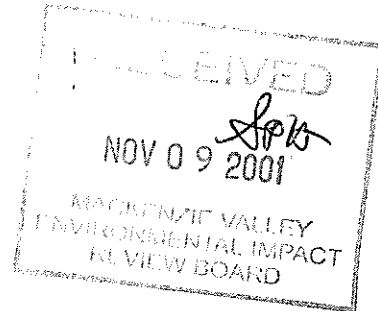


**CANADIAN ZINC**
CORPORATION**Fax Cover Sheet**

Date: November 09, 2001
To: Louie Azzolini - MVEIRB
Fax: 1-867-920-4761
From: Peter Campbell
Pages: 6 (including cover sheet)
Subject: Response to CPAWS Letter of October 22, 2001



Louie:

Please find enclosed CZN's response to the CPAWS submission of October 22, 2001

Regards,

Peter

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**CANADIAN ZINC
CORPORATION**

November 08, 2001

Mr. Louie Azzolini
Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
PO Box 938, 200 Scotia Centre, 5102 - 50th Ave.
Yellowknife, NT
X1A 2N7

By Fax: 1-867-920-4761

Dear Mr. Azzolini:

Re: Response to MVEIRB IR #2 – October 20, 2001

- **Metallurgical Pilot Plant Program**
(Water Licence Application MV2001L2-0003; MVEIRB File EA01-002)
- **Underground Decline and Exploration Drilling**
(Land Use Application MV2001C0023; MVEIRB File EA01-002)

We are pleased to provide Canadian Zinc's response to Information Request #2 submitted to the Company by the Mackenzie Valley Environmental Impact Review Board on October 20, 2001. We understand the intent of this IR to be to elicit further response and commitments to address outstanding concerns as detailed by Indian and Northern Affairs Canada in their letter of October 12, 2001 to the Review Board.

INAC, in their letter, identify the need for further geotechnical assessment of the tailings impoundment prior to its use as proposed under the proposed developments, stating that the outstanding information and the mitigation of potential impacts associated therewith could be effected through the regulatory process, thereby indicating that these concerns could be satisfied through requirements for provision of such information in the terms and conditions of the Water Licence.

The MVEIRB in its IR #2, have requested an engineering certification of the impoundments ability to serve the intended purpose.

Such certification was provided to the Review Board in CZN's response to GNWT-RWED IR #3 by letter from BGC Engineering dated August 16, 2001, stating that they were "satisfied that the tailings facility is geotechnically stable in its present configuration and that the geotechnical stability of the tailings pond containment structures is adequate for the proposed use." As well, they stated that they had found "no field or anecdotal evidence of seepage loss from the containment structures" and that "...such seepage, if it were to occur at all, is expected to be minor."

/...2

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- 2 -

CZN subsequently committed in its letter to the Review Board dated September 21, 2001 to having its geotechnical engineers complete an site inspection of the facility prior to use in order to further ensure its suitability for the intended purposes.

Further geotechnical assessment and engineering certification as requested by INAC in its letter of October 12, 2001 and by the MVEIRB in its IR #2 dated October 22, 2001 cannot now be undertaken due to the onset of winter conditions at the minesite. A decision at this time to require such assessment prior to the completion of the EA would therefore result in a further 7 month delay in the process until access to the minesite for the purposes of carrying out the assessment is available after spring breakup, likely in June, 2002. The additional time necessary to complete the EA process following the assessment and issue the required permits and licences would likely preclude the Company being able to undertake any of the work in the 2002 summer season.

As a result, the Company, in its response to the IR, has committed to having the geotechnical assessment carried out and providing an engineering certification as to the suitability of the tailings facility prior to commencement of any discharges to the impoundment, and has agreed to such commitments being made a condition of the Water Licence. We believe that this approach is consistent with addressing the outstanding concerns as detailed by INAC in their letter of October 12, 2001, and at the same time will assure the Review Board that appropriate measures are in place to mitigate potential impacts to water quality associate with the proposed use of the tailings facility.

Further, the Company has also committed to removing the use of the tailings pond from its development proposals and adopting a standard approach to treating all effluents using proven technology to meet discharge criteria as set in the Water Licence, should the Board decide either that a geotechnical assessment is required in order to complete the EA or, based on the results of the geotechnical assessment, that the impoundment is not suitable for the intended use.

