



Parent Company of Canadian Zinc

May 20, 2020

Jaqueline Ho
Regulatory Officer
Mackenzie Valley Land and Water Board
7th Floor, 4922 48th St.
PO Box 2130
Yellowknife, NT
X1A 2P6

Dear Ms. Ho:

Re: **Prairie Creek Mine All Season Road**
MV2014L8-0006, MV2019L8-0002 and MV 2014F0013 Annual Reports

We refer to the conditions in the above noted permits requiring the submission of annual reports. Information is provided below according to the sub-items listed in MV2014F0013.

- a) There has been no activity under these Licences, and therefore no activity information to report.
- b) Regarding the future project schedule, as explained in the Norzinc news release dated February 4, 2020 the Company is currently evaluating project enhancements. The earliest possible activity envisaged at present is a Phase 1 pioneer winter road in the 2020-2021 winter. We do not envisage any summer 2020 activities.
- c) The Naha Dehe Dene Band (NDDDB) and CZN signed a Traditional Land Use Agreement (TLUA) on January 15, 2019 in respect of the all season road (ASR). The TLUA provides benefits to the NDDDB in addition to those included in the mine-related impact benefit agreement (IBA), and a framework for training, employment, business contracts, and community capacity programs. The TLUA includes the establishment of a committee to oversee implementation of the Agreement, to support NDDDB liaison roles to gain employment and business capacity for the benefit of NDDDB Members and NDDDB Businesses, and to provide a forum to discuss other matters. The committee held its first meeting on January 29, 2019 and subsequent meetings on May 16 and August 16.

CZN is negotiating a Road Benefit Agreement (RBA) with LKFN to similarly provide benefits additional to the IBA in relation to the ASR. The RBA is anticipated to have similar provisions as the TLUA with respect to advantages for training, employment, business contracts, and community capacity programs, and include an implementation committee. Liaison roles for employment and business capacity have been agreed. Negotiation meetings were held on January 16, March 12, April 8, May 27, July 5 and November 17.

CZN participated in training and business development discussions with the aim of rolling out training programs and promoting business readiness for the development of the Prairie Creek Mine. These discussions involved all of the communities in the western Dehcho, the Dehcho First Nations, as well as the Acho Dene Koe (ADK) from Fort Liard. During the course of these discussions, CZN's VP, Sustainability communicated project progress and answered questions regarding the Company and activities.

In March 2019, the NorZinc Regional Committee (NRC) was formed with its purpose to plan, collaborate, and deliver business and employment objectives associated with the Prairie Creek Mine and major projects in the Dehcho Region, and to promote a culture of high standards towards worker well-being, safety and environmental awareness. The NRC committed to fostering collaboration and partnerships through communication and coordination of its Member's efforts to ensure effective program and service delivery to regional businesses and residence. The communities served by the NRC include Fort Simpson, Fort Liard, Trout Lake, Nahanni Butte, Wrigley, and Jean Marie. The NRC also agreed to periodically act as a committee to align socio-economic commitments. The committee was co-chaired by a senior representative from the Dehcho First Nation and CZN's VP, Sustainability. Post-formation NRC meetings were held in July 17, September 26 and Dec 4.

- d) While construction of the ASR did not commence in 2019, additional fieldwork was undertaken to further studies and preparations. This included soils investigations, fish, pika, plant and archaeology surveys. All survey teams included local indigenous representatives to help undertake and guide the work.
- t) Regarding updates to management and monitoring plans, we have received Board decisions for twelve of thirteen draft plans submitted. One plan (Cultural Heritage Protection) is awaiting a conformity decision. We will endeavour to provide updated plans with sufficient time for completion prior to activities commencing. Six plans will require a 2nd public review (Geochemical, Traffic, Sediment, Invasive Species, Explosives, Water Monitoring).
- v) Regarding how each commitment made during the EA relating to water use or the deposit of waste is being or has been met, there is no change since no construction has occurred.
- w) No other details were requested by the Board by November 30, other than those listed in the permit issuance letter of November 13 relating to management and monitoring plans.

Sincerely,



David P. Harpley
VP, Environment and Permitting Affairs