



April 6, 2017

Mr. Chuck Hubert
Senior Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
5102 50th Avenue,
Yellowknife, NT
X1A 2N7

Dear Mr. Hubert

**Re: Prairie Creek Mine All Season Access Road
Land Tenure – Liard River Crossing and IAB Lands**

We refer to the following letters:

- From the Government of the NWT (GNWT) to Canadian Zinc Corporation (CZN) dated January 10, 2017;
- From Indigenous and Northern Affairs Canada (INAC) to the Nahanni Butte Dene Band (NBDB) dated January 27, 2017; and,
- A similar letter from INAC to CZN dated January 31, 2017.

These letters refer to land tenure issues associated with CZN's proposed all season road to the Prairie Creek Mine, specifically those relating to leases for the Liard River crossing (water lots and barge landing/staging areas involving GNWT and INAC) and a licence of occupation where the road crosses Indian Affairs Branch (IAB) Lands south of the river (involving INAC only).

To provide clarity on these issues, CZN had a telephone conversation with GNWT and INAC (see March 1, 2017 meeting record PR#428), and has subsequently discussed these with the NBDB. This letter provides an overview and summarizes the main points from these conversations regarding land tenure. Applications are required for each lease area and the licence of occupation, but application details are not the subject of this letter.

Leases

CZN proposes to build barge landing ramps on both sides of the Liard River, joined to staging areas consisting of a prepared gravel surface on both sides of the road for staging, transfer and storage. The GNWT has stipulated that CZN must have leases for water lots on the south and north shores of the Liard River, below the ordinary high water mark, covering all permanent structures and activities associated with the river crossing (barge ramps, barge storage and mooring). CZN will also be required to hold separate leases for the proposed barge landings/staging areas on the south (INAC) and north (GNWT) shores, above the ordinary high

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water mark. The staging/landing area leases are to be adjacent to, and contiguous with (abut), the water lots. Consistent with these requirements, CZN prepared preliminary drawings for these lease areas and copies are attached. The exact lease locations and areas will need to be confirmed and legally surveyed.

The south and north shore staging/barge landing areas will have similar terms and conditions to ensure consistent management of the road (INAC/GNWT).

In addition to the terms and conditions stipulated in the leases, the leases will also provide exclusive possession to CZN, including the ability to restrict access. CZN has indicated that it will seek to include language in all leases that makes it clear that CZN is not intending to deny access to NBDB members since the land is the traditional territory of the NBDB. In this regard, it is also worth noting that CZN intends to employ NBDB members for road-related activities, including access monitoring.

After mine closure, either the crossing infrastructure will be removed and the leases will lapse, or if the NBDB wish to retain use of the road, the infrastructure will be left and the leases will be ceded or transferred to the NBDB.

Licence of Occupation on IAB Lands

In order to build the access road across the IAB lands, CZN must hold a licence of occupation, and IAB status must be relinquished by the NBDB for that portion of the lands covered by the licence.

INAC indicated that the normal road width assumed for such a licence is 30 m. This is to provide a suitable buffer in the interests of the proponent. However, in this case, CZN does not wish to have a buffer, and in fact will only request a licence to cover the road footprint. The single lane road will be 12 m wide, ditch to ditch, 16 m wide where there is a passing lane. CZN will apply for a licence to be specific to the road footprint, exactly. INAC have indicated that such a request should be acceptable. The reason for the reduced licence width is the NBDB wish to use the road as a thoroughfare to the area for future adjacent development. As such, CZN would not want the licence to be any impediment to the NBDB's development plans.

The licence would not include any restrictions on access.

After mine closure, the licence will lapse.

Closing Remarks

A draft of this letter was provided to the NBDB, GNWT and INAC for comment prior to completion.

We appreciate your consideration of the above. If you have any questions, please contact us at 604 688 2001.

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Yours truly,

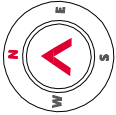
CANADIAN ZINC CORPORATION

A handwritten signature in blue ink, appearing to read "D. Harpley", is positioned above the printed name.

