



September 9, 2009

Mr. Richard Edjericon
Chairperson
Mackenzie Valley Environmental Impact Review Board
5102 50th Avenue,
Yellowknife, NT
X1A 2N7

Dear Mr. Edjericon

**RE: Environmental Assessment EA0809-002, Prairie Creek Mine
Winter Road Alignment**

As you know, Canadian Zinc Corporation's ("CZN") winter road from the Prairie Creek Mine to the Liard Highway is part of the scope of development for assessment ("EA") EA0809-002 in terms of annual construction and use in support of mine operations. We also note that Section 3.2.5 of the EA Terms of Reference ("TOR") call for a description of the winter road "including analysis of necessary one-time improvements" (Item 21).

In our on-going consultations with the Nahanni Butte Dene Band ("NBDB"), the NBDB has requested that CZN consider changes to the existing alignment of the winter road. The main reasons given for the NBDB's request are the protection of wetlands which are of high cultural and traditional value, a desire to be better able to deter unauthorized use of the road, and maximize NBDB potential to gain economic benefits from road operations. The NBDB has shared, on a confidential basis, relevant traditional knowledge ("TK") with CZN in support of their request. However, the above statements may be corroborated by Peter Redvers (telephone 867-920-4405), TK consultant to the NBDB, and Julie Jackson/Darha Phillpot (telephone 867-669-2891) of Indian and Northern Affairs Canada who also have had access to the TK and were present during recent consultations with the NBDB

When the original road alignment was selected, the primary considerations were that the road cross firm ground or ground that would readily freeze in winter, and that steep grades and tight turns be avoided. A secondary consideration was that existing cut lines be used where possible to avoid additional logging. The avoidance of stream crossings and wetlands did not have a similar priority. Therefore, from an environmental protection perspective, there is some potential for alignment improvements.

Please refer to the attached figure which shows (marked in red dashes) the four changes to the road alignment being considered at present. The first two were requested by the NBDB and are

the more significant of the four being considered. The proposed changes will now be described below.

Re-Routing towards Nahanni Butte

The NBDB have a particular desire for the existing road alignment between the Grainger Gap and the Liard River to be re-routed towards Nahanni Butte. The wetlands and lowlands crossed by the existing alignment in this area are considered to represent important wildlife habitat, and are traditionally and currently utilized for traditional harvesting activities. In addition, the NBDB are concerned that the existing alignment is susceptible to use by hunters from outside the area who might over-harvest wildlife.

The re-routed alignment would turn south from the Grainger Gap at road kilometre marker Km 120 and run along the lower slopes of the First Range towards Nahanni Butte. The proposed location of the ice bridge across the Liard River is in a location recommended by the NBDB. East of the ice bridge, the alignment would follow an existing logging road until joining with the NBDB's existing all season access road to the Liard Highway.

CZN has evaluated this route from the air with road construction engineers, and there is considered to be no impediment to road construction. If this route is ultimately selected, CZN would locate the proposed Liard Transfer Facility near the junction of the NBDB all season road with the Liard Highway..

The re-routing would be a minor benefit to CZN in that it shortens the total haul to Fort Nelson by approximately 30 km. The benefit is minor because the total haul on the existing alignment is approximately 500 km. However, it would also mean that approximately 30 km of the Liard Highway would be removed from the haul route, and the haul traffic would not pass Lindberg Landing, a preference stated verbally and in writing by residents of Lindberg Landing during EA scoping.

The re-routed alignment has the attributes of being preferred by the NBDB for cultural reasons, environmental protection, the potential for enhanced economic opportunities, and the ability to better deter road use by unauthorized persons.

Re-Alignment A

East of the Silent Hills Pass, the existing road route runs through an extensive wetlands area to the Grainger Gap. It appears existing cut lines were utilized in the original road construction, with deviations only where those lines encountered hills or other obstructions. The NBDB have asked CZN to consider a more western route that runs along the eastern slopes of the Silent Hills, west of and thus avoiding the wetlands, and for the road to turn east only when it nears Grainger Gap.

CZN has also previously flown such a route, as shown on the figure departing the existing alignment at Km 96 and re-joining at Km 112, and consider it to be feasible to build consistent

with the NBDB's wishes. This re-alignment, proposed by the NBDB, would enhance environmental protection.

