

Mackenzie Valley Land and Water Board
7th Floor - 4910 50th Avenue • P.O. Box 2130
YELLOWKNIFE, NT X1A 2P6
Phone (867) 669-0506 • FAX (867) 873-6610

April 11, 2007

File: MV2003F0028

Mr. Alan Taylor
COO and VP Exploration
Canadian Zinc Corporation
Suite 1760-650 West Georgia Street
VANCOUVER BC V6B 4N9

Fax: (604) 688-2043

Dear Mr. Taylor:

Approval of Land Use Permit
Winter Road - Prairie Creek Mine to Liard Highway

Attached is Land Use Permit MV2003F0028 granted by the Mackenzie Valley Land and Water Board (MVLWB) in accordance with the *Mackenzie Valley Resource Management Act*. A copy of this Permit has been filed in the Public Registry at the office of the MVLWB. The MVLWB approved Land Use Permit MV2003F0028 for a period of five (5) years commencing April 11, 2007 and expiring April 10, 2012.

Please read all conditions carefully and note that as per Land Use Permit Condition #38, a security deposit in the amount of \$100,000.00 shall be posted with the Minister and copied to the Board prior to the start of the operation pursuant to Section 32 of the Mackenzie Valley Land Use Regulations. Please submit payment of the security, made out to the Receiver General of Canada, to the MVLWB office.

The Board also strongly encourages Canadian Zinc to hire an environmental monitor from a local community to assist in dealing with community environmental issues.

The Board also notes that if Canadian Zinc wishes to use municipal landfills for waste disposal, written authorization from the municipality is required before any waste can be disposed of into these facilities.

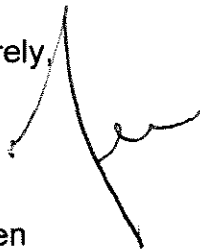
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Please be advised that this letter, with attached procedures, all inspection reports, and correspondence related thereto, are part of the Public Registry, and are intended to keep all interested parties informed of the manner in which the Permit requirements are being met. All Public Registry material will be considered if an amendment to the Permit is requested.

The Board will be issuing separate Reasons for Decision which will be forwarded shortly.

The full cooperation of Canadian Zinc Corporation is anticipated and appreciated.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Willard Hagen', written over the closing 'Yours sincerely,'.

Willard Hagen
Interim Chair

Attachments

Copy to: Darnell McCurdy, South Mackenzie District, DIAND
Distribution List



LAND USE PERMIT

Permit Class	Permit No	Amendment No
A	MV2003F0028	

Subject to the Mackenzie Valley Land Use Regulations and the terms and conditions in this Permit, authority is hereby granted to:

Canadian Zinc Corporation

Permittee

To proceed with the land use operation described in application of:

Signature Alan Taylor	Date June 15, 2003
Type of Land use Operation Winter Road	
Location Prairie Creek Mine Site to Liard Highway	


This permit may be assigned, extended, discontinued, suspended or cancelled pursuant to the Mackenzie Valley Land Use Regulations.

Dated at Edmonton this 11th day of April, 2007

Signature Chair

Signature Witness





Commencement Date

Expiry Date

April 11, 2007

April 10, 2012

NOTE

IT IS A CONDITION OF THIS PERMIT THAT THE PERMITTEE COMPLY WITH ANY OTHER APPLICABLE ACT, REGULATION, ORDINANCE BY-LAW OR ORDER. DEFAULT HEREOF MAY RESULT IN SUSPENSION OR CANCELLATION OF THIS PERMIT.

**CONDITIONS ANNEXED TO AND FORMING PART
OF LAND USE PERMIT NUMBER MV2003F0028**

Part A: Scope of Permit

1. This permit entitles Canadian Zinc Corporation to conduct the following activities:

Rehabilitation, maintenance, and use of a winter road connecting Prairie Creek Mine site to Liard Highway, Location:

Min: 61° 06' N; 122° 50' W
Max: 61° 37' N; 124° 48' " W

2. The Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area identified in Part A, Item 1 of this permit.
3. Compliance with the terms and conditions of this permit does not absolve the Permittee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.

