



NAHANNI BUTTE DENE BAND

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7 December 2017

The Honourable Carolyn Bennet
Minister of Crown-Indigenous Relations and Northern Affairs
Terrasses de la Chaudiere
Gatineau, QC K1A 0H4

BY EMAIL TO: minister@aadnc-aandc.gc.ca

Dear Madam:

**Re: Canadian Zinc All Weather Road
Application to the Mackenzie Valley Review Board
-and – Referral to Minister**

As the elected Chief of Nahanni Butte, I write to you to ask that you approve the building of an all-weather road to the proposed Prairie Creek Mine, if any only if, an agreement has been entered into between Canadian Zinc ("CanZinc") and the community of Nahanni Butte.

CanZinc has committed to entering into such an agreement, which we have styled a Traditional Land Use Agreement (the "Agreement") both before and during the hearings held by the Mackenzie Valley Review Board (the "Board") in our community and in Fort Simpson, NWT earlier this year.

Discussions were held between both parties about an Agreement prior to the hearings by the Board, however nothing has advanced since that time.

I note with concern that the Board did not make the completion of such an Agreement a condition of their recommendation to you. They have told us that such a condition would be beyond their mandate.

We, the community of Nahanni Butte, only provided support for the road if such a condition were to apply. Without such an Agreement our conditional support will be withdrawn.

CanZinc has recently been in the media stating that they have two major issues to address in order to have a mine opened in 2020: raising sufficient money, \$279M and getting a permit to build the road. (See attached CBC North article of December 1, 2017.)

We assert Minister that there is a third major issue: a Traditional Land Use Agreement. Hence we ask that you make this a condition of any future activity by CanZinc.

We believe that a majority of Canadians would believe that a mine such as is being proposed is good for Canada. Likewise we believe that your government would believe that such a mine is good for the Canadian economy. That the impacted Indigenous nation is supportive in a general sense, conditional at this time only on a Traditional Land Use Agreement, should be considered a good news situation. Regrettably that support will change without the Agreement.

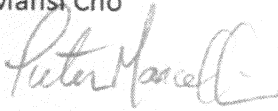
Please be aware that as our community is small, 100 people, and the Elders are very much in control of what we do as a community. All Band Council Resolutions are passed not only by the elected Council but also by all Elders. We are tight knit and we stick to our position.

As well, as we are so small, we have major challenges with finding sufficient monies to move ahead with the many items on our agenda. Any financial assistance your department might provide to aid us in negotiating with CanZinc would be most welcome.

In closing we have two asks of you:

- (1) Make it a condition of any permit for a road that CanZinc must have a completed Traditional Land Use Agreement with the community of Nahanni Butte before any work is done on an all season road.
- (2) That you direct your departmental staff to work with our senior staff to get some funding to us immediately so we can move ahead with negotiations on the Agreement.

Mahsi Cho



Chief Peter Marcellais

Enc.

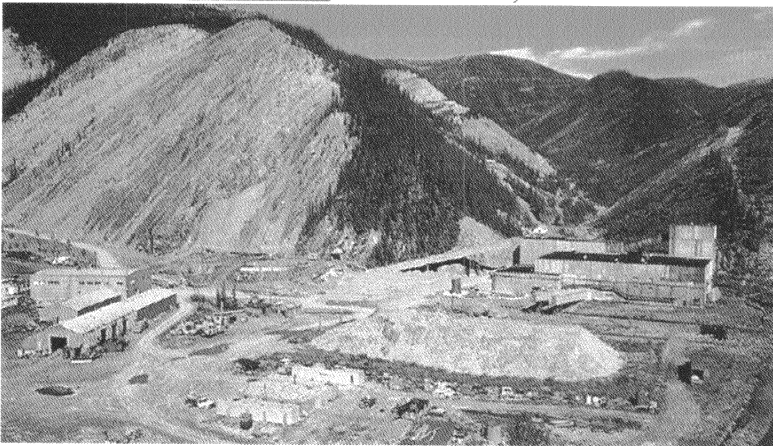
c.c. Matthew Spence, Regional Director General, Yellowknife

Canadian Zinc hopes to start production at Prairie Creek mine in 2020

The Canadian Zinc Corporation believes production could start at Prairie Creek mine by August 2020.

Feasibility study released Oct. 31 estimates \$279 million to bring the mine into production

Randi Beers · [CBC News](#) · December 1, 2017



The Prairie Creek mine may be brought into production in 2020.

The Canadian Zinc Corporation believes production could start at Prairie Creek Mine by August 2020.

This is according to results of a feasibility study commissioned by the company, which was released Oct. 31.

- **Prairie Creek Mine receives permits for ore mining**

The study, put together by mining consulting firm AMC Mining Consultants, estimates the Prairie Creek mine could pull in \$1.2 billion over its 15-year mine life and create 330 full-time jobs in the Dehcho region.

All of this is dependant on two major things, according to Alan Taylor, chief operating officer of Canadian Zinc. The company must get final approval to build an all-season road to the mine —

which is at an advanced stage of construction already — and it must raise the money needed to both build the road and revive the mine.