We trust our response has adequately addressed all of the outstanding concerns. Should you have any questions or require any additional information please feel free to contact me at your convenience.

Yours very truly,

CANADIAN ZINC CORPORATION



J. Peter Campbell
VP Project Affairs

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November 8, 2001

Canadian Zinc Corporation Metallurgical Pilot Plant and Underground Decline Environmental Assessments

Response to Information Request

Information Request:

Date: October 20, 2001

From: Louie Azzolini, Environmental Assessment Officer, MVEIRB

Subject: Water Management and Water Quality

Objective: To address concerns regarding site water management

Request: On October 12, 2001, Indian and Northern Affairs Canada (INAC) acting as an expert advisor to the Review Board identified outstanding water management concerns relating to the use of the existing tailings facility, the decline program sump water releases, and possible impacts of the water environment on the development (flooding).

For the following Information Requests please provide the credentials of those providing professional opinions. Where engineering views are provided an engineering stamp certifying the conclusions or views shall be provided.

2.1 Request

Provide an engineer's certification that the current tailings facility is appropriately engineered for the purpose of the proposed development. That certification should serve to hold the engineer liable for conclusions of views provided.

2.2 Request

As an adequate assessment of seepage from the pond cannot be made with two water level measurements, one in 1994 and the next in 2001. Please provide additional evidence to support CZN's claim that there is no seepage from the tailings facility.

2.3 Request

The relationship of Probable Maximum Precipitation (PMP) to Probable Maximum Flood (PMF) is best calculated using local precipitation and streamflow data collected over a long term. CZN's statement that regional climatological data were used to determine the PMP indicates that long-term records of local precipitation are lacking for the Prairie Creek area. Rainfall

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data are available from several stations in the area, including from Cadillac Mine from 1970 to 1982 and Timgsten from 1966 to 1990. Also, there are 10 additional years of streamflow data from the Prairie Creek flow gauge and, presumably, 20 additional years of regional climatic data from which an updated PMF can be calculated.

Prepare an updated Probable Maximum Flood calculation and have a qualified engineer certify the ability of the current tailings facility to withstand the impact associated with a PMF.

2.4 Request

Laboratory analysis of water from the 870 portal, as sampled by a variety of people from 1980 to 1999, shows elevated levels of aluminum, arsenic, cadmium, copper, iron, mercury, lead, selenium, silver, and zinc that exceed the CCME Guidelines for the protection of freshwater aquatic life. The Environmental Assessment Report explains that minewater will go to a settling pond and then be released to Harrison Creek if appropriate. It is noted that minewater is coming from the 870 portal at a rate of approximately 80 litres per minute, and draining into a sedimentation pond which empties into Harrison Creek. While CZN emphasizes that the 870 portal and mine workings are not related to the current application, there are concerns about the cumulative impact of minewater discharges from the existing portal, from the new decline, and from site runoff, all of which could potentially be directed to Harrison Creek. Should the quality of this water be poor or marginal, the cumulative effect of all of these wastewater streams would have a significant impact on the water quality of Harrison Creek and Prairie Creek. Although the results of an analysis of water samples from the 870 level were provided, there is still uncertainty with regard to the variability of the quality of this drainage at different times of year, and the potential effect of the combination of this wastewater with drainage of unknown quality from the new decline.

Provide a realistic scenario of the cumulative water quality impacts on Harrison Creek that could result from the combination of 870 portal water, site runoff, and water from the decline sump entering Harrison Creek. Provide a comparison of the cumulative results to existing CCME Guidelines, and draw attention to where CCME guidelines might be exceeded, and likely impacts on the environment of those exceedences.

2.5 Request

Erosion of the riprap armour is occurring at the base of the berm at the tailings facility. During the 28 August 2001 site visit, DLAND officials noted the instability of some of large armour boulders. The specific reasons or periods of occurrence of the erosion and instability are unknown.

Provide an engineering certification regarding the integrity of the tailings facility armour specific to the proposed use of the facility and any PMF occurrence.

