- Western Toad - CZN committed to conducting a Western Toad breeding pond survey along portions of the all-season access road south of the Liard River as part of the baseline program to determine species' presence and distribution.

Construction

Seasonal avoidance is the primary means of mitigating impacts on wildlife (e.g., clearing activities outside breeding bird nesting season). If activities cannot be scheduled to avoid sensitive periods and/or setback distances cannot be met, an Environmental Monitor will undertake site-specific construction monitoring.

During construction, blasting is considered the most disturbing to wildlife. An Environmental Monitor will be responsible for carrying out wildlife reconnaissance surveys, prior to blasting, to determine the presence of Caribou, Dall's Sheep, Wolverine, Grizzly Bear, and Trumpeter Swans within applicable setback distances.

Operations

- A wildlife observations and incidents log will record the observations from all employees, including the Environmental Monitors, truck drivers, and on-site consultants. The species, abundance and proximity of wildlife will be recorded. The log will be used in part to determine and adjust caution zones to minimize potential for animal collisions and other effects.
- A check-point will be operated at or near the Liard River by NDDDB members when the road is open to Mine traffic. The main purpose of the check-point is safety, knowing who is on the road at all times and their activities. Data will also be collected on departing vehicles when harvesting has occurred. The species, sex, and approximate age of the animal will be recorded, as well as the harvest location. Remote cameras will be used to record road use when the check-point is not operating and for vehicles by-passing the check-point. Harvesting data from EM's will also be included.
- Western Toad – Should Western Toad be identified breeding in ponds near the access road, a fall monitoring program will occur to detect aggregations, determine the timing and location of mass movement, and mitigate mortality risk.
- Dall's Sheep – The previous WMMP for the Mine includes a program to document sheep distribution and habitat use proximal to the Mine site, and to locate lambing areas using aerial and ground-based reconnaissance surveys. In addition, ground-based behavioural surveys, from mid-April to mid-June (lambing and post-lambing periods) are outlined to determine if overflight events are affecting Dall's Sheep behaviour.

- Mountain Caribou - The previous WMMP for the winter road proposed the inclusion of observed Caribou and any Caribou aggregation locations in the wildlife observations and incidents log. This approach will be maintained for the all season road. During the all season road EA, Parks Canada suggested an annual aerial Mountain Caribou survey to determine a population index and composition during rut as a long-term monitoring approach to evaluate the potential effects from road avoidance and disturbances, increased predation risk, and road-related mortality.
- Boreal caribou – The inclusion of observed Boreal Caribou and any Boreal Caribou aggregation locations in the wildlife observations and incidents log is considered to be the appropriate monitoring approach given the expected very low numbers of Boreal Caribou proximal to the road.
- Collared Pika – An annual ground survey in late summer between Km 15 and 40 is proposed to determine pika activity, distribution and abundance.
- Bird species at risk – A baseline survey consisting of 80 acoustic recording units was undertaken in 2017. The recordings are currently being analyzed. These are expected to determine the species, abundance and distribution of bird species at risk along the road. We have assumed that annual monitoring in specific locations, perhaps consisting of 20-25 acoustic recording units, may be appropriate for operations monitoring.
- Barn and Bank Swallows - Environmental Monitors will conduct annual Barn and Bank swallow nest surveys under bridges, inside any buildings, and at open borrow sources to determine the presence of nests. If nests are present, all employees and contractors will be notified and prohibited from disturbing occupied nests and destroying the nest at any time of the year.

Incorporating TK

We will further engage with and solicit guidance from Indigenous groups as to how best to incorporate DKV in monitoring plan design and implementation. We assume that community-based engagement will be part of this, during which relevant DKV will be discussed. Monitoring plans will be provided in draft to regulatory processes for review. Indigenous groups can then also provide further advice based on DKV regarding plan composition, approach and whether the proposals are consistent with DKV policies and protocols.

