



August 12, 2016

Mr. Chuck Hubert
Senior Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
5102 50th Avenue,
Yellowknife, NT
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Dear Mr. Hubert

**RE: Environmental Assessment EA1415-001, Prairie Creek Mine
All Season Road, Cultural Impacts Technical Session Reports**

This letter provides comments by Canadian Zinc Corporation (CZN) on the above noted reports relating to the cultural impacts technical sessions held in Nahanni Butte on July 4 and in Fort Simpson on July 5, 2016.

General Comments

The Board engaged a third party facilitator to manage the cultural impact technical sessions, and produce reports to summarize the discussions. CZN has no issues with the engagement of a facilitator, however in addition to producing reports to summarize the discussions, the facilitator has also provided analysis, conclusions and recommendations, which we did not understand was a part of the mandate of the facilitator. CZN and others were instructed not to respond to community comments, lest this would reduce the time available for comments from community members. Many of the concerns raised could have been answered quite easily by CZN during the sessions. It is unfortunate and somewhat inefficient that this did not occur.

The session in Nahanni Butte was well attended, considering the size of the community, but the session in Fort Simpson, was not very well attended by resident community members. Also, in the Fort Simpson session, comments were dominated by a few people, whose comments may not be representative of the broader community. Given the facilitator only has a limited understanding of the project and community issues, the analysis, conclusions and recommendations may not always be balanced and informed. Therefore, we suggest the Board will need to consider carefully how much weight or importance to give to the facilitator's conclusions and recommendations, especially those in the report on the Fort Simpson session.

Nahanni Butte Session

Regarding 'Fish and Fish Habitat', we are aware that Grainger Gap is an area prone to flooding. The evidence is clearly visible. However, there is no practical alternative to crossing Grainger River at this location. Allnorth has provided a bridge design with a long, clear span, and with

suitably protected and located abutments, to avoid significant damage from flood flows. The ‘important site’ described as west of Grainger Gap is puzzling, since KP 14-125 would place it east of the Gap. In any event, the bridge crossing is the only fish habitat that will potentially be affected in this area.

Regarding ‘Caribou’, some context to the comments is appropriate. The Netla River is upstream on the Liard River from the proposed road route, and is only proximal to that portion of the proposed route adjacent to (or coincident with) the Nahanni Butte access road portion. Poplar River is quite some distance to the north-east, nearer Jean Marie River. Matou River is a western tributary to the Liard River, entering about 50 km downstream of the proposed ferry crossing.

The proposed access road crosses the headwaters of Matou River near the toe of the Front Range. We note that the area east of the Front Range is considered boreal caribou habitat, but that sightings are infrequent, and are more common to the north, south and east. We also note that the road alignment and crossing location were approved by Chief and Council on June 9, 2016 (see email string posted on the Registry).

For the record, CZN is continuing to engage with the NBDB regarding project details and plans, and has made a commitment to involve the NBDB in the detailed design process. We are confident that the specific concerns raised at the Nahanni technical session will be addressed through our engagement.

Fort Simpson Session

Regarding ‘caribou’, the history provided at that session by Jonas Antoine is corroborated by scientific data. Many surveys have noted caribou congregations in the Caribou Flats area, which is about 7 km north of Km 7 on the proposed access road. This also agrees with the range map for Northern Mountain Caribou in the booklet “Species at Risk in the NWT, 2016”. The same map shows the road crossing an area of ‘trace occurrence’ in terms of caribou presence.

Therefore, the comment by Dan Holman that “Granger Gap and Wolverine Pass and that entire range is important to the caribou as the community recognizes this whole area as important habitat both for migration and mingling areas” does not have similar scientific confirmation. Certainly, we have not seen caribou in those specific areas during CZN’s many surveys, although we have occasionally seen 1-3 caribou in the upland areas north and south of Sundog Creek. Project monitoring plans are currently being reviewed, including for caribou. However, the Caribou Flats area is not being considered as it is not proximal to the all season road route.

Regarding harvesting, the comment/information from Wilbert Antoine, an LKFN Band member (and CZN’s Manager of Northern Development), that harvesting by LKFN members has not extended as far south as the access road route in the recent past, and that caribou are rarely harvested in the area, was shared at the session but is not reflected in the facilitator’s report.

