

Ministre des Affaires indiennes et
du Nord canadien et interlocuteur fédéral
auprès des Métis et des Indiens non inscrits



Minister of Indian Affairs and
Northern Development and Federal Interlocutor
for Métis and Non-Status Indians

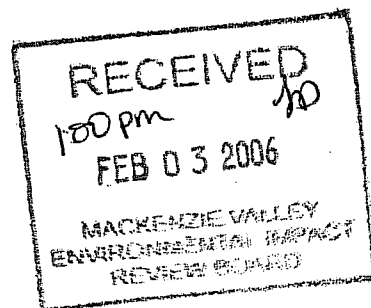
Ottawa, Canada K1A 0H4

VC

copy

FEB 3 2006

Ms. Gabrielle Mackenzie-Scott
Chair
Mackenzie Valley Environmental Impact
Review Board
PO Box 938
YELLOWKNIFE NT X1A 2N7



Dear Ms. Mackenzie-Scott:

As the Minister of Indian Affairs and Northern Development and on behalf of the Responsible Ministers with jurisdiction for this development (Environment and Natural Resources, Government of the Northwest Territories; Fisheries and Oceans; and the Minister of the Environment on behalf of Environment Canada and Parks Canada), I am writing to convey our decision on the Report of Environmental Assessment and the Reasons for Decision for the Canadian Zinc Corporation Phase 3 Drilling Program (File number 0405-002), submitted December 23, 2005.

Pursuant to section 130(3) of the *Mackenzie Valley Resource Management Act*, the Responsible Ministers and I bring to the attention of the Mackenzie Valley Environmental Impact Review Board new information in the form of the attached letter, dated January 12, 2006, from the Canadian Zinc Corporation to Indian and Northern Affairs Canada.

After reviewing and considering the above noted Report and attached letter, pursuant to section 130(1)(b)(i) of the *Mackenzie Valley Resource Management Act*, the Responsible Ministers and I have agreed to adopt the recommendation of the Review Board made under section 128(1)(b)(ii) of the Act. The Responsible Ministers accept this recommendation on the basis that the scope of the development includes the developer's commitments listed in the Report of Environmental Assessment.


.../2

Canada

The Responsible Ministers and I feel it is appropriate to accept Recommended Measure #3 in the Report of Environmental Assessment because Indian and Northern Affairs Canada's initiation of this program is compatible with current legislated responsibilities and initiatives for regional cumulative impact monitoring. The design and implementation of the recommended monitoring program will build on the developer's existing, ongoing, and future project-specific monitoring commitments and responsibilities. We note that as per the attached letter, the developer has committed to participate in this program.

I wish to thank the Review Board for discharging its duties under the *Mackenzie Valley Resource Management Act* in this manner.

Yours sincerely,


The Honourable Andy Scott, PC, MP

Encl.

c.c.: The Honourable Michael Miltenberger, MLA



January 12, 2006

****via email/post****

Indian and Northern Affairs Canada
10th Floor, Bellanca Building
4914, 50th Street
PO Box 1500
Yellowknife, NT X1A 2R3

Attention: Lorraine Seale
Environmental Scientist

**Report of Environmental Assessment (REA), Phase 3 Drilling at Prairie Creek
LUP MV2004C0030, MVEIRB File EA 0406-002**

Dear Ms. Seale:

With respect to the government review currently underway regarding the REA for Phase 3 drilling at Prairie Creek, we wish to draw your attention to two commitments Canadian Zinc Corporation (CZN) has recently made:

- CZN intends to develop a comprehensive monitoring program for fish, wildlife, vegetation and water quality in consultation with the relevant government agencies and the affected First Nations, as part of a development application review process which CZN expects to initiate with submission of a development application in spring 2006. CZN will use existing information, and new information expected to be generated during surveys planned for the summer of 2006 for the development of the monitoring program. The program proposed will also take into account the Phase 3 drilling project, and the program elements relevant to that project will be implemented within 9 months of acceptance of the REA by the Minister.
- CZN has had discussions with the Chiefs of the communities of Fort Simpson and Fort Liard regarding the hiring of a community environmental monitor. It was resolved that CZN will seek candidates for this position, and a selection will be made in consultation with local community representatives.

We trust the above information will be useful in your review. If you have any questions, please contact us at 604-688-2001.

Yours truly,
CANADIAN ZINC CORPORATION

A handwritten signature in black ink, appearing to read "Alan Taylor", is written over a horizontal line.

Alan Taylor, P. Geo.
COO and VP, Exploration

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