Adaptive Management

CZN will use wildlife and wildlife habitat information gained through monitoring and the implementation of the WMMP to evaluate the success of wildlife and wildlife habitat mitigation measures implemented during all phases of the Project (e.g., pre-construction to closure), and will work to continuously improve management practices, using pre-set management thresholds and response strategies.

Providing and Presenting Monitoring Results

Monitoring results will be compiled into annual reports. These will be provided to regulators and Indigenous groups. CZN will present the results during a Technical Advisory Committee (TAC) meeting involving regulators and Indigenous groups. A 2nd presentation can be made to Indigenous groups and communities separately in a more culturally-appropriate manner.

6-2 Wildlife Management and Monitoring Plan (WMMP)

This measure directs GNWT and Parks Canada to require development of a WMMP for review, and CZN to develop and implement one. As noted above, a comprehensive draft already exists, and will be further updated based on input from and Indigenous groups prior to review by regulators.

6-3 Reducing the risk of vehicle collisions with wildlife

The risk of vehicle collisions with wildlife will be reduced by identifying and marking caution zones along the road. Locations of trails and animal crossing data will be used initially. These locations will draw on DKV and other information.

During operations, wildlife sightings will be recorded and logged as described above. Remote cameras will also be used to identify wildlife crossing locations, as well as non-mine traffic as noted above. This information will be detailed in the updated WMMP.

Reports on wildlife sightings, remote camera results and non-mine traffic use will be produced annually, submitted to regulators and Indigenous groups, and discussed at a scheduled TAC meeting.

8-1 Water baseline data, mitigation, monitoring and adaptive management

Baseline Flow Data

Using additional baseline flow data and flood estimates, CZN will review hydrologic variability within the Project area and apply additional conservatism to design criteria for engineered structures, where appropriate. The revised crossing designs and appropriate mitigation will be subject to review by the independent technical panel, regulators and Indigenous groups.

Baseline Water Levels and Quality

Water level (staff) gauges will be installed in lakes to be used for water extraction (Commitment #239) during the open water season. These will be read manually before, during and after extraction to validate estimates of minimal change in lake level.

Regarding baseline water quality for stream crossings, this quality will change according to weather and flow conditions, in other words, it is not constant and is likely to be different at the time of construction, most of which will occur in winter in any event. We believe there is value in developing a linear regression between TSS and turbidity so that the former can be estimated

in the field based on turbidity readings using a portable meter. This regression will be created before construction by repeat visits to stream crossing locations at Km 6.2 (Casket Creek), Km 13.1 (Funeral tributary) and Km 23 (Sundog Creek). These crossings are accessible from the Mine using the existing road. Repeat visits will be required in order to test and sample water quality during different flow conditions.

Monitoring

Short-term (Construction) Monitoring

Detailed short-term water quality monitoring will be undertaken during the construction period in the open water season. If construction occurs in winter, as much of it is anticipated to do, the monitoring will be initiated in the spring immediately after.

The monitoring will be undertaken by Environmental Monitors or other trained staff. Monitoring will occur immediately after a significant runoff event, and weekly during periods of rainfall, declining to monthly if successive weeks indicate no effects. Daily monitoring will occur on streams potentially affected by active construction activities, declining to weekly if successive days indicate no effects.

Long-term (Operations) Monitoring

Long-term (i.e., multi-year) monitoring of water quality will occur at a subset of stream crossing sites (both upstream and downstream), at the Mosquito Lake crossing, and in the re-aligned Sundog Creek channel. This program will include monitoring during the spring freshet (June) and after significant summer storms.

Adaptive Management

If water monitoring detects a water quality compliance or sedimentation issue, adaptive management will be applied to remedy the situation. The remedy is likely to be highly site-specific depending on the issue, and for example could consist of silt fence deployment, additional armour, vegetation introduction, ground recontouring, installation of additional drainage structures, or a combination of these approaches. It will be difficult to predict which remedy is appropriate before the issue occurs. Monitoring will need to verify the success of the remedy. The adaptive management framework would be detailed in the SECP, including thresholds and actions.