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**Response:****Background:**

At the early stages of project planning for both the Pilot Plant and Underground Decline developments, CZN considered two basic waste management options for mitigating water quality impacts. The first was to treat the process and mine water at source using proven technology and discharge directly to the receiving environment after meeting discharge limits set in the development's water licence. The second, a somewhat unique opportunity afforded by the presence of an existing tailings pond at Prairie Creek, was to contain discharges in the tailings pond as a mitigation measure to eliminate the need for a direct discharge of effluent from the proposed developments and any associated loadings to the receiving environment.

Typically, properties undergoing advanced exploration activity, such as that proposed by CZN, do not have the advantage of an existing tailings pond to serve this purpose. As a result, the standard mitigation practice is normally to discharge to the environment following treatment to meet discharge criteria. This option remains available to CZN should the tailings pond not be deemed suitable to receive the proposed discharges.

After evaluating the potential water quality issues associated with the two separate developments, CZN concluded that groundwater expected to be encountered in the decline (minewater) would likely be of good quality due to the nature of the rock in which it was being developed and suitable for discharge following settling, while the process water from the pilot plant would likely require further treatment prior to discharge. As a result, CZN proposed to use the existing tailings pond to contain all process water from the pilot plant, estimated at up to 4000 m³, and as a contingency measure for minewater from the decline, estimated by INAC at up to 67,000 m³, in the event that the quality of this water did not meet expectations.

The decision to propose the use the tailings pond was made for the simple reason that it was judged to be the most environmentally responsible option, providing for complete containment and no direct discharges to the environment of any water of questionable quality. The tailings pond currently contains an estimated 375,000 m³ of water at a pond elevation of 869.5 m, leaving an estimated 8 m of freeboard in the impoundment. No tailings or other process effluent has previously been discharged to the pond and the water currently in the pond is a combination of water originally pumped in from Prairie Creek, groundwater infiltration, surface runoff and direct precipitation. The resultant water quality in the pond with the addition of between 4000m³ and 70,000 m³ of process and mine water, or an increase of between 1% and 19% in contained water volume, is expected to meet discharge standards and therefore pose no hazard to the environment either in the short term or over the longer term.

Over the course of the EA, concerns were raised by regulatory authorities and expert advisors as to the integrity of the tailings pond given that it was constructed 20 years ago and subject to ongoing natural erosion effects over that time, and that instabilities which were evident at the time of construction have not since been rehabilitated.

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CZN consulted with its geotechnical engineers, BGC Engineering, who confirmed by letter dated August 16, 2001 that they were **"satisfied that the tailings facility is geotechnically stable in its present configuration and that the geotechnical stability of the tailings pond containment structures is adequate for the proposed use."** As well, they stated that they had found **"no field or anecdotal evidence of seepage loss from the containment structures"** and that **"...such seepage, if it were to occur at all, is expected to be minor."**

Despite these assurances, concerns continued to be expressed due to the geotechnical engineers' reliance on personal field observations dating back to 1995, and observations by CZN personnel since that time. As a result, CZN scheduled a site inspection by the geotechnical engineers on September 19, 2001. Unfortunately weather conditions forced cancellation of the flight into the site on that day and several days following, and rescheduling has not been possible. With the onset of winter conditions a detailed site assessment as contemplated cannot be practically undertaken now until next spring. At the same time, CZN is in need of having the necessary permits and licences in-hand in order to initiate the financing and logistical arrangements which must be in place in order for the Company to be in a position to undertake the developments next summer.

In view of these circumstances and in an effort to allow the EA to move forward to a conclusion, CZN committed by letter dated September 21, 2001 to having the tailings impoundment assessed by qualified geotechnical engineers prior to discharging pilot plant process water and/or minewater into it. In the event that the Board were to determine that completion of the assessment is required prior to completion of the EA, or were to subsequently conclude, based on the results of the assessment, that the potential risks associated with the use of the tailings pond outweigh the benefits, CZN is prepared to proceed with the developments without using the tailings pond and mitigating impacts to water quality through the more traditional method of treating using proven technology and discharging to meet water quality criteria set under the Water Licence.