Re-Alignment B

The existing alignment crosses wetlands forming the upper reaches of Fishtrap Creek, which drains to the South Nahanni River, and runs parallel and near to the wetlands for a few kilometres until climbing up the slope to the Silent Hills Pass. In climbing the slope, the road takes a series of sharp turns. CZN has spoken to several operators who drove the road in the early 1980's, and a consistent theme was a need to avoid sharp turns to improve safety.

CZN's proposed re-alignment from Km 89 to Km 96 crosses the Fishtrap drainage further north close to the headwaters (the watershed), and then immediately starts up the slope towards the pass. The benefits of this alignment are that the length of road in or near wetlands is minimized, consistent with the NBDB request east of Silent Hills, and starting up the slope further to the north allows a more gradual ascent to the pass and removal of the sharp turns. Thus, environmental protection and safety, both of which promote environmental protection, would be enhanced.

This re-alignment is inside the expanded Nahanni National Park Reserve. CZN has communicated with Parks Canada regarding the re-alignment. Parks Canada has indicated that they presently have no objection to the proposed change, but prefer to reserve judgment until the proposal has been evaluated in the current EA process.

Re-Alignment D

The existing alignment takes a circuitous route from the Granger Gap to the Grainger Camp. It appears again that existing cut lines were used in the original construction. The timber along this portion of the route has largely re-grown. The proposed re-alignment from Km 123 to Km 131 would be shorter, and therefore would mean less logging. Ground conditions and other considerations appear to be the same. This re-alignment would not be necessary if the re-routing towards Nahanni Butte discussed first above is adopted.

Other Comments

CZN recognizes that there are opportunities to improve the existing road alignment, and is more than willing to try to accommodate the desires of the NBDB and local residents. However, CZN presently holds Land Use Permit ("LUP") MV2003F0028 for the existing winter road alignment, and has not applied for an amended LUP.

The Review Board has determined that "all physical works and activities associated with the winter access road" are part of this environmental assessment and the EA Terms of Reference require that the Company include assessment of any "necessary one-time improvements" to the winter road. It is CZN's view that the changes to the alignment discussed above would come within the meaning and intentions of "necessary one-time improvements" to the winter road, and

would like the Mackenzie Valley Environmental Impact Review Board's ("MVEIRB") confirmation on this issue. If the MVEIRB concurs, we ask that the MVEIRB also confirm that the scope of EA0809-002 is appropriate for the assessment of the improvements proposed.

CZN is prepared to evaluate the existing road as required in the TOR, and to similarly evaluate the alignment changes proposed above and include the evaluation in the Developers Assessment Report. In doing the latter, CZN recognizes that it must evaluate not only construction and use of the road for annual operations, but also the potential environmental and human impacts associated with the alignment changes, and a revised location for the Liard Transfer Facility. However, CZN does not wish to evaluate the alignment alterations if this would result in any delay in the EA process or the probable length of any permitting process. If CZN's proposal to evaluate both the existing route and the above alignment improvements is acceptable to MVEIRB, CZN will proceed on that basis. If this is not the case, CZN will only evaluate the existing alignment and will not consider these alignment alterations.

It is CZN's understanding that, since the MVEIRB has scoped the road for use in support of mine operations into EA0809-002, the existing winter road Land Use Permit (MV2003F0028) may require amendment if and when the Project proceeds to the permitting phase. However, an amendment application has not been submitted to the Mackenzie Valley Land and Water Board ("MVLWB") as the current LUP is valid until April 2012. CZN wishes to ensure that any requirements for the environmental assessment aspects, if any, associated with such an application, or the amended or extended LUP, are included and sufficiently covered in the current EA0809-002 and the MVEIRB is asked to please confirm this position. CZN will be communicating with the MVLWB regarding the appropriate timing and content of an application for an amendment to the winter road LUP.