It is anticipated that CZN EM's and independent EM's will employ relevant and appropriate DKV in their monitoring activities and the identification and remedy of issues.

9-1 Sundog Creek diversion

A Sundog Creek Diversion Plan will be developed to incorporate design elements and process, baseline data collection, post-diversion monitoring of effects, and an adaptive management framework. The intent is to minimize effects on fish and fish habitat by ensuring the current fish passage ability is maintained, and incorporating similar habitat and flow elements in the re-

aligned channel compared to the existing channel. Note, the decision to divert the creek instead of crossing it twice with bridges was taken following engagement with the NDDDB, during which they supplied DKV information that flows in the creek can be substantial and they advised against the 'bridge option'..

Baseline Data

The most important baseline data to be collected is considered to be fish use and occupancy, given that a primary concern of the re-alignment is that the current ability of fish to pass upstream and downstream is maintained, assuming that they do in fact pass through currently.

Resident fish species noted from previous surveys are Arctic grayling and slimy sculpin. The former is a migrating species, typically migrating upstream in the spring coincident with peak spring flows. However, the period of migration can be quite short. Slimy sculpin is a resident species.

What we need to know is the distribution and abundance of fish upstream of the diversion before construction commences, both during or immediately after the spring freshet to determine grayling spawning activity, and in the fall after flows have receded and there are dry sections of the creek channel which may result in some fish being trapped. This data will serve as a baseline for fish passage ability in both directions at the re-aligned channel location.

For the spring monitoring period, we propose to target the spawning period using science, DKV, Prairie Creek temperatures (4 deg C is the grayling spawning trigger) and hydrograph (from the existing hydro station) to target the apex of freshet. We propose to visit all possible spawning grounds based on DKV and aquatic science from upstream of the diversion to Km 25 where a major waterfall represents a migration barrier. This would be a visible survey. If waters are too turbid, poor visibility may limit detection. However, grayling prefer to spawn in the mouths of tributaries where the water is likely to be clearer. As a back-up, Fyke nets will be installed just above the proposed diversion at the start of the spring survey to capture any adults migrating downstream. This program will be led by a professional biologist, but advice based on DKV in study design, and Indigenous participation in the fieldwork, will be important.

In the fall, we plan to conduct electro-fishing of the creek to assess fish presence upstream of the diversion location. This activity requires specialized training, but we anticipate Indigenous involvement at a minimum to assist with observations. The focus will be grayling, but sculpin data will also be collected. Aquatic vegetation and benthic invertebrate data will be collected from several sites at the time of the electro-fishing program. Benthic invertebrates, which will be collected following CABIN protocols, are generally collected in the fall when individual organisms are large and easier for the taxonomist to sort and identify.

A hydrometric station will be installed on Sundog Creek for continuous open water water-level recording and flow estimation. Channel morphology, flow characteristics and habitat information for the existing channel have already been collected. This will serve as a guide to the design and construction of the re-aligned channel which will seek to replicate the existing channel.

Water quality data will be collected from the existing channel using an upstream, in-stream and downstream approach. Sampling will occur during both spring and fall programs.

Effects Monitoring

An annual effects monitoring program will consist of the following:

- Electro-fishing of the creek upstream of the diversion to Km 25 in the fall with Indigenous involvement. Representative sections will be shocked, the selection of which will be based on the baseline. If field data are comparable to the baseline, work will stop. If not, work will continue on additional sections. Once multiple years' data indicate no change to fish occupancy, this work will be suspended.
- Benthic invertebrate and aquatic vegetation data will be collected from upstream reference sites and in the re-aligned channel using CABIN protocols at the time of the electro-fishing episode. Once multiple years' data indicate no change to the baseline, this work will be suspended.
- The hydrometric station installed on Sundog Creek will continue to continuously record open water water-levels for flow estimation.
- A survey of channel morphology, flow characteristics and habitat information in the re-aligned channel will be conducted to assess performance. If there are significant changes to channel morphology and/or flow characteristics, adaptive management may be required, and if the changes could negatively affect fish passage, electro-fish monitoring will be restarted if it has been suspended.
- Water quality data will be collected from upstream, in-stream and downstream sites. Sampling will occur at least once per year immediately after spring freshet.