CZN has reviewed the outstanding issues raised by INAC in their October 12, 2001 correspondence to the Review Board and has developed the following Response Plan to address these outstanding issues and at the same time satisfy the needs of the Review Board as detailed in this IR.

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Response Plan

As stated in correspondence to the Review Board dated September 21, 2001, CZN will engage independent geotechnical consulting engineers to conduct a geotechnical assessment of the tailings impoundment facility prior to commencement of any discharges to the impoundment associated with the proposed developments in order to ensure that the condition of the facility remains suitable for these purposes.

The geotechnical assessment will consist of:

- A site visit to the Prairie Creek property to visually inspect the tailings impoundment facility and associated works
- An assessment of the stability of the backslope
- An assessment of the stability of the impoundment dams
- An assessment of the extent and effect of erosion of the riprap armour along the toe of the tailings dam adjacent to Prairie Creek
- An assessment of the potential for seepage from the pond, including an assessment of the need for groundwater monitoring
- An updated assessment of the Probable Maximum Flood potential of Prairie Creek and the ability of the impoundment facility to withstand such an event
- A written report summarizing the results of the assessment, including an engineer's statement as to the suitability of the facility for the intended purpose of the proposed developments and recommendations for rehabilitation in advance of such use, if any.

CZN is in agreement with a Water Licence being issued for the proposed developments subject to the foregoing commitments being undertaken and subsequent acceptance of the results of the assessment report prior to any discharge to the tailings impoundment taking place. In the event that the tailings impoundment is accepted for use, the potential for cumulative effects on water quality will be fully mitigated, as all discharges associated with the developments would be contained.

In the event that use of the tailings impoundment is rejected based on the assessment report, CZN is prepared to carry out the developments without utilizing the tailings impoundment and mitigating impacts to water quality through treating discharges using appropriate standard and proven technology, and discharging to meet water quality criteria set under the Water Licence.

In a treat and discharge scenario, treatment of pilot plant process water would likely be achieved using lime addition, precipitation and settling within the existing tankage in the mill. The pilot plant process can be suspended at any time to allow for refinement of the treatment process if necessary to meet discharge criteria, thus ensuring sufficient holding capacity in the mill to retain all process water. Testing would be undertaken to confirm discharge quality prior to release.

As stated previously, it is CZN's opinion based on its extensive knowledge of the geology and geochemistry of the host rock formations, as well as its experience in underground mining operations, that minewater quality will be suitable for discharge to the receiving environment following settling.

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Discharge of minewater to the tailings pond was proposed only as a contingency measure in the event that minewater did not achieve the expected quality. In such an event under the treat and discharge scenario, minewater would also be treated using lime addition, precipitation and settling. In this case treatment would be effected in a series of holding/settling ponds constructed in the plantsite area to which minewater would be piped.

As noted by INAC in their letter of October 12, 2001, it is felt that regular monitoring of settling ponds as proposed and enforcement of water quality standards will be sufficient to mitigate the potential for significant impacts on water quality.

It should be noted that the previously described geotechnical assessment is intended to provide a level of information sufficient to demonstrate that the tailings impoundment is suitable in its present configuration to fulfill the intended purposes as set out in the development proposals, that being to safely accept and contain an additional volume of water estimated to be equivalent to between 1% and 19% of the current volume of the pond. A much more comprehensive examination will be undertaken in conjunction with the preparation of the bankable feasibility study to determine the utility of the impoundment facility for eventual tailings disposal in association with full-scale operations over the mine life. This study will result in a revised engineering design and rehabilitation plan for the impoundment facility which will form part of the support documentation for an application to reactivate mining and milling operations at the Prairie Creek Mine. Preliminary studies have estimated these rehabilitation costs in the vicinity of \$1 million. Clearly such measures are well beyond the scope of the currently proposed advanced exploration activity and economically impractical for this scale of development.

Should the foregoing commitments concerning the tailings impoundment be determined to be insufficient to address regulatory concerns and satisfy the requirements of the EA, and allow the permit and licence applications for the proposed developments to proceed to the regulatory permitting phase in a timely fashion, CZN proposes that the plan for discharging to the tailings pond be removed from the development proposal and replaced with the treat and discharge option, for which discharge criteria would be set under the Water Licence. This would eliminate the use of the tailings pond, and concerns related thereto, from the development proposals entirely.

