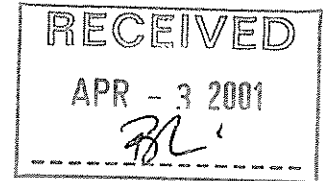


**CANADIAN ZINC**
CORPORATION

April 03, 2001

Mr. Roland Semjanovs
A/Executive Director
Mackenzie Valley Environmental Impact Review Board
PO Box 938, 200 Scotia Centre, 5102 - 50th Ave.
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By Fax: 1-867-920-4761

Dear Mr. Semjanovs:

**Re: MVEIRB File EA00-002 - Prairie Creek Mine
Drill Program and Cat Camp Fuel Cache Recovery Environmental Assessments**

I write in follow up to a recent telephone conversation between Mr. Louie Azzolini of your office and myself in which we discussed various aspects of the EA process through which Canadian Zinc's land use applications are currently proceeding. The following comments are intended to be constructive and will hopefully assist the Review Board in understanding the implications of the process on Companies trying to do business in the NWT and at the same time provide feedback on areas where we perceive there to be shortcomings in the process.

It is my understanding from our conversation that the Review Board was unable to meet the timetable for completion of the EA on March 31 as set out in the Work Plan of December 22, 2000, and that the Review Board will now consider the Drill Program EA on April 5 and the Cat Camp Fuel Recovery EA on April 18, 2001.

As I indicated to Mr. Azzolini, the protracted delay in getting approval to undertake a 6 - 7 hole exploration drilling program, now 8 months since the initial application was made, has seriously hampered the Company's ability to plan our successive programs and secure financing to support ongoing mineral exploration and development activity. Senior management of the Company met with representatives of the investment community in Toronto, Ontario and London, England over a ten day period in mid-March at which time they were told that due to the inherent uncertainty in the permitting process in the NWT, financing would not be available subject to issuance of the necessary permits. The Company had committed to a second round of financing negotiations for the week beginning April 17, based on the understanding that the Review Board was to have issued their recommendation on March 31, and in anticipation of having a permit in hand by that time. These discussions have now had to be deferred based on the Review Board's current timing as indicated above.

As we also discussed, there is an apparent shortcoming in the EA process in that no opportunity exists to counter incorrect assumptions or misleading statements made in the technical review comments put before the Review Board. The Review Board is then put in the compromising position of having to make its decisions based, at least in part, on these inaccurate statements. In the interests of procedural fairness and in order to provide the Review Board with the clearest and most accurate picture of a proposed development, the process clearly needs to be more iterative.

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As a case in point, I would cite several references made in the technical review comments by Parks Canada, GNWT and DFO that would mislead the Review Board into believing that Canadian Zinc is proposing to construct an all-weather road from the minesite to Cat Camp in order to recover the fuel cache. The referenced comments are as follows:

- *The CZN EA Report does not cite any cost estimate for their 'preferred option' of building an all-weather road to the Cat Camp site. It is quite possible that the re-engineering and construction of the winter access into an all-weather road will be far more expensive than the helicopter fly-out option, even when the value of the fuel is taken into consideration. (NNPR Comments on CZN EA Reports 19 March 2001)*
- *The reclamation model does not even consider an all-weather road as an option for final reclamation of the minesite. (NNPR Comments on CZN EA Reports 19 March 2001)*
- *The CZN applications to build a portion of an all-weather road, advance exploration, and incrementally increase operational capacity amounts to piecemeal permitting of a mining operation. (NNPR Comments on CZN EA Reports 19 March 2001)*
- *The construction of an all-weather road from the mine to recover the fuel at Cat Camp will accomplish 24% of CZN's goal for an all-weather to Fort Simpson. The need for an all-weather road to Cat Camp is rationalized mainly through improved safety. (DFO 12 March, 2001)*
- *The proponent concludes that the construction of the all-weather road will result in negligible alteration of vegetation communities (GNWT 12 March, 2001)*
- *The proponent concludes that the construction of the all-weather road will result in negligible loss of wildlife habitat (GNWT 12 March, 2001)*

These comments are put before the Review Board despite Canadian Zinc stating clearly in its EA Report as follows:

- *Access to Cat Camp for the purposes of recovering the diesel and cleaning up the site will require rehabilitation of the existing road alignment. The road leaves the minesite at about the 850m elevation, heading north adjacent to Prairie Creek for about 7 km before turning east to climb up through the Mackenzie Mountains. The summit of 1530m is reached at about Km 17 from where it drops down to the 830m elevation at Cat Camp at Km 41.*

The road up to Km 17 was used as recently as 1995 under Land Use Permit N95C373 in support of exploration activity and requires only minor clean-up. The remainder of the roadbed from Km 17 to 41 is largely intact and passable with minor surface clean-up, however a number of washouts require more substantial repair. While part of the original winter road, the majority of this portion, being through mountainous terrain, was essentially constructed to all-weather standard using cut and fill construction techniques along side slopes. Sections constructed over flood plain alluvial gravels towards the east end nearer to Cat Camp require only minor clean-up. (CZN 26 January, 2001)

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At no time has Canadian Zinc suggested that its intention is to upgrade the access road between the minesite and Cat Camp for the purposes of recovering the fuel cache to a standard of an all weather road capable of supporting future mine operations. The Prairie Creek Mine Access Road preliminary construction cost estimate prepared by BGC Engineering dated October 24, 2000 estimates the cost of constructing an all season road between the Minesite and Cat Camp along the same route as the existing road to support mine operations at \$5.66 million. Clearly this is orders of magnitude beyond what is being contemplated in terms of rehabilitating the existing road to recover the fuel cache. What we have proposed is a simple repair of the existing roadbed to allow vehicles to pass safely along the route for a short period during the late summer-early fall. The work has been proposed to be carried out in the late summer-early fall low flow period when it can be done with the least potential impact to the environment.

Other technical review comments appear to be similarly misleading. Several such comments are made in reference to a winter removal being preferred over the proposed late-summer/early-fall period. For example, GNWT states such a preference based on the impacts of a spill being potentially be less in winter, but at the same time apparently discounting the fact the risk of having a spill in the first place goes up considerably when negotiating a mountainous road with up to 11% grades and switchbacks under the adverse winter weather conditions. Similarly, GNWT cites reduced impacts on wildlife associated with a winter removal, however Beak Consultants (1982) quote Banfield and Jakimchuck (1980) in their review of caribou disturbance as stating that "calving is the most sensitive period followed by winter. Summer and fall are considered the least critical seasons". Other factors, such as the increased potential for impacts associated with the spring melting of snow and ice incorporated in fill used for repairing washouts in winter as compared to summer are similarly discounted or ignored.

While Canadian Zinc attempted to state its rationale for selecting its preferred alternative in its EA Report as concisely as possible, it is apparent from such review comments that all of the circumstances of the particular situation have not been clearly understood. This seems to suggest that there needs to be provision in the EA Process for the proponent to have an opportunity to clarify certain issues in light of the technical review comments.

Obviously it is a concern to CZN that the Review Board may be put in a position where it has to make its determinations based on misleading information. Accordingly, we would like to express our willingness to make ourselves available at any time to respond to any questions or otherwise clarify any incongruous statements before the Review Board during the course of their deliberations.

Yours very truly,

CANADIAN ZINC CORPORATION



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