Adaptive Management

CZN will develop and implement an adaptive management framework for effects on fish and fish habitat from the Sundog Creek diversion that satisfies the requirements of Appendix B of the REA.

10-1 Engagement re TK

Engagement with the NDDB re TK was completed previously in 2009, and again during the all season road EA, during which we committed to include NDDB members in the pre-construction AIA survey and alignment flagging teams, and to develop a heritage brochure to facilitate the potential identification of heritage resources. Such a brochure was prepared last year and was reviewed by survey teams prior to summer 2017 field activities.

Further engagement with Indigenous groups, including the LKFN, will occur prior to the archaeological impact assessment. Study design, content, implementation and Indigenous group involvement will be discussed.

10-2 Archaeological Impact Assessment

The scope and content of the AIA will be developed by Lifeways of Canada, the same firm that completed the archaeological overview assessment (AOA). Study plans will be developed in consultation with Parks Canada, the Government of the Northwest Territories, Naha Dehe Dene Band, Lı́ıdlı́ı Kúęé First Nation, and Dehcho First Nations, and will incorporate all evidence of place names, traditional land use, DKV, cultural and spiritual use, and harvesting in the vicinity of the Project

As noted above, CZN has already committed to involve NDDB members in the field teams. Broader Indigenous participation can be discussed.

11-1 Rare Plants

Additional rare plant baseline surveys were completed in 2017 following engagement with Parks Canada, who also collaborated in the field assessments along with NDDB members on each field team. This part of the measure is considered to be complete. A rare plant management plan will be developed prior to construction addressing the remaining requirements of the measure. This will be subject to review by Parks Canada and Indigenous groups.

11-2 Invasive Species

Detailed baseline vegetation surveys completed to date from the Mine (Km 0) to Km 100 are considered to have addressed the baseline invasive species requirement for that road section, recognizing that large sections of the all season road alignment are the same as the original 1980's winter road alignment. An invasive species survey from Km 100 to the Nahanni access road is outstanding. However, only short sections of the proposed all season road alignment are the same as the original 1980's winter road alignment. The majority of this section of the all season road has not been previously disturbed, and therefore has a low probability of invasive species occurrence. We propose to complete an invasive species survey prior to construction on those sections of the proposed all season road alignment from Km 100 to the Nahanni access road that are the same as the original 1980's winter road alignment.

CZN has already developed a draft Invasive Species Management Plan, which includes mitigation approaches. The plan will be revised based on DKV, the additional baseline results and considering adaptive management principles. The plan will also include invasive species monitoring requirements to be completed by Environmental Monitors.

12-1 Permafrost Management

CZN will investigate permafrost presence using geophysics, borehole drilling and test pits, and will collect baseline permafrost data for the road alignment and borrow pits. DKV information on landform changes, which may be related to permafrost, will be sought. The results will inform

detailed and final design and will be provided to the independent technical review panel, regulators and parties. The means to monitor sub-surface permafrost conditions (probes) will be installed during the investigation.

Based on the investigation results, CZN will complete detailed designs, and following review and approval, will construct the road, borrow pits, and other infrastructure in a way that anticipates and limits permafrost degradation and associated impacts on the surrounding environment during all phases of the Project.

CZN will develop and implement a Permafrost Management Plan that includes permafrost monitoring and adaptive management. The monitoring will measure the effects of the road on permafrost, and along with visual observations by CZN staff and Environmental Monitors, allow an evaluation of the effectiveness of road design and mitigations in minimizing permafrost degradation. The plan will also describe an adaptive management framework.

