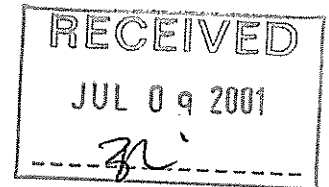


**CANADIAN ZINC**
CORPORATION

July 9, 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: Environmental Assessments - Prairie Creek Mine

- **Phase II Mineral Exploration Drilling Program**
(Land Use Application MV 2001C0022; MVEIRB File EA01-003)
- **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 in receipt of copies of correspondence to the MVEIRB from Canadian Parks And Wilderness Society dated July 4, 2001 and Nahanni National Park Reserve dated July 6, 2001.

We note CPAWS' and NNPR's joint concern regarding timelines of the Environmental Assessment process and their request for extensions to these timelines.

Canadian Zinc wishes to ensure that its position opposing further extensions to the EA process timelines is put before the Review Board and other Regulatory Authorities for consideration. We offer the attached summary of reasons in support of this position.

To summarize, Canadian Zinc is of the opinion that the activities for which the Company has submitted applications represent standard industry practice at advanced exploration properties which are typically approved, within relatively short timeframes, subject to standard terms and conditions of respective permits and licences for standard and accepted mitigation measures without being subjected to comprehensive environmental assessments. As such, the Company feels that the EA process should be relatively straight forward and all issues should be able to be adequately addressed within the current timeframes.

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E-mail: peter@canadianzinc.com Website: www.canadianzinc.com

- 2 -

We would request that all parties use their best efforts to conform to the current timelines and ensure that the process is conducted in a timely and expeditious manner as required under Section 115 of the Mackenzie Valley Resource Management Act. The Company is certainly prepared to work with the MVEIRB, as well as other Regulatory Authorities and stakeholders, to facilitate and expedite the process to the greatest degree possible.

Yours very truly,

CANADIAN ZINC CORPORATION



J. Peter Campbell
VP Project Affairs

Attach.

cc: Mackenzie Valley Land and Water Board (Fax: 1-867-873-6610)
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Reasons Extensions to EA Process Timelines Considered Unnecessary**General**

- Canadian Zinc is at the Advanced Exploration Stage in terms of re-developing the Prairie Creek Mine.
- Following completion of a positive Scoping Study in January, 2001 the Company is proceeding towards completion of a Bankable Feasibility Study which will form the basis for making a production decision and attracting financing to put the mine into production.
- Each of the three proposed developments represents a component of the work necessary to complete the Bankable Feasibility Study.
- Each of the three proposed developments represents standard industry practice at Advanced Exploration Projects.
- Each of the three proposed developments represents a fairly basic, straightforward, uncomplicated activity which should be relatively simple to assess in terms of potential for adverse environmental impacts.
- Each of the three proposed developments is typical of developments at other properties commonly approved subject to standard terms and conditions of respective permits or licence in the period of 1 – 2 months from the time of application without being subjected to comprehensive environmental assessment and for which precedents clearly exist.
- Each of the three proposed developments are exploration and development related and bear no relation to actual full-scale operations for which a separate detailed application will be submitted. The information gained from each of the three proposed developments will actually form the basis for parts of this application.
- Each of the three proposed developments represents an independent program of activity which was applied for separately and which should be judged on its own merits.
- Plans for these programs were presented and discussed with regulatory authorities at information meetings with the Mineral Development Advisory Group and MVLWB in November, 2000. No concerns or issues were raised at that time.
- Plans for these programs were presented and discussed with First Nations in November, 2000. No concerns or issues were raised at that time.
- Draft copies of the applications with accompanying detailed project descriptions were provide to First Nations in late December, 2000 - early January, 2001. No concerns or issues were raised at that time.
- Applications were submitted for each of the three proposed developments on March 5, 2001 along with detailed project descriptions.
- No specific technical concerns of a scientific nature had been identified at the time of referral of the Applications to the MVEIRB on April 11, 2001 other than the generalized reference by the Nahanni National Park Reserve citing "the potential to impact the ecological integrity of the park reserve" without any supporting rationale.

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Phase II Mineral Exploration Drilling Program

(Land Use Application MV 2001C0022; MVEIRB File EA01-003)

- The Phase I Drilling Program was applied for on July 28, 2000
- Following referral to the MVEIRB and a comprehensive EA process the Phase I Land Use Permit was issued June 22, 2000, 11 months after the application was submitted, after concluding that the development was not likely to cause significant adverse environmental impacts. The Permit contains standard terms and conditions typical of permits issued to other exploration properties.
- The Phase II drilling program represents simply more of the same activity in the same area as the Phase I program.
- The Review Board accepted the information supplied in support of the Phase I program as satisfactory in addressing most of the requirements of the EA of the Phase II program and the EA Report for the Phase II program required only further elaboration on cumulative effects and an environmental management plan, which was submitted on June 7, 2001.
- Precedents have been set for the issuance of Land Use Permits for similar activity at other properties in the NWT by the MVLWB within the standard 42 day period.

Metallurgical Pilot Plant Program

(Water Licence Application MV2001L2-0003; MVEIRB File EA01-002)

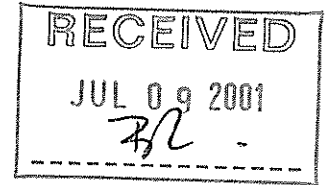
- The pilot plant is a small scale laboratory sized unit previously used for research at a University in England which uses a small amount of water, less than 75 m³ per day, and would be wholly operated and contained within the existing mill facility at the minesite.
- Similar units are routinely operated in commercial laboratory facilities in major centers such as Vancouver and Toronto.
- The operation would result in no direct discharge of process effluent to receiving waters and as a result is predicted to have no impact on the environment.
- The required water volume, 72 m³ per day, is below the licensing criteria of 100 m³ per day set under Schedule V of the Northwest Territories Waters Regulation as the limit under which water use and deposit of waste is permitted without a licence where there is no potential for significant adverse environmental impacts. As a result, this program could conceivably be approved and carried out without the requirement of a water licence.

Underground Decline and Exploration Drilling

(Land Use Application MV2001C0023; MVEIRB File EA01-002)

- Three adits and some 5 km of underground workings have already been developed on the property with no demonstrated adverse environmental impacts on the environment; the proposed decline would be the fourth underground access developed on the property
- Waste rock has been demonstrated to be net neutralizing and will therefore pose no hazard due to sulphide oxidation processes
- Minewater to be discharged is predicted to be essentially the same quality as existing groundwater; provision is available to pump minewater to the tailings pond if water quality concerns are identified

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