

EA1415-01
Prairie Creek All Season Road
Canadian Zinc Corporation

January 16, 2017

Chief Peter Marcellais
Nahanni Butte Dene Band
General Delivery
Nahanni Butte, NT
XOE ONO

Dear Chief Marcellais,

Re: Independent Risk Assessment Report and Technical Report Preparation Meeting

The Review Board would like to provide some clarification regarding the Board's use of an independent consultant to undertake a third party risk assessment of Canadian Zinc's (CZN) proposed Prairie Creek All Season Access Road, as was requested in your email of January 10th, 2017 to Acting Manager of Environmental Assessment, Chuck Hubert.

The Review Board identified three key lines of inquiry in the *Terms of Reference for Environmental Assessment - EA1415-01*, issued on September 12, 2014. One of the key lines was the effects of potential accidents and malfunctions. To help evaluate the impacts of potential accidents and malfunctions, item 7.2.2 of the *Terms of Reference* required CZN to conduct a risk assessment using best practices, including components, systems, hazards, and failure modes. An assessment of the likelihood and severity of each risk and details on site specific contingencies for high risk areas were to be identified.

In the Review Board's *Reasons for Decision on the Adequacy of the Developer's Assessment Report (Reasons for Decision)*, issued on December 21, 2015, the Board concluded that the risk assessment undertaken by CZN in the Developer's Assessment Report (DAR) and DAR addendum was inadequate and did not allow for a meaningful review by parties or the Review Board. The risk assessment is a key component for assessing the key line of inquiry on the effects of potential accidents and malfunctions. The Review Board also requires a firm understanding of the methodology and approach used for the risk assessment. As a result, the Review Board determined that it would contract an independent third party, Oboni Riskope, to complete a risk assessment for the proposed all season road project. This was outlined in the Review Board's *Reasons for Decision*.

The purpose of the Review Board's contract with Oboni Riskope was to complete a risk assessment to fulfill the CZN's outstanding requirement of the *Terms of Reference*. The risk assessment is intended to clearly identify the risks and associated consequences of the proposed road. Details on the scope of work of the risk assessment were provided in a letter to parties on February 2, 2016 and updated after comments from the developer on February 11, 2016. The risk assessment was to be based solely on the evidence on the



Review Board's public record for the Prairie Creek All Season Access Road project. Any new information requests from Oboni Riskope were limited strictly to CZN.

The intent of the risk assessment is to give the Board and Parties, including Nahanni Butte Dene Band, the ability to better inform their position on the potential risks of the project from accidents and malfunctions, which the Board felt was inadequately addressed in the material presented in CZN's DAR and DAR Addendum. CZN has been given the opportunity to review and comment on the independent risk assessment. The Board has provided the opportunity for Nahanni Butte Dene Band and other parties to comment on the risk assessment within their technical reports, as well as at the Public Hearings. Oboni Riskope will also be available for questioning at the hearing by all parties and the Board.

The Risk Assessment does not represent the position of the Board on the risks of the project or on the significance of any impacts identified within the risk assessment, but is one piece of evidence that will inform the overall determination of the Board's Environmental Assessment decision. The Board will rely on meaningful input from parties, including Nahanni Butte Dene Band, when making its final decision and recommendations. We strongly recommend that Nahanni Butte Dene Band provide their input on the risk assessment, as well as on the project as whole in your technical report submission and during the public hearing process.

I hope that this additional information helps Nahanni Butte Dene Band better understand the process the Board has undertaken regarding the requirement for an independent risk assessment of the Prairie Creek All Season Road project. Please note that in the future, if requests for written response are sent to the Board, written correspondence in letter format is requested for the Public Registry.

If you have any further questions or concerns, please contact our Executive Director, Mark Cliffe-Phillips, at (867) 766-7055 or by email at mcliffephillips@reviewboard.ca.

Respectfully,

JoAnne Deneron
Chair
Mackenzie Valley Review Board