In addition to monitoring requirements specified under the terms and conditions of permits and licences issued in respect of the developments, CZN will also initiate the following programs in conjunction with routine care and maintenance activity when the camp is open and personnel are on site in order to address other outstanding issues identified by INAC and supplement the baseline database in support of future permitting activity:

- Weekly monitoring of the water level in the tailings pond
- Weekly monitoring of water flow from the 870 portal
- Weekly monitoring of water flow from the site catchment pond to Harrison Creek
- Monthly water quality monitoring of site discharges

Flow measurements from the 870 portal were undertaken on a daily basis from July 14 to September 18, 2001. Over this period flows averaged 68 litres per second with a maximum of 98 lps and a minimum of 28 lps.

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**CANADIAN ZINC**
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NOV 09 2001

MACKENZIE VALLEY
ENVIRONMENTAL IMPACT
REVIEW BOARD

November 08, 2001

Mr. Louie Azzolini
Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
PO Box 938, 200 Scotia Centre, 5102 - 50th Ave.
Yellowknife, NT
X1A 2N7

By Fax: 1-867-920-4761

Dear Mr. Azzolini:

Re: Responses to Technical Review and Public Comments of Environmental Assessment Reports - Prairie Creek Mine

- **Metallurgical Pilot Plant Program**
(Water Licence Application MV2001L2-0003; MVEIRB File EA01-002)
- **Underground Decline and Exploration Drilling**
(Land Use Application MV2001C0023; MVEIRB File EA01-002)

We are pleased to provide Canadian Zinc's responses to the submission from the Canadian Parks and Wilderness Society (CPAWS) dated October 22, 2001 concerning the above-noted Environmental Assessments currently before the Board.

Much of the information presented by CPAWS, and CZN's position relating to these matters, has been put before the Review Board in previous submissions. While we do not wish to burden the Review Board with a constant re-visiting of the same issues, we do feel compelled to respond as these same issues have once again been put before the Review Board for consideration at this late stage of the process. We have tried to keep our responses as brief as possible. Should the Board wish for further elaboration on specific issues we would be pleased to provide it upon request or would refer the Board to the previous submissions where these issues were addressed in greater detail.

Context

- CZN is very aware and respectful of the formal national and international designations afforded to the South Nahanni River and the Nahanni National Park Reserve, and is committed to developing and operating the Prairie Creek mine in such a manner so as not to impair or otherwise impact on their recognized wilderness values
- It is important to note that the Prairie Creek Mine is not located within Nahanni National Park Reserve or within candidate areas for park expansion. It is located on Crown Land 34 km upstream of the boundary of the Nahanni National Park Reserve and 48 km upstream of the South Nahanni River; the confluence of Prairie Creek and the South Nahanni River lies 65 km upstream of the downstream boundary of the Park Reserve, with some 440 km of the South Nahanni River upstream of its confluence with Prairie Creek

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- When the Prairie Creek Mine was originally constructed and permitted for operations in 1982, these same values that exist today were key considerations in the comprehensive EA conducted before the NWT Water Board; terms and conditions were set in the Water Licence then issued authorizing operations with the specific and stated intent of ensuring that "the quality of Prairie Creek water entering Nahanni National Park is unaltered"
- There are many examples of similar mining operations being conducted in an environmentally responsible manner without impairing the wilderness values of such adjacent areas; for example, the Cantung mine operated for 24 years from 1962 to 1986 adjacent to the Flat River a tributary of the South Nahanni River further up in the watershed with no identified impacts on water quality or other wilderness values of the NNPR; visitors continued to enjoy an unimpaired pristine wilderness experience throughout this period with a mine operating in the watershed
- A determination that no development should take place within the watershed of a National Park or Park Reserve would represent a major policy change for the Federal Government. In its "Green Plan", the Federal Government adopted the Brundtland Commissions recommendation on working towards setting aside 12 per cent of Canada's landmass as protected areas. When complete, the national parks system itself will protect about 3% of Canada's land mass. Obviously a determination that the watersheds of these protected areas must also be off-limits to development in order to further protect these already protected areas would significantly increase the effective percentage of protected areas well beyond that ever intended or planned for. Every square centimeter of land in Canada is within a watershed. The South Nahanni Watershed, for example, is 7 times the size of NNPR. If this ratio is typical, simple arithmetic will tell us that the goal of 12% very suddenly becomes 84%; as an example, consider the impact of a small protected area at the mouth of the Mackenzie River putting the whole of the 1.7 million square kilometer watershed off limits to any development.
- As the Review Board concluded in the above-noted Report of Environmental Assessment, environmental assessment is an inappropriate tool for such policy resolution
- As the Review Board also concluded in its Report of Environmental Assessment on the Phase I Mineral Exploration Program dated May 5, 2001, CZN is in possession of valid interests in the form of mining claims, mineral leases and surface leases, and has valid and legitimate expectations of being able to undertake the developments it has proposed on land to which title is granted for such purposes

