



October 20, 2008

Alistair MacDonald
Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
5102 50th Avenue,
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Dear Mr. MacDonald

**RE: Environmental Assessment EA0809-002, Prairie Creek Mine
Answers to Questions from Scoping Sessions**

The Mackenzie Valley Environmental Impact Review Board (“MVEIRB”) requested that Canadian Zinc Corporation (CZN) answer questions left on comment cards at the recent scoping sessions. Referring to the scoping reports, the most extensive list of questions came from the community of Wrigley. These are copied below followed by answers from CZN.

Social, Economic and Cultural Impacts

- How will social impacts be monitored

CZN is well aware of the potentially negative consequences of a wage economy, and the difficulties that might arise from workers being away from home. CZN recognizes that it lacks experience in this area. Therefore, CZN intends to consult and work with government to ensure the appropriate programs and help are available for workers and their families.

- Will cultural impact studies be undertaken

CZN recognizes that First Nations have cultural traditions that are important to them. It is not CZN’s intent to interfere with these traditions in any significant way. Project activities will be designed to minimize disturbance to traditional community life. CZN will strive to accommodate workers requesting absences for traditional activities.

- Problems with increased income and community/family effects from drugs, alcohol and violence

See answer above. CZN intends to offer seminars and counselling services for workers aimed at minimizing such problems, but also providing for a safety net in recognition that they may occur.

- Effects of traditional life vs. wage economy

It is CZN's hope that the two life styles can be accommodated harmoniously. It is CZN's hope that mine operations will not interfere with First Nation traditions significantly.

- Heritage resource studies required

CZN has consulted with the Prince of Wales Institute on two occasions previously, and there is no record of the existence of heritage resources in the area of the mine and access road. Whether or not heritage resources exist, it must be recognized that the mine is already built, and the winter road exists and was used extensively over two winters.

- Jobs and business opportunities

There will be 220 direct jobs at the mine. There will be business opportunities for the provision of supplies, catering and seasonal winter road construction and transportation.

- Training for truck driving and other high demand off site jobs

CZN is keen to support training programs for on-site and off-site jobs in order to maximize local and northern participation in the workforce.

Winter Road and Liard Highway

- Will the winter road be a part of the environmental assessment?

CZN already has a permit for winter road operation, and CZN's view is the road should not be a part of the environmental assessment. This does not preclude any further discussions and consideration of additional operational issues along the route of the road between the communities and CZN.

- Soil erosion of roads – sedimentation problems?

CZN's winter road crosses few creeks, and for the most part is well vegetated. An all weather section consisting of a gravel bed already exists through the mountains. Parts of this section along Funeral and Prairie Creeks were subject to erosion during flood events because CZN was not able to maintain the road. CZN is in the process of repairing and stabilizing these parts. Roads around the mine are used for on-going exploration. Sediment dispersal is minimal, and has no significant impact on local creeks. Disused roads are undergoing natural revegetation.

- Traffic on roads; safety and road deterioration concerns

Safety on CZN's winter road and the Liard Highway are important concerns. CZN has developed a Controlled Use Plan for the winter road to minimize the potential for vehicle and animal collisions. The plan includes speed limits and communication between trucks and control stations. CZN also wants to be able to screen users and manage access to the road so all road users are known at all times. CZN is also consulting with the territorial government regarding traffic on the Liard Highway.

- It is a moist [meaning swampy?] region where the transfer facility will be. What will you do-where will you get the rock from?

The transfer facilities are located in relatively flat well drained areas. Soil samples are presently being tested to determine the nature of the foundation material required. A gravel bed is contemplated to be laid to form the base of the facility. The gravel will be sourced from a quarry proximal to the winter road or the Liard Highway.

Air Quality

- Don't want a repeat of Giant Mine problems with air quality.

Gas emissions from Prairie Creek will be limited to power generation and camp waste incineration. Modern, low-emission generators and incinerators will be used.