Part B: Definitions

"Act" means the *Mackenzie Valley Resource Management Act*;

"Accepted Application" means the Land Use Permit application submitted on June 15, 2003 and includes all supporting and supplementary information relating to the application.

"Board" means the Mackenzie Valley Land and Water Board established under Part 4 of the *Mackenzie Valley Resource Management Act*;

"Federal Minister" means the Minister of Indian Affairs and Northern Development;

"Inspector" means an Inspector designated by the Minister under the *Mackenzie Valley Resource Management Act*;

"Permeability" means the capacity to transmit water through a medium;

"Sewage" means all toilet wastes and grey water;

"Sewage Disposal Facilities" means sump(s) and/or sewage collection tank(s) designed to hold sewage;

"Sump" means a man-made pit, trench hollow or cavity in the earth's surface used for the purpose of depositing waste material therein;

Part C: Conditions Applying to All Activities (the headings correspond to Subsection 26 of the Mackenzie Valley Land Use Regulations)

26(1)(a) LOCATION AND AREA

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| 1. | The Permittee shall not conduct this land use operation on any lands not designated in the accepted application. | PLANS |
| 2. | The Permittee shall not conduct any part of the land use operation within three hundred (300) metres of any privately owned or leased land or structure. | PRIVATE PROPERTY |
| 3. | The Permittee shall locate all camps on gravel, sand or other durable land. | CAMP LOCATION |
| 4. | The Permittee shall not construct parallel lines or roads unless authorized by the Inspector. | PARALLEL ROADS |

26(1)(b) TIME

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| 5. | The Permittee's Field Supervisor shall contact an Inspector at (867) 695-2626 at least forty-eight (48) hours prior to the commencement of this land use operation. | CONTACT INSPECTOR/ BOARD |
| 6. | The Permittee shall advise an Inspector at least ten (10) days prior to the completion of the land use operation of (a) the plan for removal or storage of equipment and materials, and (b) when final clean-up and restoration of the land used will be completed. | REPORTS BEFORE REMOVAL |
| 7. | The Board, for the purpose of this operation, designates March 31 as spring break-up. | SPRING BREAK-UP |
| 8. | The Permittee shall remove all ice bridges prior to spring break-up or completion of the land use operation. | REMOVE ICE BRIDGE |
| 9. | The Permittee shall remove all snow fills from stream crossings prior to spring break-up or completion of the land use operation unless otherwise approved in writing by an Inspector. | REMOVE SNOW FILLS |
| 10. | The Board and/or Inspector reserve the right to impose closure of any area to the Permittee in periods when dangers to natural resources are severe. | CLOSURE |

26(1)(c) TYPE AND SIZE OF EQUIPMENT

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| 11. | The Permittee shall not use any equipment except of the type, size, and number that is listed in the accepted application, unless authorized by an Inspector. | ONLY APPROVED EQUIPMENT |
| 12. | The Permittee shall ensure a garbage container is on site. | GARBAGE |

26(1)(d) METHODS AND TECHNIQUES

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| 13. | The Permittee shall not clear areas larger than identified in the accepted application. | MINIMIZE AREA
CLEARED |
| 14. | The Permittee shall not erect camps or store material on the surface ice of streams. | STORAGE ON
ICE |
| 15. | The Permittee shall adhere to all developer and engineering commitments for rehabilitation, construction and operation of the winter road. ¹ | DEVELOPER
COMMITMENTS |

26(1)(e) TYPE, LOCATION, CAPACITY AND OPERATION OF ALL FACILITIES

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| 16. | The Permittee shall ensure that the land use area is kept clean at all times. | CLEAN WORK
AREA |
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26(1)(f) CONTROL OR PREVENTION OF PONDING OF WATER, FLOODING, EROSION, SLIDES AND SUBSIDENCE OF LAND

