



September 18, 2008

A SUMMARY OF CANADIAN ZINC'S VIEWS
REGARDING SCOPE FOR THE
ENVIRONMENTAL ASSESSMENT OF THE PRAIRIE CREEK MINE

Canadian Zinc Corporation ("CZN") has applied for permits to operate the Prairie Creek Mine. The applications have been referred to environmental assessment ("EA") by the Mackenzie Valley Environmental Impact Review Board. Community meetings will soon be held to receive comments on an appropriate scope for the EA. This document summarizes CZN's views regarding an appropriate scope.

- The Prairie Creek Mine Project is unique in that the site already has the major portion of the infrastructure development that will be used in operations, and was fully permitted in 1982. The footprint and environmental significance of the development already exists, and has been the subject of multiple previous EA's since 2001. The new EA process should focus on the specific changes proposed.
- In 2005, the Supreme Court of the NWT ruled that CZN's new permit application for a winter road is grandfathered from EA because a permit existed prior to 1984 for the same undertaking. CZN received and holds a permit to operate the winter road. Therefore, use of the winter road should not form any part of the coming EA.
- CZN has chosen to include modern waste and water management plans into the design of the project. The project was referred to EA based on these "improvements", and CZN is not opposing the referral. CZN has the option to apply for the same mine project proposed by Cadillac, and avoid EA.
- CZN believes the scope of the EA should focus on the specific improvements proposed. This would include the Water Storage Pond, placement of mine and mill waste underground in a backfill mix, the Waste Rock Pile, a water treatment plant and two small transfer facilities along the winter road. CZN does not believe it to be appropriate or necessary to include existing mine components, most of which are the same as proposed by Cadillac, in the scope.
- The scope of EA should not include components of the mine that are already built, and/or that have been assessed in previous EA's. This includes the airstrip, mill, flood protection dikes, tank farm, power generation system, administration building, accommodation trailers, sewage treatment plant and runoff collection system.
- CZN is committed to protecting water quality now and forever. Cadillac built the mine to allow water to flow out of it by gravity. This drainage was flowing into Prairie Creek without treatment until CZN started treating it in 2006. The drainage represents a long-term water

treatment legacy unless a remedy is applied. This is why CZN has proposed a modern waste management plan. CZN proposes to fill the mine with cemented mine waste as mining progresses. The intention is to 'backfill' the mine so that after mine closure, there will be no mine drainage.

- During operations, CZN plans to collect and store the mine drainage. The water will be used in the mill process. The final mill water will be treated to meet strict water quality limits before being discharged.
- The waste management plan has a significant influence on the mine closure plan. Therefore, CZN is also not opposed to the closure plan being included in the scope of EA.

The operation of the Prairie Creek Mine will bring substantial employment and economic stimulus to the Dehcho region. CZN is committed to operating the mine in an environmentally responsible manner, and, after closure, leaving the site with no long-term liabilities.

CZN welcomes an appropriate and efficient EA process focussing on the review of its new waste and water management plans, and closure plan. We are confident our new plans are practical, sound and represent a high-level of environmental protection. The scope of EA should not include aspects of the mine that were previously permitted, already built, or assessed and approved in past EA's.

It should also be remembered that, following the EA, there will also be a second regulatory process, managed by the Mackenzie Valley Land and Water Board and with input from territorial and federal agencies, before permits are issued. These permits will include conditions that will ensure CZN meets appropriate environmental guidelines.

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For more information on any aspect of CZN's viewpoint, please contact any of the CZN representatives listed below.

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