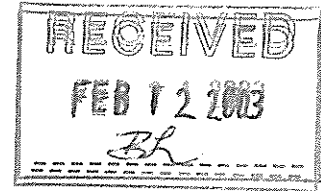


**CANADIAN ZINC**
CORPORATION**FAX COVER SHEET**

Date: Wednesday, February 12, 2003
To: Hon Robert Nault, P.C, M.P.
Fax: 1-613 996 1759
From: Malcolm Swallow
Pages: 7 (including cover sheet)
Subject: Failure of the Permitting Process; Prairie Creek, NWT

Please find attached a letter and supporting documentation.

Malcolm Swallow
President and CEO
Canadian Zinc Corporation

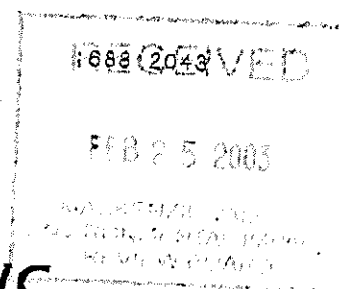
Copies:

Hon. Robert Nault, P.C., M.P. By fax: 1-613-996-1759
Minister of Indian Affairs and Northern Development 1-819-953-4941
Bob Overvold - Regional Director General, DIAND (Fax: 1-867-669-2703)
Mackenzie Valley Land and Water Board (Fax: 1-867-873-6610)
Mackenzie Valley Environmental Impact Review Board (Fax: 1-867-766-7074)
Hon. Jim Antoine - Minister of RWED, GNWT (Fax: 1-867-873-0306)
Nahanni Butte Dene Band (Fax: 1-867-602-2910)

Suite 1202-700 West Pender Street
Vancouver, BC V6C 1G8
Tollfree: 1-866-688-2001
Tel: (604) 688-2001 Fax: (604) 688-2043
E-mail: malcolm@canadianzinc.com, Website: www.canadianzinc.com

252

2-12-03;11:11AM;Canadian Zinc Corp.

**CANADIAN ZINC**
CORPORATION

2/

February 12th 2003

2003-02-12 P02:35

Hon. Robert Nault, P.C., M.P.
Minister of Indian Affairs and Northern Development
10 Wellington Street, North Tower
Hull, Quebec
K1A 0H4

By fax: 1-613-996-1759
1-819-953-4941

Dear Minister Nault:

**Re: Mackenzie Valley Environmental Impact Review Board
Application to operate a Pilot plant and excavate an exploration decline:
(MV 2001 COO23, MV2001L2-0003) – Mar 5, 2001**

Some 711 days ago, Canadian Zinc (CZN) submitted an application to the Mackenzie Valley Land and Water Board for a simple Land Use Permit and a water licence to operate a small pilot plant at our Prairie Creek minesite and to establish a short exploration tunnel. These permits would normally be considered advanced exploration, take around 42 days to complete in any other jurisdiction and form a vital part of our work to demonstrate feasibility of a mine development at Prairie Creek.

The application was referred to the Mackenzie Valley Environmental Impact Review Board for environmental assessment on April 11th 2001. In January 2002, the MVEIRB recommended approval of the developments subject to safeguards. Subsequently the recommendations of the MVEIRB were reviewed under your name, with no apparent result for a further eight months. Despite a number of letters from Canadian Zinc protesting the delay, (Feb 19th 2002, April 22, 2002,) nothing happened until September 3rd, 2002, when the applications were sent back to the MVEIRB for reconsideration.

A revised timetable was then issued by the MVEIRB, which saw CZN complete its responses to the outstanding questions, including responding to some five further reports commissioned by various arms of the Federal Government, by January of this year. All this for two simple advanced exploration projects, with no presumption of eventual development. We now find ourselves with no timetable for completion of the new MVEIRB review process and with no apparent end to the review. Despite the closing of the registry, INAC have just listed a further peer review of one of their earlier reports, which has been duly circulated to all concerned and will presumably require further comment on its inaccuracies.

Suite 1202-700 West Pender Street
Vancouver, BC V6C 1G8
Tel: (604) 688-2001 Fax: (604) 688-2043
E-mail: malcolm@canadianzinc.com, Website: www.canadianzinc.com

02/25/2003 TUE 14:19 [TX/RX NO 8651]

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3/

CZN has been working on this project for 11 years. The mill is already built, the mine is mostly complete, and the development has the basic approval of the Nahanni Butte Dene, with whom we have a Development and Cooperation Agreement. Despite the current low point in the zinc price cycle, the mine can still be operated profitably for at least 18 years, as indicated by our 2001 Scoping Study, generating considerable revenues and employing at least 150 - 200 people locally. The final development of the mine depends on the granting of construction and operation permits, which need the work envisaged by the current permit applications to be complete, for a bankable evaluation of the mine development to take place.