Existing Infrastructure and Activities

- The existing facilities are just that – existing. The presence, use and operation of these facilities are authorized by existing tenure and subject to existing legislation.
- The existing facilities have been inspected on a regular basis by DIAND personnel as to compliance with the terms and conditions of existing tenure and existing legislation.
- CZN has worked closely with DIAND to address any issues arising out of the regular inspections and has undertaken considerable effort at cleaning up and maintaining the property; for example, CZN spent \$100,000 in clean-up activity in 2000, including such activity as securing of reagent, explosive and waste oil storage and clean-up of miscellaneous debris and equipment storage. A similar level of activity was carried on in 2001 as well.
- The current applications are for specific programs of activities to be carried out separately and independently of the ongoing care and maintenance of the existing facilities, which will continue irrespective of the proposed developments, as provided for under the terms and conditions of existing tenure and legislation.

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Cumulative Effects

- The cumulative effects assessments provided in support of the current applications under EA were in fact significantly "bolstered" from that submitted in 2001 in support of the land use application for the Phase I 6-7 hole exploration program which was subsequently approved and for which the permit has been issued
- CZN notes that EC considered the current cumulative effects assessment to be satisfactory given the scope of the current applications, and that other expert advisors and responsible authorities have not supported CPAWS position that the CEA is lacking in scope and depth of information.

Tailings Pond

- CZN proposed to use the existing tailings pond for process water from the pilot plant and as a contingency measure for minewater from the decline for the simple reason that it appeared to be the most environmentally responsible option, providing for complete containment and no direct discharges to the environment; typically, properties undergoing advanced exploration activity, such as that proposed by CZN, do not have the advantage of an existing tailings pond to serve this purpose and discharge to the environment following treatment to meet discharge criteria. This latter option remains available should the tailings pond not be deemed suitable to receive the proposed discharges
- CZN has committed to having the tailings pond assessed by qualified geotechnical engineers prior to discharging pilot plant process water and/or minewater into it. In the event that use of the tailings impoundment is rejected based on the assessment report, CZN is prepared to carry out the developments without utilizing the tailings impoundment and mitigating impacts to water quality through treating discharges using appropriate standard and proven technology, and discharging to meet water quality criteria as set under the Water Licence.
- As a point of clarification, Section 36(3) of the Fisheries Act does not state that any releases to the environment should contain zero emissions as stated by CPAWS.

In fact the Section 36 (3) of the Fisheries Act states:

Subject to subsection (4), no person shall deposit or permit the deposit of a deleterious substance of any type in water frequented by fish or in any place under any conditions where the deleterious substance or any other deleterious substance that results from the deposit of the deleterious substance may enter any such water.

A deleterious substance is defined as:

any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water so that it is rendered or is likely to be rendered deleterious to fish or fish habitat or to the use by man of fish that frequent that water, or

any water that contains a substance in such quantity or concentration, or that has been so treated, processed or changed, by heat or other means, from a natural state that it would, if added to any other water, degrade or alter or form part of a process of degradation or alteration of the quality of that water so that it is rendered or is likely to be rendered deleterious to fish or fish habitat or to the use by man of fish that frequent that water,

Subsection (4) states:

No person contravenes subsection (3) by depositing or permitting the deposit in any water or place of

(a) waste or pollutant of a type, in a quantity and under conditions authorized by regulations applicable to that water or place made by the Governor in Council under any Act other than this Act; or

- (b) a deleterious substance of a class, in a quantity or concentration and under conditions authorized by or pursuant to regulations applicable to that water or place or to any work or undertaking or class thereof, made by the Governor in Council under subsection (5).

