



CANADIAN ZINC
CORPORATION

October 20, 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 Letters from the GNWT and DCFN subsequent to the Public Hearing
LUP MV2004C0030, MVEIRB File EA 0405-02**

This letter contains Canadian Zinc Corporation's (CZN) response to letters from the Government of the Northwest Territories (GNWT, October 18, 2005) and the Dehcho First Nations (DCFN, October 17, 2005) sent subsequent to the Public Hearing on October 6, 2005.

Letter from GNWT

The letter from GNWT states that there has been no agreement between the GNWT and CZN on the GNWT recommendation that "The proponent should work with the GNWT and other agencies to develop a Wildlife Mitigation and Monitoring Plan for the Prairie Creek site". This recommendation was contained in GNWT's presentation at the hearing under the title 'Logical Long Term Next Steps'. CZN is not opposed to the concept of a long term wildlife mitigation and monitoring plan. However, the proposed Phase 3 drilling project will occur over a relatively short time frame (from two to five years), and therefore in CZN's opinion, such a plan is inappropriate for consideration in connection with this project. CZN is committed to working with the GNWT to identify any sensitivities to wildlife associated with the project, and to develop and implement appropriate mitigation strategies.

Letter from DCFN

The letter from DCFN contained a number of inconsistencies which CZN would like to clarify:

- On page 2, DCFN state that "CZN has committed to not use, nor conduct maintenance, on the Casket Creek road network and the Big Quartz Creek road network". For accuracy, CZN has agreed not to access proposed drilling sites adjacent to Casket Creek by use of the road that runs parallel to Casket Creek from its confluence with Prairie Creek. Instead, CZN will use the road which originates in the mine area and traverses northwards through the Harrison Creek catchment. CZN has also agreed not to use the Big Quartz Creek road to access drilling Zones 10-12. CZN will utilize the

Little Quartz Creek road network to access Zones 8 and 9. Little Quartz Creek is a tributary of Big Quartz Creek, and is not considered important fish habitat by Fisheries and Oceans Canada (DFO);

- DCFN also state on page 2 "CZN has agreed to comply with the recommendations in "Flying in Sheep Country". For accuracy, CZN has agreed to prepare a Flight Impact Management (FIM) Plan based upon site specific and other relevant wildlife information, in conjunction with the "Flying in Sheep Country" guide, project demands, local topography and weather conditions. CZN has not specifically agreed to adopt the recommendations in the guide since these are not site specific.
- Also on page 2, DCFN recommend that all reviewer recommendations and CZN commitments be explicitly listed and numbered as recommendations by the MVEIRB. DCFN then list a number of examples. There is an inherent danger in this approach in that, in specifying a very narrow recommendation, it may be made out of context with the rationale and conditions upon which it is based, with the result that it could be inconsistent with or more prescriptive than the intent of the original text. In CZN's opinion, the MVEIRB should rather refer to the documents containing any recommendations or agreements that the MVEIRB wishes to adopt so that the context of those recommendations or agreements is not misinterpreted at the licensing stage. The examples listed by DCFN illustrate how this might occur. DCFN imply that the MVEIRB should "recommend that CZN maintain a helicopter altitude of (e.g. 650m)". Helicopter altitude has to do with the potential for disturbing wildlife. That potential only exists where flight paths are proximal to wildlife concentrations. Hence, a specific altitude recommendation is too prescriptive. DCFN also suggest "CZN shall not conduct helicopter flights during the sheep pre-rut and lambing periods". DCFN fail to include the remainder of the context which is "in designated sensitive areas identified by the contract Biologist and agreed to by the GNWT's Dehcho Regional Biologist". DCFN further suggest "To minimize effects on wildlife, only 1 drilling location may be in operation at a time". At no time during the Environmental Assessment process has any regulatory agency, or any other party until now, suggested or implied that this should be a recommendation. Hence, the suggestions by DCFN are not consistent with the context and agreements made between regulatory agencies and CZN, and while they may be intended only as examples, they illustrate how problems could arise if recommendations are too specific.

The following text provides answers to DCFN's questions.