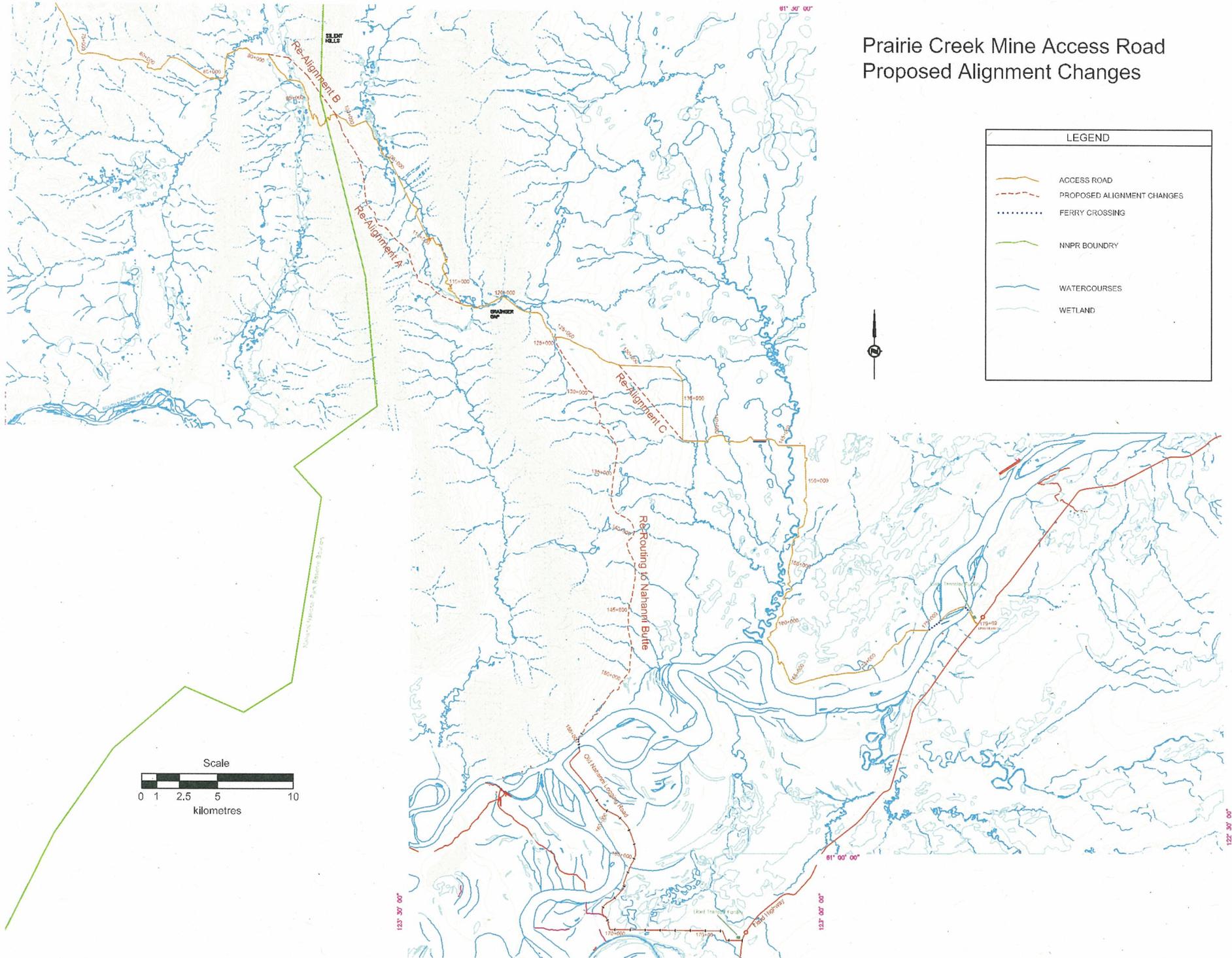
Yours truly,
CANADIAN ZINC CORPORATION



David P. Harpley, P. Geo.
VP, Environment and Permitting Affairs

cc. Chief Fred Tesou NBDB
P. Redvers Crosscurrents Associates Ltd
J. Jackson/D. Phillpot INAC
K. Cumming Parks Canada
T. Mullaney MVLWB

Prairie Creek Mine Access Road Proposed Alignment Changes



LEGEND	
	ACCESS ROAD
	PROPOSED ALIGNMENT CHANGES
	FERRY CROSSING
	NNPR BOUNDARY
	WATERCOURSES
	WETLAND

