CANADIAN ZINC
CORPORATION

September 27, 2005

via email/post

Attention: Martin Haefele
Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
5102, 50th Avenue
PO Box 938,
Yellowknife, NT X1A 2N7

Dear Mr. Haefele:

Response to Comments made during the Pre-Hearing Conference: LUP MV2004C0030, MVEIRB File EA 0405-02

Canadian Zinc Corporation (CZN) is pleased to provide this letter in response to questions and requests that were made during the Pre-Hearing Conference on September 12, 2005. Responses are provided according to specific subject headings.

Number of Daily Helicopter Flights

A heli-drill would likely be operated by two crews. There would probably be one to two supply flights per day. Each borehole would take several days to complete. On hole completion, a rig and equipment move would require two flights. Therefore, a daily average of flights is likely to be approximately four.

Gravel Sources

CZN does not expect to require significant quantities of road bed material for the construction of new road sections and spur roads. The process of road construction itself generally provides enough material for road bed, if indeed road bed is needed at all. The base of dozed sections is usually suitable for traffic. If additional road bed material is needed, the two existing stockpiles should be more than adequate. CZN does not expect to need to apply for a quarrying permit.

Drill Sumps

Concern was expressed regarding the potential for drill cuttings and any additives in the drill water escaping the drill sump and reaching the receiving environment. CZN has not encountered this problem in the past. Typically, once the borehole has been advanced beyond the collar, drill water return stops and there is nothing to contain. As stated in the Developer's

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Assessment Report (DAR), a second sump will be dug if it appears that the capacity of the first is insufficient. CZN uses absorbent material to soak up any hydrocarbons in the drill water, and this can also be used to prevent overland flow from the sump.

The drill water flow channel and sump will be filled in and buried on completion of the borehole. Thus, there is a low potential for the site to be an attractant for wildlife.

Use of the Environmental Excellence in Exploration (E3) Guidelines

Appendix A of the DAR contains a partial copy of the E3 guidelines for drilling. This was included to illustrate how CZN will use the manual to help control erosion and minimize disturbance from any new road construction and road use (read from page 14 onwards). Design guidelines will be studied and applied for road construction (read from page 21 on). For new and existing roads, an important consideration will be runoff control to limit sediment dispersion. CZN will build or retro-fit drainage control structures, such as table and cross drains and drainage mounds (pages 30-33).

Authority and Responsibility for Mitigation Measures

As stated in CZN's response to IR0405-002-3, CZN will engage a professional biologist to survey the proposed drilling area and assist with the development and application of mitigation measures associated with the terrestrial environment before the proposed drilling commences. In fact, the biologist has already been hired, and has assisted CZN with the preparation of the Detailed Project Description (DPD) and the DAR, and was responsible for the terrestrial environment mitigation strategies incorporated in these documents. The biologist will conduct his survey, and then immediately formulate any additional mitigation strategies on site. The biologist w ill t hen ac company t he P roject M anager and Cam p M anager o n a s econd s ite inspection to point out any issues, indicate how these and any others should be mitigated, and describe various approaches and options should certain circumstances arise. The biologist then will document his findings and directions in a report for reference by site personnel, and review by regulatory authorities. The Project Manager or his designate will always be on site during the drilling program. These people are professional geoscientists with considerable experience working in the north, and are intelligent and perfectly capable of following the biologist's guidelines, and knowing when to consult the biologist by telephone if a situation arises that is different to what has been discussed previously. It is for these reasons, and CZN's extensive knowledge of the area gained over the last decade, that CZN does not consider it necessary to retain the biologist on site during the project.