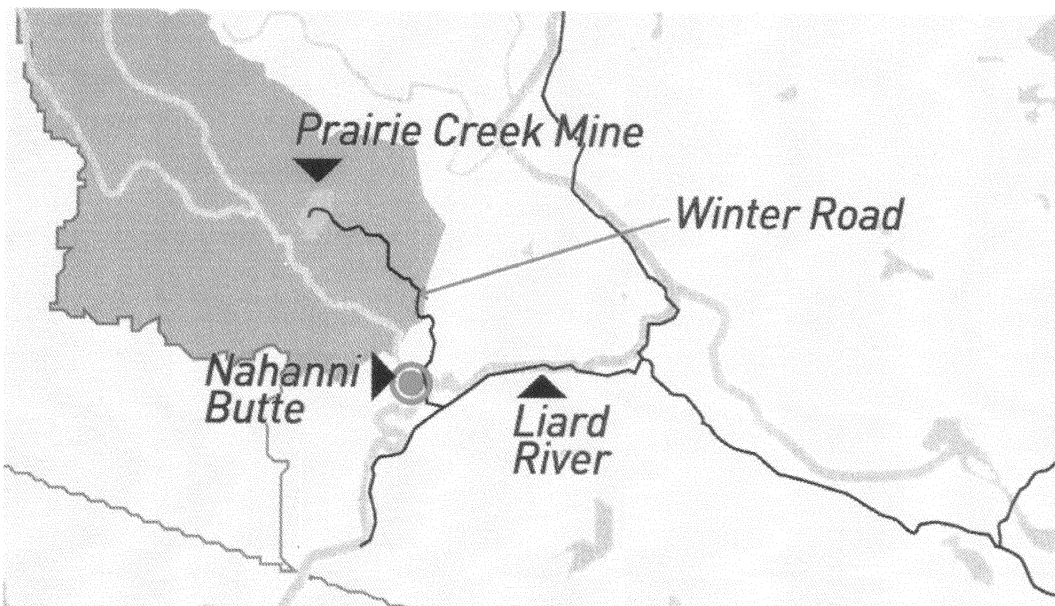
To do that, the company is out wooing investors to the tune of \$279 million.

"It's somewhat encouraging," said Taylor of the the current state of investor appetite for mining projects. "It's a pretty cautious market out there. It's not easy — everything comes at a cost."

In September, the Mackenzie Valley Land and Water Board recommended the all-season road go forward, and passed the decision along to the federal minister of Crown-Indigenous Relations and Northern Affairs. Canadian Zinc expects to receive an answer by the end of February.

- **Long-awaited N.W.T. mining road through national park gets thumbs up from review board**

The Prairie Creek property is surrounded by the Nahanni National Park Reserve. It can operate there pending all required regulatory approvals.

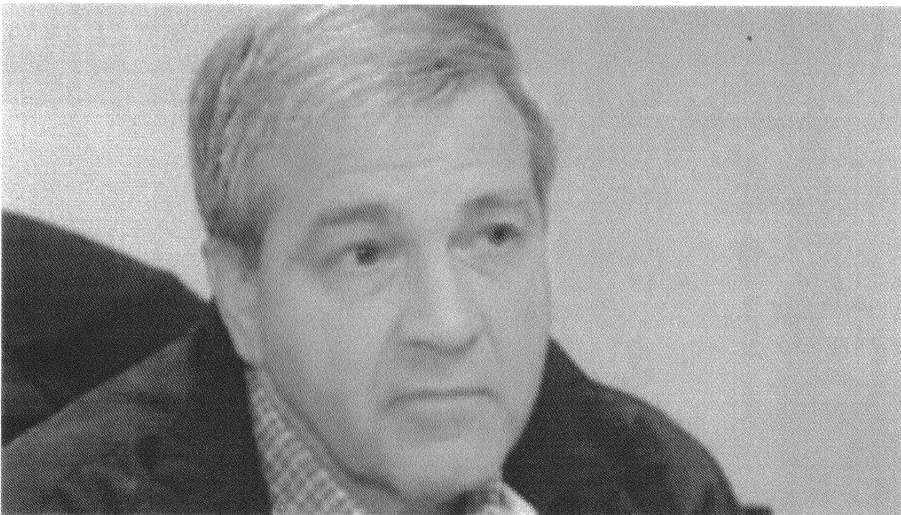


The Prairie Creek mine is surrounded by the Nahanni Park National Reserve, and would, if approved, have an all-season road pass nearby Nahanni Butte, N.W.T. (CBC)

The construction of the all-season road has received the support of the Nahanni Butte Dene First Nation, assuming certain conditions are met.

- **Today's trapline could eventually open road to Nahanni National Park**
- **Growing impatient, Nahanni Butte starts building own road to mine**

Tom Hoefler, executive director of the N.W.T. and Nunavut Chamber of Mines, described two key factors Canadian Zinc will need in order to attract investment — the health of the zinc market and the perceived risk of investing in the Northwest Territories.



Tom Hoefler, executive director of the N.W.T. and Nunavut Chamber of Mines, says the project has been significantly derisked. (CBC)

"Right now the market is doing very, very well," said Hoefler of the cost of zinc.

"That's a result of a lot of zinc mines around the world having closed, so zinc supply has been drying up, but the demand is still there."

As far as risk goes, Hoefler said Canadian Zinc has done a lot of work negotiating with Dehcho communities and has worked with regulators.

"So they've derisked it a lot," he said.

Hoefler says he's optimistic about the viability of Prairie Creek mine, and the impact such an operation would have on the Dehcho region.

"Having a mine in that region is going to boost the economy a lot," he said. "All the spending goes around that — people spending their paycheques, paying rent, buying groceries and all of that would be a really good injection for that region."

Once Canadian Zinc gets permitting in place for the all-season road, Taylor says the focus will be raising money.

"[We'll] talk to financial institutions about our future needs for the operation and see if we can secure funding for development," he said.