15-1 Monitoring by the developer

CZN will establish and implement monitoring programs, proposals for which are described specific to each measure, and ensure that the measures CZN is responsible for are fully and effectively implemented, and inform adaptive management throughout all phases of the development.

The monitoring programs will measure the effects of the road on the environment, assess the implementation and effectiveness of the measures, and assess the accuracy of CZN's predictions made during the environmental assessment.

CZN will engage with Indigenous groups and seek their advice based on DKV as to the approach and content of the monitoring programs, and to discuss their involvement in the programs.

15-1, part 2, TK and inclusion of Aboriginal groups

Engagements regarding TK are described above, as well as regarding the inclusion of DKV and the advice of Indigenous groups in monitoring programs. Indigenous groups will be involved in project monitoring programs.

15-2 Annual reporting

CZN will report annually on the implementation of measures, evaluating their effectiveness in limiting impacts, and describing any adaptive management undertaken. CZN will present the report to regulators and Indigenous groups annually as part of the TAC meetings, with a separate presentation to Indigenous groups in a more culturally appropriate way, if necessary.

15-4 Independent Monitoring

CZN will support monitoring by Indigenous groups "to the greatest extent practicable". Our initial thoughts are that such monitoring programs that Indigenous groups would independently undertake would consist of water flow and quality, wildlife sighting and surveys including birds

and harvesting, looking for signs of instability (erosion, sediment, permafrost thaw), invasive species, soil and vegetation quality (metals from dust), and un-authorized road use.

Coordination of independent monitoring could be undertaken under the umbrella of the Dehcho K'éhodi Stewardship Program, however this is to be determined during Indigenous group engagement. Support in the form of room and board at the Mine, and transportation, will be provided.

COMMITMENTS

Commitment 43. Monitoring of road when there is mine traffic

This monitoring will consist of the check-point, staffed by NDDB members, and road monitoring. The latter would be undertaken by CZN EM's and independent EM's.

Commitment 96. Inspections during construction, operations and reclamation

This would be undertaken by CZN EM's and independent EM's.

Commitment 167. Annual engagement on the wildlife monitoring plan

This would be a TAC function at which all Indigenous groups would attend and participate in.

Commitment 198. Wildlife monitoring plan updates

This would be a TAC and regulatory review function at which all Indigenous groups would attend and participate in.

Commitment 207. Harvest monitoring

This function is mainly tied to the check-point in terms of tracking and recording, but additional tracking and input by/from all EM's is also expected.

Commitment 208. Wildlife sightings of monitors used for caution zones

Caution zones for wildlife presence will initially be based on baseline data and DKV. It is expected that the zones will be adjusted during operations as more data from drivers and EM's becomes available.

Attachment 3

Letter from NDDB and LKFN to Minister of CIRNA



Naha Dehé Dene Band
General Delivery
Nahanni Butte, NT
XOE ONO

łíídljį Kúé First Nation
PO Box 469
Fort Simpson, NT
XOE ONO



June 7, 2018

The Honourable Carolyn Bennett, M.P., P.C.
Minister of Indigenous and Northern Affairs Canada

Dear Minister Bennett:

**Re: Response to Information Requests #4 and #5 re
Report of Environmental Assessment and Reasons for Decision re
Canadian Zinc Corporation's Prairie Creek All-Season Road
MV2012LI-0005 and MV2012F007**

We are writing with respect to Information Requests #4 & 5, sent by Canada on January 18, 2018 to Canadian Zinc Corporation (CZN), concerning the Report of Environmental Assessment and Reasons for Decision for the Prairie Creek Mine All-Season Road.