Seed Mix and Monitoring of Revegetation

Concern has been expressed concerning the selection of an appropriate seed mix for revegetation of disturbed areas, about the reclamation of roads and drill pads, especially in steep terrain, and the long-term monitoring of revegetation efforts. CZN has committed to reclaiming the areas disturbed or used during the drilling, and to monitoring revegetation until it is self-sustaining. It is clear that this reclamation is feasible, the question is when it will be completed and how much effort will be required. T hus, the impacts to vegetation will be temporary and mitigable. CZN cannot provide the answers to the questions at this point since these are dependent on the results of the drilling program, and the type of vegetation present and what will be required to replace it. CZN's plan is to determine the vegetation present, and to develop an appropriate reclamation approach and seed mix in consultation with regulatory

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agencies. This process will likely be iterative as each step builds on the previous one, and as information and knowledge is acquired. CZN considers that it is appropriate to determine the goals of a reclamation program at this time, such as the nature of replaced vegetation. CZN agrees that there is merit in the selection of a seed mix consisting of only native species to prevent the introduction of invasive species, as Parks Canada and others have suggested. CZN will endeavour to ensure this occurs.

There are a number of factors that could influence the success of revegetation, such as soil type, seed mix, mulch, slope, aspect and fertilizer use. A successful and cost effective revegetation program will be more probable if trials have been conducted previously. Such trials can be started at the same time as the drilling program. Therefore, as part of the biologist's survey and development of the reclamation program, CZN will identify sites for revegetation trials, and implement the trials once a preliminary seed mix and revegetation strategy has been developed. CZN would hope that this could be achieved during the first drilling season, but failing this, certainly in the subsequent year.

Cumulative Effects – Indicators and Thresholds

Expectations for the assessment of cumulative effects associated with projects started with consideration of multiple projects in a single area or watershed, based on past, existing and proposed projects. The principle was that the first project need not consider cumulative effects, but subsequent projects would. Recently, it appears interested parties define cumulative effects as the repetitive activities of a single project, whether or not another project exists in the area, and that the potential for future activities should be considered also. CZN does not agree with the latter definition, and does not believe there is a significant cumulative aspect to its proposed drilling project.

In terms of water quality, there is potential for the project to liberate sediment which could reach watercourses. The potential contaminants in this case are suspended sediment and elevated total metals (because of the sediment). Current project activities do not cause any elevation of suspended s ediment l oads in r eceiving waters. D rainage from t he 87 0 l evel adit c ontains elevated dissolved metals, which are only marginally detectable after the drainage is managed with other runoff in the Catchment Pond followed by discharge to Harrison Creek. Thus, there is no cumulative aspect to potential water quality impacts. CZN is in the process of implementing a treatment scheme for the adit drainage. Once this is implemented, the drainage will not be detectable in receiving waters. Therefore, the potential for sediment liberation due to the drilling project need only be addressed as a separate, not cumulative activity. CZN has provided mitigation for this potential, and has adopted appropriate indicators and thresholds to measure satisfactory performance.

In terms of aquatic life, CZN does not currently cross Prairie Creek, although it has in the past. Any effects from past crossings have long since dissipated. As stated above, current site activities do not cause the elevation of suspended sediment levels. Hence, there is no cumulative aspect to potential aquatic life impacts. CZN has voluntarily adopted mitigation strategies based on its own research, and CZN will also comply with the directives given by Fisheries and Oceans Canada.

In terms of terrestrial wildlife, drilling in outlying areas was conducted a decade ago, and as above, any impacts will have been temporary and will have dissipated. There is currently no helicopter use in these areas, so as above, there is no cumulative aspect to potential terrestrial

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wildlife impacts. Nevertheless, CZN will adopt mitigation strategies in terms of wildlife and helicopter use under the guidance of its consultant. This will minimize impacts which will be temporary and reversible.

In terms of reclamation and revegetation, CZN proposes to use the existing road network with minor additions. Therefore, the presence and use of the roads may represent the only truly cumulative aspect of the project. However, it should be noted that CZN inherited any 'effects' associated with the roads from a predecessor, and has committed to reclaim any roads used.

CZN has reviewed the Deh Cho Cumulative Effects Study prepared for the Deh Cho Land Use Planning committee. We note that the management indicators and thresholds contained therein are described as 'candidates' by the authors.

To close, CZN wishes to reiterate that it is committed to environmental protection, and will seek to minimize any environmental impacts (very few of which w ill have a cumulative aspect) associated with the project by the adoption of appropriate mitigations measures as described.

If you have any questions please contact us at 604-688-2001

Yours truly,
CANADIAN ZINC CORPORATION

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