1. *The developer committed to cleaning all vehicles prior to each and every crossing, for each and every stream (not just Prairie Creek). The developer also described the cleaning process:*

This statement is incorrect. CZN committed to steam-cleaning heavy equipment before crossing to the west bank of Prairie Creek, and manually cleaning the equipment for the return trip, if necessary. CZN also committed to inspecting and manually cleaning trucks for Prairie Creek crossings, if the cleaning is necessary.

For clarification, we have the following questions of the above process;

1. *Will the cleaning station near the Tank Farm be lined with an impermeable liner?*
2. *What will happen to the contaminants, hydrocarbons, sediments, and fluids at the Tank Farm cleaning station?*

3. *At remote creek crossing areas, CZN is proposing to clean the vehicles by hand. How will CZN ensure that no contaminants, hydrocarbons, sediments, etc...enter the surrounding waters, or soils? Will CZN have lined cleaning stations at each creek crossing location?*

As stated on page 29 of the Detailed Project Description, the proposed cleaning station near the Tank Farm has a concrete apron and sump. Any oily wastewater will be passed through an activated carbon vessel. Treated water will be discharged to the Tank Farm containment.

Any remote crossing locations will be near the headwaters of small tributary creeks. Ford locations are likely to have a very shallow water depth, if there is any flow at all. Vehicle cleaning is not anticipated to be necessary.

2. *CZN noted the possibility of a spill from the pump engine or diesel supply at remote areas.*

DFN requests the following clarification:

1. *Will a fuel and contaminant spill kit be available at each remote drilling location?*

Yes.

2. *If the sump is not lined, then it is possible for hydrocarbons to contaminate the soils in the sump, and also to enter local groundwater or surface water supplies. Will CZN commit to lining each sump, in order that sump materials, including hydrocarbons, can be removed off-site?*

CZN's routine is to line the pump engine and diesel supply sumps.

3. *DFN and NBDB are concerned with the proposed water quality monitoring strategy and request more information on sampling. In the Public Hearing, CZN noted that they would undertake a baseline monitoring program prior to operations.*

1. *DFN seeks clarification that baseline monitoring will incorporate all waterways potentially affected by the road network and drilling sites (not just Prairie Creek);*
2. *DFN recommends that a real-time water quality monitoring program run continuously throughout the drilling program. Such a program will help to monitor the effects of the use, maintenance, and construction of the road network, vehicle stream crossings, as well as malfunctions or accidents.*

These are recommendations, not questions. For clarification, CZN stated the following on page 26 of the Developer's Assessment Report: "CZN proposes to collect water samples on a weekly interval from Prairie Creek when Phase 3 drilling operations are in progress. Three locations will potentially be sampled: a location upstream of activities to serve as a reference; just downstream of Galena Creek when either Prairie Creek is being crossed or drilling is in progress in the Galena Creek catchment using a skid-mounted drill rig; and, just downstream of Big Quartz Creek when drilling is in progress in the Big Quartz Creek catchment using a skid-mounted drill rig. Sampling will occur 2 weeks before drilling is due to commence to acquire 'baseline' data. Sampling at the Galena Creek and Big Quartz Creek sites will only occur when skid-rig drilling is active in those catchments." CZN made these undertakings in order to acquire data to confirm that

its drilling activities are not impacting water quality according to established regulatory thresholds.

In closing, CZN wishes to reiterate that it is committed to minimizing disturbance and environmental impacts that might result from the Phase 3 drilling program. Although many similar drilling programs have been undertaken on the property previously, including extensive road network construction and the fording of Prairie Creek in all seasons, CZN will adopt appropriate mitigation strategies developed by itself and in consultation with regulatory agencies. For example, CZN has undertaken to complete a spring wildlife and vegetation survey before drilling starts as "insurance" to ensure that no sensitive species will be impacted by the proposed work, and to collect data with which to develop a sound and thorough reclamation plan. This in itself is a significant mitigation strategy. CZN will work diligently with the appropriate regulatory agencies to ensure that the specifics and spirit of the various agreements are adhered to.

We trust the above information comprehensively addresses the issues raised in the aforementioned letters. If you have any questions, please contact us at 604-688-2001.

Yours truly,
CANADIAN ZINC CORPORATION



David P. Harpley, P. Geo.
Environmental Coordinator