The Metal Mining Liquid Effluent Regulations were made subject to Subsection (5) prescribing the levels of deleterious substances or classes thereof authorized to be deposited by mining operations into water inhabited by fish notwithstanding subsection (3).

Flood Potential

- CZN has committed to include a re-evaluation of the PMF potential of Prairie Creek in the above-noted geotechnical assessment of the tailings impoundment

Fuel Storage Tanks and Reagents

- The fuel tanks and reagent inventory are part of the existing facilities and covered under existing tenure and legislation
- As a point of clarification, the reagent storage area was constructed with a clay liner and contoured to prevent the release of contaminants to the receiving environment and is inspected and maintained on a regular basis as part of the ongoing care and maintenance activity at the site

Berm Water Disposal (Fuel Storage Tank Farm)

- CZN takes great care in decanting water which collects inside the tank farm berm to ensure that minor amounts of hydrocarbons which may collect on the surface continue to be retained within the berm.
- CZN has committed to monitoring the water contained within the fuel storage tank farm berm and treating as necessary to meet prescribed discharge limits prior to discharging such water to the receiving environment
- As a point of clarification, and as described in the discussion on the Fisheries Act above, the mere presence of visible and measurable hydrocarbons in a body of water does not necessarily constitute a deposit of a deleterious substance under the Fisheries Act as stated by CPAWS; it takes very minor amounts of hydrocarbons to produce a visible sheen on a body of water and if this were the case, every operator of a two-stroke outboard motor would be in violation of the Fisheries Act, not to mention every car owner whose motor drips oil which is then carried away by rain water and runoff into storm sewers or ditches.

Water Quality Testing

- CZN has committed to abide by the terms and conditions of its permits and licences, including such monitoring as is necessary to verify that discharges to the receiving environment meet the prescribed discharge criteria

No Hunting Zone

- CZN supports the establishment of a No Hunting Zone around the mine property as a means of ensuring worker safety
- CZN does not allow personal firearms on the property for recreational or hunting purposes; as a result, increases in the numbers of site personnel have no impact on increased hunting pressure

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Security Deposit

- The presence, use and operation of the existing facilities are authorized under existing tenure and subject to existing legislation.
- Any security deposit deemed necessary in association with a given permit or licence should specifically reflect the security needs as they pertain to the development in question


Other

- CZN notes that the Technical Review comments provided by EC indicate that the CWS has not identified any concerns with migratory birds in connection with the proposed projects
- CZN notes that the Technical Review comments provided by RWED indicate that they have no major concerns with respect to wildlife and habitat in respect of the operation of the pilot plant or the drilling program
- Drill pads and access roads continue to be used in support of ongoing exploration activity. As a result, reclamation of these areas at this time would be premature.

Thank you for the opportunity to comment on these matters. We trust our thoughts are constructive.

Yours very truly,

CANADIAN ZINC CORPORATION

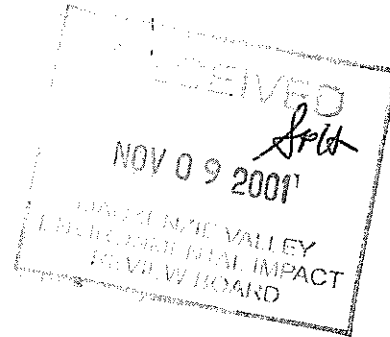


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**CANADIAN ZINC**
CORPORATION**Fax Cover Sheet**

Date: November 09, 2001
To: **Louie Azzolini - MVEIRB**
Fax: **1-867-920-4761**
From: Peter Campbell
Pages: 9 (including cover sheet)
Subject: **Response to MVEIRB IR #2 of October 20, 2001**



Louie:

Please find enclosed CZN's response to the MVEIRB Information Request of October 20, 2001

Regards,

Peter

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