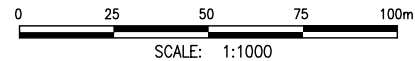
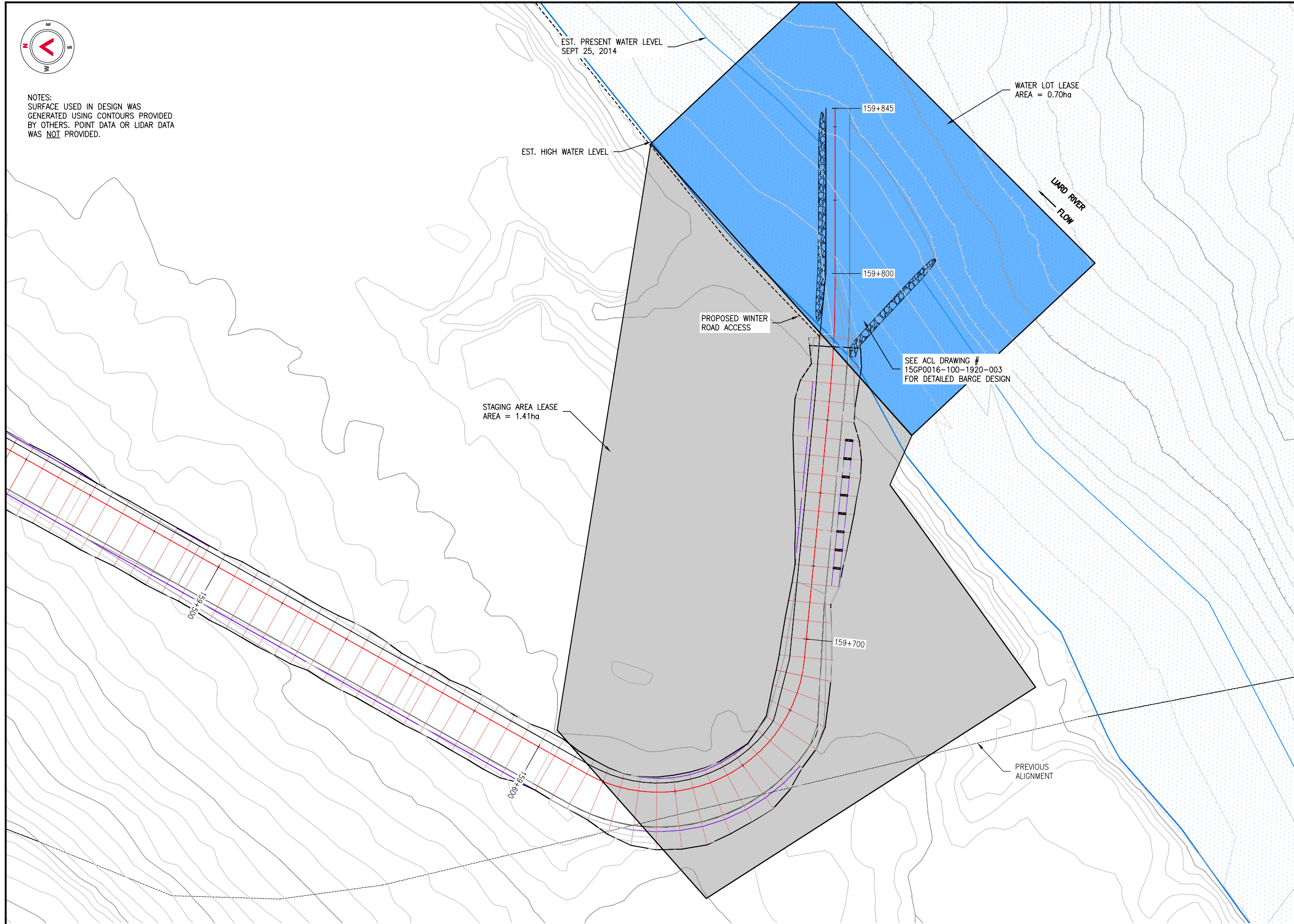
David P. Harpley, P. Geo.
VP, Environment and Permitting Affairs

cc. Chief Peter Marcellais, NBDB
Melissa Bard, GNWT Lands
Michael Roesch, INAC

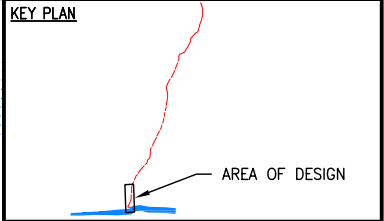
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REFERENCE DRAWINGS		
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LEGEND	
	PROPOSED DESIGN CL
	PROPOSED ROAD EDGES
	PROPOSED DITCH BOTTOM
	PROPOSED CUT/FILL LINES
	PREVIOUS ROAD ALIGNMENT
	WATERCOURSES