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| 17. | The land use operation shall not cause obstruction to any natural drainage. | NATURAL
DRAINAGE |
| 18. | The Permittee shall not cut any stream bank. | STREAM BANKS |
| 19. | The Permittee shall not use any material other than water in the construction of ice bridges. | ICE BRIDGE
MATERIALS |
| 20. | The Permittee shall not use any material other than snow in the construction of snow fills. | SNOW FILLS |
| 21. | The Permittee shall not allow any ice bridge to hinder the flow of water. | ICE BRIDGE |
| 22. | The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface. | PREVENTION
OF RUTTING |
| 23. | The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging. | VEHICLE
MOVEMENT
FREEZE-UP |

26(1)(g) USE, STORAGE, HANDLING AND ULTIMATE DISPOSAL OF ANY CHEMICAL OR TOXIC MATERIAL

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| 24. | The Permittee shall dispose of all combustible waste petroleum products by incineration or removal. | WASTE
PETROLEUM
DISPOSAL |
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¹ (Canadian Zinc letters to MVLWB dated March 8, 2007; Northwest Hydraulic Consultants Erosion Protection Recommendations Report dated January 20, 2006).

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| 25. | The Permittee shall report all spills immediately to the 24 hour Spill Report Line (867) 920-8130, which is in accordance with instructions contained in "Spill Report" form N.W.T. 1752/0593. | REPORT
CHEMICAL AND
PETROLEUM
SPILLS |
| 26. | Prior to using the winter road, the Permittee shall identify which hazardous materials are to be removed and submit a detailed emergency and spill response plan for the specified materials to the Board for approval. No removal of hazardous materials shall occur until the plan is approved by the Board. | REMOVAL OF
HAZARDOUS
MATERIAL |
| 26(1)(h) WILDLIFE AND FISHERIES HABITAT | | |
| 27. | The Permittee shall minimize damage to wildlife and fish habitat in conducting this land use operation. | HABITAT
DAMAGE |
| 28. | The Permittee shall construct and maintain any water intake with an adequate screening device to prevent entrainment of fish. | PREVENT
ENTRAINMENT |
| 29. | If any species at risk are encountered during the course of operations, the Permittee is to minimize all activity so as to not disturb these animals. | MINIMIZE
ACTIVITY |
| 30. | The Permittee shall not harass wildlife during this land use operation. | NO WILDLIFE
HARASSMENT |
| 26(1)(i) STORAGE, HANDLING AND DISPOSAL OF REFUSE OR SEWAGE | | |
| 31. | The Permittee shall dispose of all sewage and grey water as proposed in the accepted application. | SEWAGE
DISPOSAL |
| 32. | The Permittee shall remove all non-combustible garbage and debris, including plastics from the land use area to a disposal site as specified in the accepted application. | REMOVE
GARBAGE |
| 33. | The Permittee shall incinerate all combustible garbage and debris, except plastics. | INCINERATION |
| 26(1)(j) PROTECTION OF HISTORICAL, ARCHAEOLOGICAL AND BURIAL SITES | | |
| 34. | The Permittee shall not operate any vehicle within thirty (30) metres of a known or suspected archaeological site. | OPERATE
VEHICLE |
| 35. | The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site. | DISTURBANCE
OF SITE |