A number of comments were made in the Fort Simpson session and reported on regarding traditional knowledge (TK). The facilitator has drawn conclusions and made recommendations on this subject. Before we comment further, a brief chronology is provided for context:

- During EA0809-002, CZN consulted LKFN regarding TK, and reported on it in the 2010 DAR (p. 159) as follows: “CZN was informed (verbally in December 2009) by Mr. Allan Bouvier, Manager, Lands & Resources who works closely with the Denendeh Resources Committee (made up of hunters and trappers), that the LKFN Band had no concerns in this regard”.
- On January 14, 2014 CZN met with LKFN Chief and Council, and informed them of CZN’s intent to submit all season road permit application. The meeting focussed on provisions of the existing IBA between CZN and LKFN, and no other significant issues were raised regarding the road.
- CZN submitted all season road application in April 2014, including the January 14 LKFN meeting record.
- A community scoping session for the EA was held in Fort Simpson on June 11, 2014. Few people from the community attended (see posted attendance record). In the Board’s summary report on community scoping (posted on June 24), no reference is made to TK concerns. Also, no formal submission was made to the Board by LKFN during the scoping phase.
- On November 28, 2014 CZN met with LKFN council. The meeting focussed on road access control, and the potential for a ‘no-shooting’ corridor. No unresolved issues were raised by the LKFN council
- In April 2015, CZN submitted the DAR for EA1415-001, and included the November 28 LKFN meeting record.
- In September 2015, CZN submitted the DAR Addendum for EA1415-001.
- On the February 12, 2016 deadline for the submission of Information Requests (IR round 1), the Executive Director of LKFN wrote a letter to the Board stating, amongst other things, that the all season road project is different from the original project, and is not covered by the existing IBA. It was also noted that environmental concerns must be included in the regulatory process. That letter also stated that CZN had not ‘consulted’ with LKFN on the new application. LKFN did not provide IR’s.
- CZN arranged to have a meeting with LKFN Chief and Council on the evening of March 1, 2016 to discuss any Band concerns. CZN was informed in the afternoon of March 1 that the meeting was cancelled because of the unavailability of certain staff members.
- CZN answered IR’s on May 9, 2016.

- Following advice from the Board on May 16, 2016 regarding the upcoming Technical Session, on June 1, 2016 LKFN Chief Gerry Antoine wrote to the Board to provide input on the topics LKFN would like to see covered in the Technical Session. He also noted that community sessions were being planned (at the time Nahanni Butte was being considered), and he requested that a session be held in Fort Simpson. No TK issues or concerns were mentioned in that letter of suggested topics
- During the Technical Session held in Yellowknife on June 14, Dean Holman, LKFN Natural Resource Manager, said it was important to have an indigenous knowledge study, and that LKFN had not been consulted regarding TK and heritage resources. CZN responded that the Company has been trying to meet with LKFN.
- CZN tried to meet with LKFN immediately prior to the July 5 cultural impacts technical session in Fort Simpson, but we were told the timing wasn't convenient.
- The facilitator's report on the July 5 cultural session in Fort Simpson notes that LKFN "has a Traditional Knowledge policy in place that they want to see respected". No mention of this was made to CZN previously by LKFN.

CZN has no problem with LKFN compiling their TK if they wish, and the results can be considered along with project details and plans, assuming the results are available at the time, and as we have proposed to do with the NBDB. In doing this, LKFN's TK policy can be respected. However, the facilitator has stated that LKFN's TK information "is important to the Board in making an informed decision". CZN believes it to be unlikely that LKFN's TK information would significantly alter project design, effects assessment or mitigation. It should be noted that Nahanni's extensive and documented TK information has been provided to the Board. Further, it would undoubtedly take many months for LKFN's TK to be compiled. If the Board were to agree with the facilitator that LKFN's TK information should be available before the Board considers a final decision, the EA schedule would be significantly delayed. CZN does not agree with the facilitator's recommendation because these issues have been raised very late in the process and the delay would be procedurally unfair.

If you have any questions, please contact us at 604 688 2001.

Yours truly,
CANADIAN ZINC CORPORATION



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