Naha Dehé Dene Band (NDDDB) and łíídljį Kúé First Nation (LKFN) have been meeting with CZN to discuss the goal of a Dene-led environmental monitoring program for the road project. Based on those discussions of our Dene communities' goals and needs, we agreed to a Process Agreement with CZN to enable and facilitate effective communication, consultation and negotiation of an Environmental Monitoring Agreement between the Parties. The Process Agreement sets out the process by which the Parties will negotiate and enter into an EMA for the all season road (ASR) including commitments on the funding required to complete those negotiations.

The EMA is intended as a formal mechanism to ensure the mitigation measures and CZN's environmental protection commitments outlined in the Report of EA are appropriately implemented, and Indigenous group concerns are addressed. The environmental agreement will provide for the implementation of commitments related to environmental monitoring, follow-up programs and adaptive management, and will include a Dene guardian program for environmental monitoring.

Most importantly for NDDDB and LKFN, the Parties have agreed to propose to you as the Federal Minister of Crown-Indigenous Relations and Northern Affairs that you include in your decision on the Review Board Report a condition, or a direction to the Mackenzie Valley Land and Water Board and Parks Canada, that permits for the ASR not be issued before an EMA is negotiated and concluded between the Parties. On behalf of NDDDB and LKFN, we urge you to consider this request during your consideration of this matter.

In the event you are unable to include such condition, or provide such direction to the Mackenzie Valley Land and Water Board and Parks Canada, CZN has agreed to request and recommend to the Mackenzie Valley Land and Water Board and Parks Canada that permits for the ASR contain a condition that an EMA is to be negotiated and concluded between the Parties before any management or construction plans associated with other conditions in the permits can be approved.

On this basis, we support the approval of the Report of Environmental Assessment so this project can proceed to the MVLWB for consideration of the appropriate permits and licences.

Sincerely,


Chief Peter Marcellais
Naha Dehé Dene Band


Chief Gerry Antoine
Ehadii Kúé First Nation

cc. Ms. Joanne Deneron
Chair, Mackenzie Valley Environmental Impact Review Board

Grand Chief Herb Norwegian
Deh Cho First Nations

Stephen M. Van Dine
Assistant Deputy Minister, Northern Affairs Operation

Attachment 4
Engagement Records

2018 POST-REA ENGAGEMENT RECORD - NDDDB

Date	NDDB Representative	Engagement Type	Details
Feb. 19	Chief	Letter to Band	Informing Band of INAC IR's and requesting an engagement meeting.
Mar. 5	Chief	Letter to Band	Again requesting an engagement meeting and providing a draft IR response for review.
Mar. 13	Chief	Letter to Band	Noting a planned Mar. 21 meeting and our hope to discuss the IR's.
Mar. 21	Chief, councillors	Meeting	Discussed main points of IR's.
Apr. 2	Chief	Letter to Band	Record of the main points of the Mar. 21 meeting and a revised draft IR response.
Apr. 20	Legal counsel	Call	Introduction to present permit issues including INAC IR's.
Apr. 26	Legal counsel	Call	Discuss suggestion of Environmental Management Agreement (EMA) between CZN, NDDDB and LKFN to address Indigenous participation in All Season Road, and proposal to agree memorandum of understanding (MOU) between same parties to provide framework and funding for negotiation of the EMA. Also discuss a MOU for further negotiation of a supplemental benefits agreement (Traditional Land Use Agreement (TLUA)). CZN drafted an MOU for TLUA further negotiation after the call.
May 2	Legal counsel	Call	Further discuss EMA, NDDDB's report on talks with LKFN re EMA. Agreed that an MOU be developed. CZN produced a draft the next day. Discuss plans for meeting to continue TLUA negotiations.
May 10	Legal counsel	Call	Discuss NDDDB and LKFN comments on draft MOU for EMA. Discuss NDDDB comments on draft MOU for TLUA, and details for future negotiation meeting.
May 18	Legal counsel	Email	Received signed MOU (renamed Process Agreement) for EMA negotiation from NDDDB.
May 23	Chief; Counsellor and Advisors	Meeting	Joint meeting with LKFN. The parties agreed to commence negotiation of an EMA, and pencilled-in meeting dates for June, July and August, with the target of concluding an agreement by August 31. NDDDB-LKFN agreed to discuss EMA approach with DFN.

