



June 30, 2005.

The Right Honourable Paul Martin
Prime Minister of Canada
House of Commons
Ottawa, ON
K1A 0A6

Re: Prairie Creek Mine – CPAWS – Nahanni National Park

Dear Prime Minister Martin:

As you are aware from many letters sent to you a new campaign has been launched by the Canadian Parks and Wilderness Society (CPAWS) to “*Stop the Prairie Creek Mine*” as part of its larger agenda to expand the Nahanni National Park Reserve to protect the entire South Nahanni watershed.

As part of this campaign, CPAWS has engaged in a number of publicity events including: in July 2003 hosting a rafting and canoeing trip on the South Nahanni River featuring Justin Trudeau, which was filmed and subsequently aired by the “*Nature of Things*” television show, and was featured in media articles across the country; in March 2004 CPAWS persuaded Senator DiNino to table a Motion in the Senate calling upon the Government to expand the Park to include the entire South Nahanni watershed and to stop all industrial activity including the proposed Prairie Creek mine; and more recently again recruiting Justin Trudeau to give extensive “*interviews*” to television and press media.

CPAWS has also embarked on a letter writing campaign in which it encourages its members/supporters to send a letter to the Prime Minister urging you to stop the Prairie Creek mine and using the alarmist *statement* “*If this mine goes ahead this world renowned park will be damaged forever*”.

CPAWS has provided its members a pro forma template of the letter to be sent to you, which it also suggests should be copied to various of your Ministers. The pro forma template letter as drafted by CPAWS contains numerous inaccuracies, exaggerations and alarmist statements, some of which I would like to correct for the record:

Quote: *“The proposed Prairie Creek mine threatens the ecological integrity of this World Heritage Site”. “Canadian Zinc is pushing a proposal for a high risk lead/zinc/silver mine 15 km north of the current park boundary.”*

Comment: While the mine site is located 16 km due north of the presently defined Nahanni National Park Reserve there is a large mountain range acting as a natural barrier in between and the mine site is actually 32 km upstream from the current park

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boundary and 48 kilometers from the point of confluence where the Prairie Creek tributary reaches the South Nahanni River . The mine site is not currently included in the area identified for Park expansion by Parks Canada, or included within the area covered by the interim land withdrawals under the Interim Measures Agreement as part of the Deh Cho Process although the current access road to the mine is partially included within the area of the interim land withdrawals and in part passes through an area which, although not actually within the South Nahanni watershed, has been identified by Parks Canada for possible Park expansion.

Quote: "Toxic chemicals such as cyanide, PCBs and fuel have been stored on-site for 20 years. The ores are contaminated with mercury, arsenic and antimony."

Comment: The existing store of cyanide, PCBs and fuel are all safely and properly stored on site and are inspected regularly by DIAND and other inspectors and meet all storage and safety requirements. CZN does not intend to use cyanide in its mine process and proposes to remove the cyanide from the site when an access road is permitted. The country rock in the area contains naturally occurring mercury, arsenic and antimony in very minimal quantities which pose no safety or environmental threats.

Quote: "The proposed Prairie Creek mine poses a serious threat to the ... proposed park expansion" (and is) "a short term risky mining project".

Comment: The Prairie Creek mine is a major mining project and an important Canadian national resource. When converted to reserves the current resources at Prairie Creek will increase Canada's published reserves of lead and zinc (as reported by NRCAN 2001) by 125% and 20% respectively. Properly managed the Prairie Creek mine will pose no threat to the Nahanni National Park Reserve.

Quote: "The Company has gone to court to try to avoid an environmental assessment for its proposed access road ..."

Comment: The Supreme Court of the Northwest Territories, in an action where CPAWS appeared and argued as an Intervenor (*Cdn. Zinc Corp. v Mackenzie Valley Land & Water Bd., 2005 NWTSC 48*) has ruled that Canadian Zinc's permit application for a winter road is exempt from environmental assessment in accordance with the provisions of the Mackenzie Valley Resource Management Act enacted by Parliament. In its decision the Supreme Court quoted with approval an earlier judgment of the Canadian Court of Appeal (*North American Tungsten Corp. Ltd. v MacKenzie Valley Land and Water Board, [2003] N.W.T.J. No. 28; 2003 NWTCA 5*) where the Court stated "*Parliament did not intend to impose an entirely new environmental review process on every project in the Mackenzie Valley irrespective of the status of that project at the time the MVRMA came into effect*".

The suggestion being put forward by CPAWS is that Nahanni National Park Reserve should be expanded to encompass the entire Nahanni watershed (which would include the area of the

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Prairie Creek mine). This objective was stated by CPAWS as the first of its four priorities identified in its letter to the Prime Minister dated January 15, 2004 (Priorities for action on nature conservation in Canada) and in which they urge your Government to stop the development of the Prairie Creek mine and to include a commitment to protect the entire South Nahanni watershed as the first of four key conservation initiatives in your new policy agenda.

In its report of Environmental Assessment on Canadian Zinc Underground Development/Exploration Decline and Pilot Plant Development dated February 2, 2002, the Mackenzie Valley Environmental Impact Review Board (MVEIRB) commented that *"It appears to the Review Board that mining and other developments in areas adjacent to the Nahanni National Park may be adversely affected by the lack of certainty which would be achieved from an articulated government policy about land use and development in the areas adjacent to the Nahanni National Park Reserve"* and concluded that the Environmental Assessment process under the Mackenzie Valley Resource Management Act *"is not the appropriate forum for a resolution of land use and policy conflicts that is best resolved by the Government of Canada"*. The Review Board suggested that, in order to resolve this policy problem, *"the Federal Minister (DIAND) and the Minister responsible for National Parks decide the scope and nature of acceptable protection required to ensure the ecological integrity of Nahanni National Park"*. Unfortunately, despite the passage of over three years since the issue of the Report no steps have been taken to act upon the Suggestions of the MVEIRB and we would ask you to please urge your Ministers to do so.

Expansion of the Nahanni National Park Reserve to include the entire Nahanni watershed is not the current policy of Parks Canada. As such it seems the objectives of CPAWS are contrary to current Government policy. We suggest that the various representations made or organized by CPAWS be ignored. We would also welcome a strong statement of support from you and your Government for the role of the mining industry, and particularly for the development of the Prairie Creek mine, as a key part of your Northern Strategy.

We thank you in anticipation of your attention to these matters.

Yours truly

CANADIAN ZINC CORPORATION

John F. Kearney
Chairman and President

cc: Andy Scott, Minister of Indian Affairs and Northern Development
Honourable Stéphane Dion, Minister of the Environment
Honourable R. John Efford, Minister of Natural Resources
Honourable Ethel Blondin-Andrew Minister of State (Northern Development)
Mining Association of Canada

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