Canadian Zinc is basically a one project company which depends for its funding on shareholder's willingness to invest money for the development of the Prairie Creek Mine in the Northwest Territories. Because of the \$60 million in development already on the site, CZN's shareholders have willingly put a further 18 million dollars into this project over the last 12 years. These expenditures were based on the belief that, eventually, CZN will receive permits in a timely fashion, to build and operate the mine safely, subject to the usual environmental safeguards.

Despite this, for the past two years, all development on the site has been halted because of delays with the permitting process, while at the same time the Company has been involved in expenditures of in excess of \$1.5 million to maintain its position. No end is in sight and this is now severely affecting our ability to operate as a Company, as our investors lose all faith in the fairness, or objectivity, of the process in the North.

We cannot continue to commit shareholder funds to a development process that is so obviously flawed and apparently out of control, no matter how good the project. We therefore appeal to you to instruct your staff to come to some conclusion on this matter, so that we as a Company can tell our investors that yes, we are welcome in the north, or no, we need to change our Company strategy and move our investments out of the NWT.

Yours very truly,

CANADIAN ZINC CORPORATION



Malcolm J. A. Swallow
President & CEO

cc: Bob Overvold - Regional Director General, DIAND (Fax: 1-867-569-2703)
Mackenzie Valley Land and Water Board (Fax: 1-867-873-6610)
Mackenzie Valley Environmental Impact Review Board (Fax: 1-867-766-7074)
Hon. Jim Antoine - Minister of RWED, GNWT (Fax: 1-867-873-0306)
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4/

February 12, 2003

History of Permitting Activity - Prairie Creek Mine

Permit/Licence Type	Permit/Licence Identifier No.	Permit/Licence Purpose	Date of Application	Date Issued	Elapsed Time	Expired/Expires	Issuing Agency	Enabling Legislation
Land Use Permit	N80P249	Winter Road	March 4, 1980	July 2, 1980	59 days	1983	DIAND	TLA&R
Land Use Permit	N80P248	Expl DDH & w/g dev	March 4, 1980	April 14, 1980	41 days	April 12, 1985	DIAND	TLA&R
Water Licence	N31C3-0932	Mining & Milling	July 30, 1980	July 1, 1982	~23 mos	June 30, 1986	NWTWB	NIWA&R
Quarry Permit	81/42	Gravel quarry	Mar 31, 1981	July 2, 1981	93 days	Per N80F248	DIAND	TQR
Land Use Permit	N82F761	All weather road	Aug 16, 1982	N/A	N/A	N/A	DIAND	TLA&R
Surface Lease	95V/10-5-1	Minesite	ca. Dec. 1985	Nov 12, 1997	~23 mos	Mar 31, 1997*	DIAND	TLA&R
Surface Lease	95F/10-7-2	Airstrip	ca. Dec. 1985	Nov 12, 1997	~23 mos	Mar 31, 1997*	DIAND	TLA&R
Land Use Permit	N86C537	Expl DDH	Feb 12, 1986	Apr 7, 1986	54 days	Oct 30, 1986	DIAND	TLA&R
Land Use Permit	N87C668	Expl DDH	Jan 21, 1987	Mar 6, 1987	44 days	Sept 30, 1988	DIAND	TLA&R
Land Use Permit	N92C778	Expl DDH	June 11, 1992	July 27, 1992	46 days	Dec 30, 1994	DIAND	TLA&R
Land Use Permit	N95F346	All weather road	Dec 23, 1994	N/A	N/A	Jan 4, 1996	DIAND	TLA&R
Land Use Permit	N95C373	Expl DDH	Mar 1, 1995	Apr 12, 1995	42 days	Apr 10, 1998	DIAND	TLA&R
Land Use Permit	MV2000C0030	Expl DDH	Jul 28, 2000	June 14, 2001	322 days	June 13, 2006	MLWB	MVRMA
Land Use Permit	MV2000C0030	Cat camp cleanup	Jul 28, 2000	N/A	N/A	N/A	MLWB	MVRMA
Land Use Permit	MV2001C0022	Expl DDH	Mar 5, 2001	Nov 30, 2001	270 days	Nov 29, 2006	MLWB	MVRMA
Land Use Permit	MV2001C0023	U/G Decline	Mar 5, 2001	tba	711 days +	tba	MLWB	MVRMA
Water Licence	MV2001L2-0003	Pilot Plant	Mar 5, 2001	tba	711 days +	tba	MLWB	MVRMA

Abbreviations & Notes:

TLA & R	=	Territorial Lands Act and Land Use Regulations
NIWA & R	=	Northern Inland Waters Act and Regulations
TQR	=	Territorial Quarrying Regulations
MVRMA	=	Mackenzie Valley Resource Management Act
DIAND	=	Department of Indian Affairs and Northern Development (Indian and Northern Affairs Canada)
MLWB	=	Mackenzie Valley Land and Water Board
NWTWB	=	Northwest Territories Water Board
.	=	Surface Leases in overholding tenancy 1997 - 2002; Lease renewals at final draft stage - June, 2002

Property Owner/Operator:

1980-1982	=	Cadillac Explorations Ltd.
1983-1991	=	Procan Exploration Company Ltd./Coopers & Lybrand (Trustee in Bankruptcy)
1991-2002	=	San Andreas Resources Corporation/Canadian Zinc Corporation

2-12-03;11:11AM;Canadian Zinc Corp.

