

Minister of Indian Affairs
and Northern Development

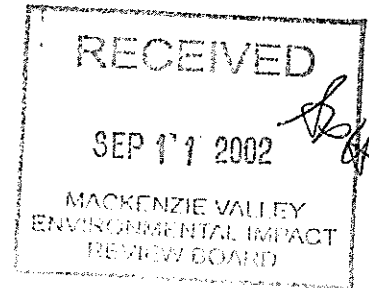


Ministre des Affaires
indiennes et du Nord canadien

Ottawa, Canada K1A 0H4

SEP 3 2002

Mr. Todd Burlingame
Chair
Mackenzie Valley Environmental Impact Review Board
PO Box 938
YELLOWKNIFE NT X1A 2N7




Dear Mr. Burlingame:

Thank you for your letter of February 5, 2002, with the enclosed copy of the Report on the Environmental Assessment on the Canadian Zinc Corporation Underground Decline/Exploratory Drilling and Metallurgical Pilot Plant Developments. I regret the delay in my reply.

As permitted under Subsection 130 (1)(b)(i) of the *Mackenzie Valley Resource Management Act*, the report is being returned to the Board for further consideration, principally because there remains significant unresolved issues related to the use and integrity of the tailings facility, and water treatment in general. Specific concerns which require further consideration by the Board are identified below:

Canadian Zinc Corporation (CZN) has not provided a detailed description of its alternative proposal to treat (if necessary) and discharge all effluent (from plant and decline) to the receiving environment if the integrity of the tailings facility is not proven, and the use of the tailings pond is subsequently removed from the development plan. If the Board's intent is that the geotechnical assessment of the tailings pond is to be provided at the regulatory stage, then CZN must be required to provide detail on any proposed treatment options at the assessment stage. The reviewers and the Board must have an opportunity to assess the adequacy of any proposed treatment options and associated impacts should the geotechnical assessment conclude that the use of the tailings pond is not appropriate.

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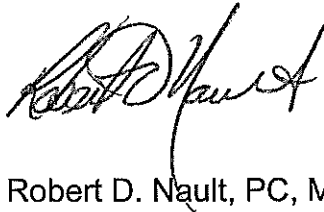
In addition, the reviewers are of the opinion that some of the measures would be more appropriately dealt with as 'Information Requests' rather than as recommended 'measures', especially those dealing with the geotechnical assessment of the tailings facility and the stability of the tank farm.

If the Board would like additional information, or to discuss the reasons for referral, please contact Mr. David Livingstone, Director, Renewable Resources and Environment at (867) 669-2648.

The enclosed correspondence from the Department of Fisheries and Oceans, Environment Canada, Parks Canada, and the Government of the Northwest Territories' Resources, Wildlife and Economic Development, speaks to these and issues other than those dealing with the tailings facility which the Board may wish to take into account when planning its next steps in the process. I recommend that the Board contact the appropriate agency directly if clarification is required on these additional points raised by the various departments.

Regional staff are also available to consult further with the Board in whatever capacity the Board would like.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Robert D. Nault", written over a horizontal line.

Robert D. Nault, PC, MP

Encl.

c.c.: The Honourable Jim Antoine, MLA
The Honourable David Anderson, PC, MP
The Honourable Sheila Copps, PC, MP
The Honourable Robert G. Thibault, PC, MP