



April 8, 2005

TO: Deh Cho Leadership

In follow up to our discussions last week at the Deh Cho Land Use Planning Committee's Regional Forum in Hay River, I am writing to clarify questions and comments that were made after Ms. Rita Cui and I had left the meeting with respect to Canadian Zinc's (CZN) intentions to dispose of the cyanide now stored at the mine site.

Upon reading the transcripts of the afternoon session, covering Thursday, March 31, I was quite shocked to read the comments of one Federal official suggesting that we somehow felt that the Community representatives present would not have been able to "...understand such a simple thing" (the "simple thing" being the disposal or neutralization of the cyanide at the mine site).

I also read that this same Federal official stated "...it almost has appearances of, like, leverage, like, if you don't give us a [winter] road, we won't take the cyanide out" (suggesting that we really don't need to truck the cyanide out, as it could be, either in a neutralized state or as it is, flown out and Canadian Zinc Corporation is only saying so to justify a reopening of the company's winter access route).

This is an argument this official has made to me many times and indeed was also made to me by the WWF representative following our presentation to the Planning Committee on Thursday morning.

Both of these comments are completely false and in my view, highly irresponsible.

The cyanide at Prairie Creek is in a solid state (sodium cyanide granules) and is stored in plastic bags, which are in steel drums with bolted down lids. The drums are on pallets which are located on a pre-engineered clay-lined pad (diagram available if you wish to view it) and wrapped with a synthetic liner cover (to ensure moisture is kept out).

The clay-lined pad is located south of the mine site and adjacent to the hill slope, approximately 220 meters from the creek and at a height of approximately 30 meters above the height of the creek.

In its current state (solid form, free of moisture) it is very stable and safe.

The point I was trying to make at the session was that regardless of whether you wish to dispose of or neutralize the cyanide "at the mine site", both are inherently dangerous and unreliable and not likely to be allowed in any event – which is why I stated (as I have in the past to the same Federal official noted above) that while Canadian Zinc Corporation is not prepared to deal with the cyanide at the site, a government agency, should it wish to do so, can, as long as they accept full responsibility and make this very clear to the public before taking any action.

To neutralize the cyanide at the mine site (the least dangerous of the two alternatives for disposal and/or processing at the site), we would first have to construct a road to bring in significant quantities of chlorine or commercial bleach needed to treat a cyanide "solution" – chlorine and bleach are also highly toxic and pose a significant threat to wildlife, especially aquatic life.

Secondly, turning the existing and stable solid state of the cyanide into a (alkaline) solution (pH level greater than 10) must be precise as it would otherwise generate deadly hydrogen cyanide gas, and as such, this must be done in a well ventilated area.

Thirdly, while we could possibly use the (ore concentration) tanks in the mill, the mill is not a well ventilated area and in addition we may not be able to properly clean these tanks upon completion.

Fourthly, the by-products (including ammonia) of neutralization are also highly toxic and requires long-term management of the treated effluent.

As a result of the above, the scientific advice we sought out told us the safest and most responsible manner to dispose of the cyanide was to leave it in its solid state and transport it off-site by road to an approved waste disposal site in the south.

With respect to my comments that the communities would not be able to understand should Canadian Zinc Corporation choose disposal/neutralization as opposed to trucking the cyanide out, I certainly did not suggest they did not have the "ability" to understand but rather the communities would never be able to understand how these "on-site" disposal alternatives were "safe" – they would immediately conclude as Canadian Zinc Corporation concluded that there is really only one way to proceed; namely, repackage and transport out by road.

I hope this has clarified matters.

Should you have any questions or comments do not hesitate to contact either myself or David Harpley (Environmental Coordinator), or Alan Taylor (Chief Operating Officer) in Vancouver at (toll free) 1- 866-688-2001.

Given the level of interest shown by the community representatives at the Deh Cho Land Use Planning Committee Workshop in learning more about the company's

activities and plans we would be pleased to meet with you to further discuss these or any other matters you wish to discuss. We would welcome an opportunity in this regard to ensure you are all fully briefed on our intentions.

Yours truly,



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