Wildlife

- How important is this specific location for Dall's sheep?

A small herd of Dall's sheep inhabit the ridges above the mine.

- Effects of noise on wildlife

The Dall's sheep do not appear to be concerned with mine site activities. They sit on the slopes above the mine observing the activity and occasionally descend into the yard. Grizzly bears, caribou and wolves are also seen infrequently in the mine area.

- Effects of mine and road together on wildlife?

Mine operations are not expected to be greatly different from those at present in terms of effects on wildlife. Road operations will be seasonal. A survey of the road corridor in April 2007 determined that very few animals were present, and therefore few if any effects are expected.

Water and Fish

- Will there be enough water or will the developer have to draw from Prairie Creek?

The mill process will use water from the mine. Potable water will be drawn from wells. Water will not be drawn from Prairie Creek for mine operations.

- Will anything from the tailings pad or water ponds go into the creek?

Runoff from the tailings pad will flow into the Water Storage Pond (WSP). Water from the WSP will feed the Mill, and also a water treatment plant. After treatment, the water will be further processed through the Polishing Pond and Catchment Pond before release to the environment. Regular sampling will be conducted to ensure strict water quality targets are met.

- How do you know that water won't affect the creek?

Historical and recent data indicate that previous, un-treated mine water discharge has had very little if any significant affect on Prairie Creek. CZN's recycling of water and treatment will ensure that creek water quality is protected.

- What quality of water is coming out of the mine? Where does it all go?

Mine water currently contains mainly some dissolved zinc, about 10 parts per million (ppm). This is expected to drop to about 5 ppm during operations. The Canadian drinking water limit for zinc is 5 ppm. The mine water will be used I the Mill process, and any excess will treated before discharge to ensure fish in Prairie Creek are not affected.

- Water quality is a big issue in mining (using it, how much, treatment, monitoring)

We agree. CZN's plans have been developed to use as much mine water as possible, release as little as possible, and then only after treatment and with careful monitoring.

- Is the existing treatment plant to be replaced? If so, will it function effectively at all times?

A new water treatment plant will be built to treat mine and Mill water during operations. Contingencies will be put in place to ensure the plant operates efficiently, and to take it off-line and not discharge water when it is not.

- What kind of fish are in the area?

Bull trout are the most common fish found above and below the mine, but these are still quite small and low in numbers. Mountain whitefish also exist.

- Spring runoff – will the ponds get too full? Will there be flash floods? How will meltwater be managed?

Runoff from the slopes above the ponds will be diverted so that only direct precipitation will enter the ponds. This will have very little effect on pond water levels, even after an extreme event. The existing surface water management system at the site has functioned well in dealing with spring meltwater and prolonged heavy rainfall.

- Sewage water – where will that go and how treated?

Sewage will be treated in the existing Sewage Treatment Plant by bio-oxidation. Treated water will be pumped into the Water Storage Pond.

- Concerns about water quality downstream over time

As noted above, data indicate that previous, un-treated mine water discharge has had very little if any significant affect on Prairie Creek. CZN has been treating mine water since 2006, and this will continue. CZN's mine closure plan is intended to ensure that mine water stops.

- Cumulative water quality effect during the mine life and after the mine closes

Recent studies have shown that previous, un-treated mine water discharge has had very little if any significant affect on Prairie Creek. Hence, continued but treated water discharges are unlikely to have any significant impact.

- How much water will be pumped out as it gets deeper?

CZN has planned for double the peak flow seen to date, with provision for treatment plant expansion if flows are greater. The mineralized vein is the main conduit for groundwater flow in the mine. As ore is removed, it is replaced by a backfill mix. This should limit the inflow of groundwater as the mine accesses deeper levels. A recently installed groundwater monitoring system should assist in estimating inflow amounts at depth.

Monitoring and Management

- How does Canadian Zinc plan on monitoring long term effects? Will there be an Environmental Agreement to help monitor?