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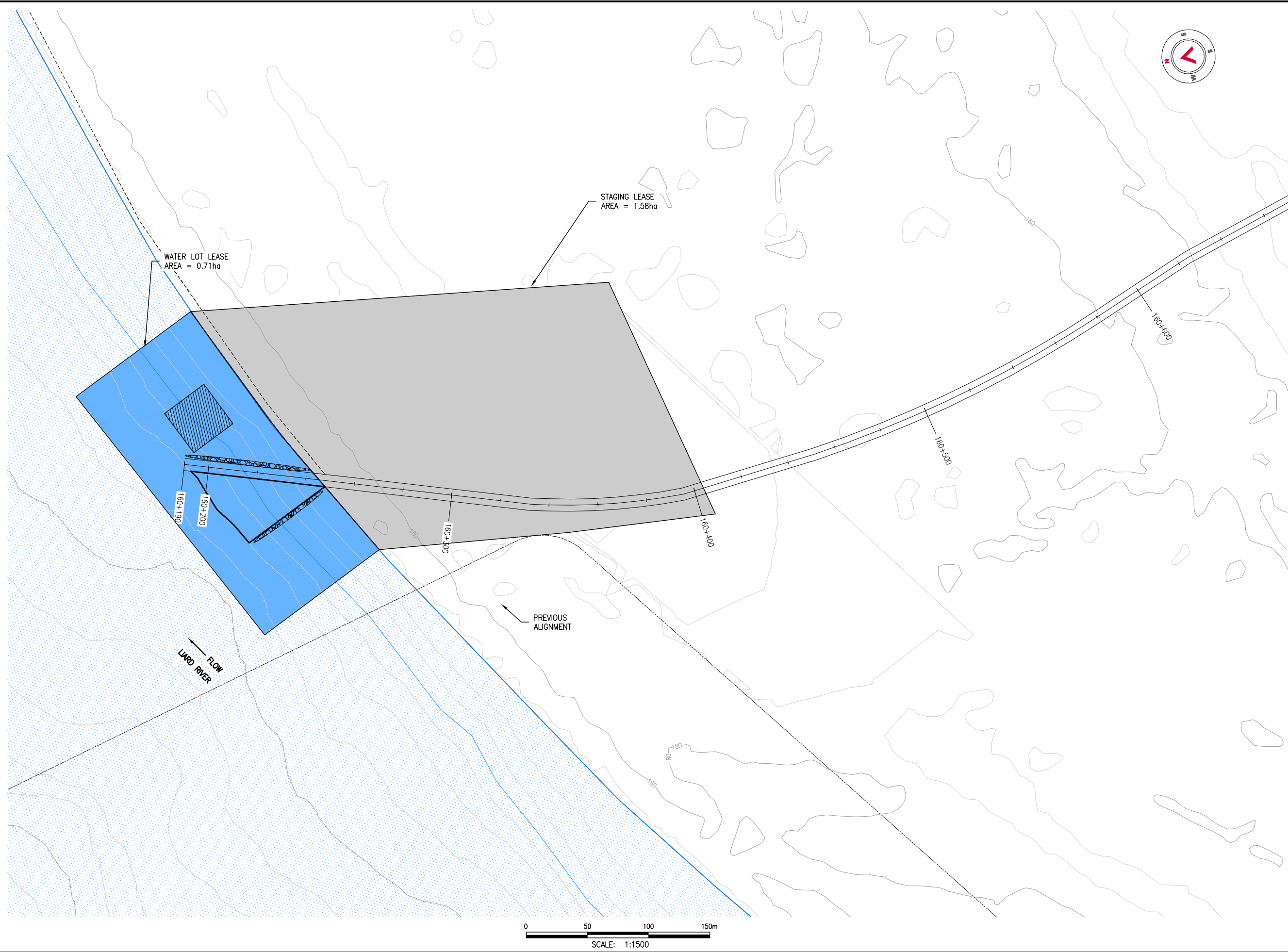


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DRAWING SIZE: ANSI "B"	CHKD: EK	DATE: -
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PROJECT:
**PRAIRIE CREEK MINE
LIARD RIVER BARGE
NORTH SHORE ACCESS ROAD
km 158+700 to km 159+845**

TITLE:
**PLAN DRAWING
LIARD RIVER BARGE
NORTH SHORE GRADING**

DWG NO:	REV:
15GP0016-100-1920-008A	0



REFERENCE DRAWINGS		
DRAWING NO	DRAWING DESCRIPTION/TITLE	REF
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KEY PLAN**AREA OF DESIGN**

LEGEND

- PROPOSED DESIGN CL
- PROPOSED ROAD EDGES
- PROPOSED DITCH BOTTOM
- PROPOSED CUT/FILL LINES
- PREVIOUS ROAD ALIGNMENT
- WATERCOURSES

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CLIENT:**CANADIAN ZINC CORPORATION**

Allnorth

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PROJECT:

**PRAIRIE CREEK MINE
LIARD RIVER BARGE
SOUTH SHORE ACCESS ROAD
km 160+190 to km 161+000**

TITLE:

**PLAN DRAWING
LIARD RIVER BARGE
SOUTH SHORE GRADING**

DWG NO:	REV:
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