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|---|---|---------------------------|
| 36. | The Permittee shall immediately cease any activity which disturbs an archaeological, historical, and/or burial site and contact the Mackenzie Valley Land and Water Board at (867) 669-0506 should an archaeological site or specimen be encountered or disturbed by any land use activity. | CONTACTS |
| 37. | The Permittee shall ensure that all persons working under authority of the permit are aware of these conditions concerning archaeological land use activity. | NOTIFICATION TO EMPLOYEES |
| 26(1)(k) OBJECTS AND PLACES OF RECREATIONAL, SCENIC AND ECOLOGICAL VALUE | | |
| 26(1)(l) SECURITY DEPOSIT | | |
| 38. | The Permittee shall deposit with the Minister a security deposit in the amount of \$ 100,000.00 pursuant to Section 32 of the Mackenzie Valley Land Use Regulations. | SECURITY DEPOSIT |
| 26(1)(m) FUEL STORAGE | | |
| 39. | The Permittee shall report in writing to an Inspector the location and quantity of all fuel caches within ten (10) days of their establishment. | REPORT FUEL LOCATION |
| 40. | The Permittee shall not place any fuel storage containers within one hundred (100) metres of the normal high water mark of any water body, unless otherwise authorized in writing by an Inspector. | FUEL BY STREAM |
| 41. | The Permittee shall not allow petroleum products to spread to surrounding lands or into water bodies. | FUEL CONTAINMENT |
| 42. | The Permittee shall use containment for fuel storage between 410 and 4,000 litres that are authorized in writing by the Inspector. | FUEL CONTAINMENT |
| 43. | The Permittee shall construct an impermeable dyke around each stationary fuel container or group of stationary fuel containers where any one container has a capacity exceeding 4000 litres. | DYKE FUEL CONTAINERS |
| 44. | The volume of the dyked area shall be ten per cent (10%) greater than the capacity of the largest fuel container placed therein. | CAPACITY |
| 45. | A competent steel double-walled tank will be deemed to satisfy requirements of an impermeable dyke. | DOUBLE-WALLED TANK |
| 46. | The Permittee shall ensure that adequate contingency plans and spill kits are in place, prior to commencement of operations, to respond to any potential spills. | SPILL RESPONSE |

26(1)(n) METHODS AND TECHNIQUES FOR DEBRIS AND BRUSH DISPOSAL

47. The Permittee shall dispose of all debris and brush by: BRUSH DISPOSAL
(a) windrowing the debris and brush to the side of the line; and
(b) making breaks in the windrow of at least seven (7) metres wide at intervals of not more than three hundred and thirty (330) metres.
48. The Permittee shall make the windrow of brush and debris lie flat and compact by: BRUSH DISPOSAL
(a) bucking the material into suitable lengths and lopping the branches from the stem; and/or
(b) crushing with heavy machinery in order to compact the material.
49. The Permittee shall ensure that windrows are separated from standing timber. WINDROWS/ LOCATION
50. The Permittee shall ensure that no debris and brush is deposited into any water bodies. BRUSH DISPOSAL

26(1)(o) RESTORATION OF THE LANDS

51. The Permittee shall commence and foster revegetation on the land used, as directed by an Inspector, within one (1) year of the completion of the land use operation. RE-ESTABLISH VEGETATION

26(1)(p) DISPLAY OF PERMITS AND PERMIT NUMBERS

52. The Permittee shall display a copy of this Permit in each campsite established to carry out this land use operation. DISPLAY PERMIT
53. The Permittee shall keep on hand, at all times during this land use operation, a copy of the Land Use Permit. COPY OF PERMIT

26(1)(q) MATTERS NOT INCONSISTENT WITH THE REGULATIONS

54. The Permittee shall ensure that all persons working under the authority of the Land Use Permit are aware of and will adhere to the conditions as stated in the Land Use Permit. NOTIFICATION TO ALL EMPLOYEES/ CONTRACTORS
55. The Permittee shall submit to the Board an update of the contingency plan, for chemical and petroleum spills, if there are any changes in the operation during the life of the permit. CONTINGENCY PLAN
56. The Permittee shall make every effort to avoid covering or destroying traps or snares that may be found along the road route. TRAPS PROTECTION

57. The Permittee shall submit to the Board for approval, a Controlled Road Use Plan. This plan shall be submitted sixty (60) days after permit issuance. The Plan shall include but not be limited to: ROAD USE PLAN

Methods and techniques to be used during operation of the road to minimize impacts to wildlife and wildlife habitat.

58. The Permittee shall contact the Nahanni Butte Dene Band least forty-eight (48) hours prior to the commencement of this land use operation so that trappers and land-users can be advised of the commencement of winter road operations. LAND USER NOTICE