December 13, 2011

Hon. Minister John Duncan
Aboriginal Affairs and Northern Development Canada
10 Wellington Street
Gatineau, Quebec K1A 0H4
Canada

Telephone: 819-997-0002
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Dear Minister Duncan,

Re: Canadian Zinc, Prairie Creek Mine Environmental Assessment Report and Reasons for Decision released by the Mackenzie Valley Environmental Impact Review Board

On December 8th, 2011 the Mackenzie Valley Environmental Impact Review Board (the Review Board) released its decision on the environmental assessment of Canadian Zinc Corp. Prairie Creek Mine project. The Review Board concluded that the project,

“...is not likely to have any significant adverse impacts on the environment or to be a cause for significant public concern. The Review Board has therefore concluded that an environmental impact review of this proposed development is not necessary and that the Prairie Creek Mine project should proceed to the regulatory phase for approvals.”

Contrary to the Board’s finding that there will be no significant adverse impacts on the environment, and no cause for significant public concerns, Dehcho First Nations (DFN) and Nahanni Butte Dene Band throughout the course of the environmental assessment voiced significant concerns relating to the project’s effluents. DFN communities support the economic development potential of the project and the Impact Benefits Agreements signed by Ldil Kue First Nation and Nahanni Butte Dene Band, however, we believe that the project should only proceed with standards in place to ensure that the environmental integrity of the Nahanni National Park Reserve is maintained, and the downstream communities of Nahanni Butte, Fort Simpson, and Wrigley are not impacted by water contamination.

Concerns regarding water quality have also been voiced by your own Department and Parks Canada. With the support of DFN and Nahanni Butte, AANDC and Parks Canada suggested a higher standard for water effluent treatment using a ‘Reference Condition Approach’ to better ensure that impacts on water quality were minimized. The decision released by the Review Board fails to properly accommodate DFN and Nahanni Butte’s concerns regarding water quality, and fails to support the ‘Reference Condition Approach’ recommended by AANDC and Parks Canada.

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The dissenting opinions of Review Board members Danny Bayha and Rachael Crapeau state the following,

"...in our view, the evidence produced by the developer, Canadian Zinc Corp., is inadequate from a legal perspective to provide a sound basis for a conclusion that there will be no significant water quality impacts resulting from this development. ...The Majority gave insufficient weight to the evidence, including traditional knowledge ...especially with regard to the importance of water quality to the Nahanni National Park Reserve, downstream communities and the traditional and cultural uses of these areas, including fisheries."

The DFN find the Review Board’s lack of regard for maintaining a high environmental standard for development activities in the North, and its failure to adequately account for the concerns voiced by Aboriginal governments, troubling and disappointing. Ensuring responsible development that minimizes environmental impacts should be highest priority for the Review Board, and they have failed with their decision on the Prairie Creek mine project. The dissenting opinions from their own Review Board members highlight the poor quality of this decision.

Clearly, significant public concern has been raised over the potential for adverse environmental impacts on water quality. In our opinion, given the water quality concerns raised throughout the course of the environmental assessment by DFN, Nahanni Butte, AANDC and Parks Canada, as the Minister responsible for considering the recommendations of the Review Board, you are left with no choice but to reject the findings of the Review Board. In our opinion, an Environmental Impact Review of this project is appropriate, however, at a minimum some form of the consult-to-modify process needs to occur to ensure the ‘Reference Condition Approach’ to water quality is adopted.

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[Signature]

Grand Chief Sam Gargan

cc.

Mr. Richard Ejericon, Chair, Mackenzie Valley Environmental Impact Review Board
Chief Fred Tesou, Nahanni Butte Dene Band
Chief Jim Antoine, Liiidue Kue First Nation
Chief Tim Lennie, Pdehzeh Ki First Nation
President Marie Lafferty, Fort Simpson Métis Local