2018 POST-REA ENGAGEMENT RECORD - LKFN

		Details	
Date	LKFN Representative	Engagement Type	Details
Feb. 19	Chief	Letter to Band	Informing Band of INAC IR's and requesting an engagement meeting.
Mar. 1	Chief	LKFN letter	Letter to CanNor, cc to CZN, received Mar. 13. Notes that CZN's plans to respond to the IR's have not been disclosed, that LKFN will need to seek advice, and that adequate resources are required for meaningful engagement.
Mar. 5	Chief	Letter to Band	Again requesting an engagement meeting and providing a draft IR response for review.
Mar. 6	Chief	LKFN letter	To CZN, received Mar. 13. Repeats and expands on expectations for engagement, including request for workplan and agenda, and provides some comments on the draft IR replies.
Mar.13	Chief	Letter to Band	Noted receipt of Mar. 1 and 6 letters. Questioned the need for provisions for technical advice prior to permitting, noting CZN is not in a position to consider such provisions. Stated that CZN will draft a workplan and agenda.
Mar. 22	Chief, staff	Meeting	LKFN re-iterated engagement requirements, including adequate resources. LKFN advised an expected budget of \$80,000-120,000. CZN discussed project and independent monitoring. CZN referred to the Environmental Management Agreement (EMA) that LKFN had recently signed with Enbridge, and that CZN would be willing to consider a similar approach for the all season road.
Apr.2	Chief	Letter to Band	Record of the main points of the Mar. 22 meeting and a revised draft IR response.
Apr 13	Chief	Email to Chief	Requesting meeting.
Apr 18	Chief & Legal Counsel	Meeting	Discussed IR's and concept of Environmental Management Agreement, importance of co-operation between Indigenous groups and position of NDDB.
Apr 24	Legal counsel	Email	Proposed interim MOU to provide structure and a road map to ongoing negotiations.
Apr 28	Chief	Telephone call	NDDB and LKFN Chiefs had agreed to work together.
May 2	Legal Counsel	Telephone call	NDDB and LKFN agreed to work together on the Environment Management Agreement concept. Discussed outline contents of EMA and possible parties thereto.
May 3	Legal counsel	Email	CZN provided a draft MOU for an EMA, sent to NDDB who subsequently shared a copy of it and discussed it with LKFN.
May 15-16	Legal counsel	Email reply	Comments provided on draft MOU for EMA.
May 18	Legal counsel	Email	Received signed MOU (renamed Process Agreement) for EMA negotiation from LKFN.
May 23	Chief & Legal Counsel	Meeting	Joint meeting with NDDB. The parties agreed to commence negotiation of an EMA, and pencilled-in meeting dates for June, July and August, with the target of concluding an agreement by August 31. NDDB-LKFN agreed to discuss EMA approach with DFN.

2018 POST-REA ENGAGEMENT RECORD - DFN

Date	DFN Representative	Engagement Type	Details
Jan 22	Grand Chief	Meeting	Discussed Information Requests - DFN willing to engage with Canadian Zinc in ongoing consultation process
Feb. 19	Grand Chief	Letter to DFN	Informing DFN of INAC IR's and requesting an engagement meeting.
Mar. 5	Grand Chief	Letter to DFN	Again requesting an engagement meeting and providing draft IR response for review.
Mar. 13	Grand Chief	Letter to DFN	Again requesting an engagement meeting. Noted that CZN would be visiting Fort Simpson the week of March 19.
Mar. 14	Mr Nyuli, exec dir	Call	Mr Nyuli explained DFN relies on the Bands to take positions and then supports them. CZN understood not appropriate to engage with DFN prior to resolving matters with the Bands. CZN asked for confirmation of the call by email. Email not received.

