

# **Prairie Creek Mine Project**

## **Transportation Collaboration Agreement**

**BETWEEN:**

The **Government of the Northwest Territories** (the "GNWT"), as represented by the Minister of Transportation (the "**Minister**");

**OF THE FIRST PART**

**AND:**

**Canadian Zinc Corporation** in its capacity as owner and operator of the Prairie Creek Mine ("**CZN**");

**OF THE SECOND PART**

**WHEREAS:**

- A. CZN proposes to develop and operate the Prairie Creek Mine (the "**Mine**") in the vicinity of Nahanni Butte, NWT;
- B. CZN plans to use the existing Northwest Territories (NWT) public transportation system to bring goods, fuel and equipment by road to the Mine and to transport its mineral products from the Mine to world markets;
- C. CZN and the GNWT (herein referred to as the "**Parties**") acknowledge that part of the public transportation system, and in particular NWT Highway 7, may need to be upgraded and enhanced to accommodate general public and Mine project-related transportation needs;
- D. Highway 7 is frequented by tourists travelling through the NWT and/or by tourists visiting Nahanni National Park Reserve, a UNESCO World Heritage Site;
- E. Safe and efficient road transportation is essential in the NWT to meet general public, tourist and industry needs, and the safety of the travelling public and the protection of existing infrastructure are recognized as the Parties' overriding priority;

- F. CZN and the GNWT entered into a *Socio Economic Agreement*, dated August 22, 2011, under which the Parties agreed to work together to maximize the beneficial opportunities and minimize the negative socio-economic impacts arising from an operating Mine; and
- G. The Parties wish to collaborate and work together to ensure effective co-operation related to the public transportation system that could affect the Mine project and to seek ways and means to take advantage from any opportunities and address and resolve any identified issues.

**NOW THEREFORE** the Parties agree as follows:

1. The Parties will work together to identify any portions of Highway 7, and any portions of the Nahanni Butte access road from Highway 7, that may require enhancement or upgrading to ensure public safety, surface durability or longer winter road operating seasons to support general public use of Highway 7 and Mine project-related transportation needs.
2. CZN will provide to the GNWT, on or before December 30, 2012, a report on its anticipated road transportation plans for the construction and operation of the Mine, and thereafter, on or before June 30 in each operating year, CZN will provide to the GNWT its anticipated road transportation and operating schedule for the then following year, which schedule will, so far as possible, indicate the expected timing and frequency of planned highway travel.
3. The Parties will work to identify additional funding to address Highway 7 improvement, maintenance, rehabilitation and reconstruction needs, and enhancement of the Nahanni Butte access road, and CZN will provide to the GNWT any information relating to the development and operation of the Prairie Creek Mine and its anticipated transportation needs, as may be reasonably required by the Parties for this purpose.
4. The GNWT will focus the disbursement of maintenance and construction funds allocated to Highway 7 and the Nahanni Butte access road on priority areas as determined by the GNWT requiring attention to maintain the roads' operability and efficiency and to ensure public safety;
5. This Collaboration Agreement may be terminated by mutual written agreement of the Parties at any time.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives on the respective dates indicated below.

**GOVERNMENT OF THE NORTHWEST TERRITORIES**  
as represented by the Minister of Transportation or his or her  
authorized representative

Per: Original signed by  
David Ramsay  
Minister

Date: **AUG 24 2012**

**CANADIAN ZINC CORPORATION**

Per: Original signed by  
John F. Kearney  
Chairman & Chief Executive

Date: \_\_\_\_\_