CZN will have a sampling and monitoring plan as part of the Water Licence. In addition, monitoring of potential environmental effects in Prairie Creek will be required during mine operations. CZN will ensure this information is available to the public.

- Are there plans for continuing studies for the life of the mine? (for water management, air quality, wildlife)

As note above, water quality monitoring will be an on-going requirement of mine operations. The need for, and content of, air quality and wildlife monitoring/studies will be determined by the appropriate government agencies.

- Are all environmental management plans in place?

CZN has attempted to include all of the necessary environmental management plans required for the operation, and to provide for these. Part of the environmental assessment and permitting processes is to consider what plans are required and ensure they are included.

- Who reports to communities? Especially water quality.

Water monitoring data will be posted on government websites. CZN will make arrangements for the information to be easily available to local communities.

- Who is involved with water monitoring currently?

CZN is currently required to take regular water samples. Results are sent to the Mackenzie Valley Land and Water Board (MVLWB) and Indian and Northern Affairs Canada (INAC). INAC periodically take their own water samples during inspection visits.

- From past history, have there been environmental concerns? Establish an environmental monitoring board?

The main environmental concerns have been the safe storage of sodium cyanide, and the discharge of untreated mine water. The cyanide was removed from site this summer, and treatment of mine water commenced in 2006. There already is a form of environmental monitoring board in that CZN is required to send regular sampling results to the MVLWB.

- First Nations should be monitoring water quality – people are still leery of the water

CZN has First Nations people actually managing the water treatment works and taking the water samples. CZN has also hosted two Environmental Monitoring training courses at the site to train locals for future monitoring tasks.

- Will the Land and Water Board monitor the mine? Are there aboriginal people involved? This is their land

See previous two answers above.

- Independent researchers needed; we only have the developer's research info

Independent research information is available from INAC, Fisheries and Oceans Canada and Parks Canada, amongst others.

Waste Management

- Dealing with hazardous waste

All hazardous wastes will be managed, stored and disposed of off-site in full compliance with regulatory norms and requirements.

- What happened to the cyanide?

It was repacked in 2007 and taken off-site in July 2008 for destruction in a plant in Ontario.

- What will happen with old equipment?

Much of the old equipment is useable with maintenance. Obsolete equipment will either be taken off-site or buried in the Waste Rock Pile, provided it is rendered inert first.

- What happens to garbage on site

It is incinerated in an on-site incinerator, except for plastics which are bagged and taken off-site for recycling.

- Storage of waste rock concerns, e.g., acid rock drainage from waste rock pile

Extensive geochemical testing has confirmed that the waste rock will not be acid generating, and will in fact have a considerable neutralization potential.

Park

- The ecological integrity of the park is a concern

As it is to CZN. We believe mine and road operations can be managed in a way to minimize the potential for significant ecological impacts, and in harmony with park operations.

- What is the nature of the agreement between CZN and Parks Canada?

The memorandum of understanding between CZN and Parks Canada essentially means the parties agree to co-operate, given they both have interests in the same area. Parks

Canada has agreed to respect CZN's existing rights with respect to mine operation and access, and CZN recognizes Parks Canada's mandate to manage and protect the park.

Public Concerns

- The most important concerns are: 1. The watershed and the water for the people and the animals-can't live without it; 2. Using traditional knowledge especially up the North Nahanni. A lot of our people have sites up there. They need more study.

CZN agrees the protection of water quality is the primary concern. Our plans have been developed with this in mind, and will ensure water quality is protected during mine operations and after closure. The existing winter road runs along the headwaters of Sundog Creek and crosses the Tetcela River, both of which are tributaries of the North Nahanni River. We are not aware of any sites of traditional use in the area.

- We want jobs but want the environment to be protected as well.

CZN will provide jobs, but environmental protection is a critical part of project plans also.

Yours truly,
CANADIAN ZINC CORPORATION



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