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5/

February 12, 2003

Permit/Licence Type	Permit/Licence Identifier No.	Permit/Licence Purpose	Date of Application	Date Issued	Elapsed Time	Expired/Expires	Issuing Agency	Enabling Legislation
Authorization	N3A3-0325	Camp & Drilling		May 21, 1975		Oct. 31, 1975	NWTWB	NIWA&R
Authorization	N3A4-0801							
Authorization	N3A3-0872	U/G development	Mar. 5, 1980	Mar. 15, 1980		Apr. 1, 1980	NWTWB	NIWA&R
Authorization	N3A4-0873	Camp Water Use	Mar. 5, 1980	Mar. 15, 1980	10 days	Dec. 10, 1982	NWTWB	NIWA&R
Authorization	N3A3-1013	Gravel Wash Plant		Apr. 23, 1981	10 days	Dec. 10, 1982	NWTWB	NIWA&R
Authorization	N3A3-1147	Aquifer pump test	Feb. 19, 1982	Mar. 15, 1982	24 days	Aug. 31, 1981	NWTWB	NIWA&R
Authorization	N3A7-1196	Water Storage	Sept. 9, 1982	Oct. 1, 1982	22 days	Jun 15, 1982	NWTWB	NIWA&R
Authorization	N3A6-1202	North Creek Diversion		Oct 15, 1982		Feb. 1, 1983	NWTWB	NIWA&R
						Oct. 15, 1992	NWTWB	NIWA&R

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6/

**Canadian Zinc Corporation
Prairie Creek Mine
Mackenzie Valley Permitting Chronology**

To January 17, 2003

	LUP Appln Ph I Drilling	LUP Appln Cat Camp	LUP Appln Ph II Drilling	Original Work Plan Schedule		
				LUP Appln Decline	WL Appln Pilot Plant	Revised Schedule Decline/Pilot Plant
Application submitted	July 28, 2000	July 28, 2000	March 5, 2001	March 5, 2001	March 5, 2001	
Referral to MVEIRB	October 4, 2000	October 4, 2000	April 11, 2001	April 11, 2001	April 11, 2001	
Draft WP & ToR issued	Nov 23, 2000	Nov 23, 2000	May 4, 2001	May 4, 2001	May 4, 2001	
Final WP & ToR issued	Dec 22, 2000	Dec 22, 2000	May 31, 2001	May 31, 2001	May 31, 2001	
EA Report due & submitted	Jan 26, 2001	Jan 26, 2001	June 7, 2001	June 21, 2001	June 21, 2001	
30 day Hold Period set by MVEIRB						July 17-Aug 17, 2001
Information Request Period Closed			June 18, 2001	July 4, 2001	July 4, 2001	August 1, 2001
CZN Response to IR's due & submitted			June 25, 2001	July 11, 2001	July 11, 2001	August 17, 2001
MVEIRB Site Visit						August 30, 2001
Technical Review Comments issued			July 9, 2001	July 25, 2001	July 25, 2001	September 4, 2001
CZN response to Tech Review						September 21, 2001
DIAND response to CPAWS IR						October 1, 2001
CZN response to CPAWS IR to Diand						October 11, 2001
Closure of Public Registry			July 16, 2001	July 25, 2001	July 25, 2001	October 19, 2001
EA decision due	March 31, 2001	March 31, 2001	July 27, 2001	August 15, 2001	August 15, 2001	
EA decision issued Refer to Minister	May 5, 2001	May 9, 2001	October 29, 2001			February 5, 2002
Minister's Response Refer to MVEIRB		Fuel Burnt off Mar/02				September 3, 2002
MVEIRB Revised Work Plan						September 24, 2002

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7/

Canadian Zinc Corporation
Prairie Creek Mine
Mackenzie Valley Permitting Chronology

To January 17, 2003

MVEIRB Revised IR #1						October 18, 2002
CZN Response to MVEIRB IR#1						November 1, 2002
MVEIRB Additional Information Request						December 24, 2002
CZN Response Due						January 31, 2003
EA Decision Refer to Minister						??????
Minister's response Refer to MVLWB						??????
MVLWB issue Permits	June 14, 2001 (rec'd 06-22)		November 30, 2001			??????