Indian and Northern Affairs Canada
www.inac.gc.ca

Affaires indiennes et du Nord Canada
www.ainc.gc.ca

#16 Yellowknife Airport
Yellowknife NT X1A 3T2

Telephone: (867) 669-2761
Facsimile: (867) 669-2720

May 14, 2004

Your file - Votre référence

Our file - Notre référence
MV2001C0022

Mackenzie Valley Land and Water Board
PO Box 2130
Yellowknife NT X1A 2P6

ATTENTION: Sarah Baines

Dear Ms. Baines:

Re: LUP Amendment Request - Canadian Zinc Corporation
Surface Exploration
Prairie Creek

On behalf of DIAND, the above mentioned land use permit amendment request for Canadian Zinc Corportation has been reviewed. Attached for your consideration are our inspectors' recommended land use operating conditions and narrative for this proposed operation.

Should you have any questions please contact Charlene Coe at (867) 669-2762 or Michelle Pond at 669-2765.

Yours truly,

Edward R. Hornby
District Manager
South Mackenzie District

ERH/mp

Indian and Northern Affairs Canada
Box 150
Fort Simpson, NT
X0E 0N0

May 14, 2004

Indian & Northern Affairs Canada
South Mackenzie District Office
140 Bristol Ave.
Yellowknife, NT
X1A 3T2

Att: Michelle Pond

Re: Land Use Permit MV2001C0022
Amendment Request: Phase II Drilling at Prairie Creek Minesite.

The area that Canadian Zinc is proposing to drill in may require heavy equipment to cross Prairie Creek at some point. Therefore, the following conditions should be added to the existing permit:

26(1)(m) Fuel Storage
131. Spill Response

New Condition: Clean Equipment
The Permittee shall ensure that any piece of heavy equipment crossing a watercourse is clean and free of visible hydrocarbon residue.

Since this project is considered as an exploration activity only, it should be treated as one. Therefore, any potential adverse environmental effects caused by the proposed activity are mitigable with conditions set out in the Land Use Permit.

Should you have any questions or concerns relating to this matter, please do not hesitate in contacting this Fort Simpson office at (867) 695-2626 anytime.

Shane Hayes
Resource Management Officer