19

Accessed My Review Board MVLB March 5/2001 Ref # 19

(A)

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

LUP MV2001C0023

Application for:
New Land Use Permit [X] **Amendment** [ ] **or Renewal** [ ]

****TYPE A****

1. Applicant's name and mailing address:
Canadian Zinc Corporation
1202 - 700 W. Pender St.
Vancouver, BC. V6C 1G8

Fax number: 604-688-2043
Telephone number: 604-688-2001

2. Head office address:
As above

Fax number: As above

Field supervisor: Mr. Alan Taylor
Satellite telephone: 1-600-700-2454
Satellite fax: 1-600-700-9209

Telephone number: As above

3. Other personnel (subcontractor, contractors, company staff etc.)

TOTAL: To be determined. Est. 15 – 25 (Number of persons on site)

4. Eligibility.
(Refer to section 18 of the *Mackenzie Valley Land Use Regulations*)

a)(i) [X] a)(ii) [ ] a)(iii) [ ] b)(i) [ ] b)(ii) [ ]

5. a) Summary of operation (Describe purpose, nature and location of all activities.) **See Attached Project Description**

As part of the ongoing process of establishing, confirming and enhancing the known mineral resource at the Prairie Creek property, Canadian Zinc proposes to develop an exploration decline to permit access for underground exploration drilling of the stratabound deposit underlying the Zone 3 quartz vein mineralization. Further delineation of the vein-type mineralization will be undertaken at the same time.

The proposed decline will be accessed by a portal to be developed at the 905 m elevation approximately 600 m north of the existing mill facility. The proposed portal location is accessible by existing roads. This will be the fourth portal established on the property to access the underground workings, the others being in the same general area at the 870m, 930m and 970m elevations. The decline itself will be approximately 3m in width, 2.3m high and 600 m long at a 15% downward grade.

The main objective of the proposed decline development and underground drilling exploration program is to further delineate additional stratabound and vein mineralization that will add to the existing defined mineral resource. The stratabound deposits are very underexplored, thus having the potential to significantly increase the known mineral resource and, due to their thickness, hold the key to supporting the desired increased mill throughput of 1500 tonnes per day.

The proposed decline will allow drilling to be conducted from underground about 200 m above the stratabound, as compared to drilling from surface which would require approximately 450 m long holes, resulting in a substantial saving in drilling costs.

b) Please indicate if a camp is to be set up. (Please provide details on a separate page, if necessary.)
The land use operation will based in and serviced from the existing facilities at the Prairie Creek Mine. No new camp will be set up.

CANADIAN ZINC
CORPORATION

March 05, 2001

Mackenzie Valley Land & Water Board
File
MAR 07 2001
Application #MV2001C0023
Copied To KL IGS IRG

Mr. Ken Weagle
Executive Director
Mackenzie Valley Land and Water Board
PO Box 2130, 7th Floor 4910 50th Ave.
Yellowknife, NT
X1A 2P6

Dear Mr. Weagle:

Re: Prairie Creek Mine – Application for Type "A" Land Use Permit
Underground Decline Development and Exploration

Please find enclosed our application for a Type A Land Use Permit authorizing development of an underground decline and subsequent underground exploration core drilling program planned for the Prairie Creek Mine this coming summer over the period from May through September, 2001. We have enclosed five (5) hard copies of our application package, plus an electronic version on CD.

The application package includes:

- A completed Schedule II application under the Mackenzie Valley Land Use Regulations.
- Our cheque in the amount of $150.00 payable to the Receiver General for Canada to cover the Application Fee ($150.00) and Land Use Fees ($0.00) for the proposed use of under 2 ha of land. (Note: the proposed area of land use is also covered under land use permit applications for surface exploration for which land use fees have been submitted)
- A Project Description Report providing detailed information on all facets of the proposed operation, including a summary of consultation efforts.
- Drawings and plans showing the location and details of the proposed development

We look forward to working with you and your staff on the preliminary screening of our application.

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
Vice President, Project Affairs

cc: Chief Leon Konisenta – NBDB
Chief Rita Cli – LKFN
Chief Judy Kotchea – ADKFN
Grand Chief Michael Nadli - DCFN

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

6. Summary of potential environmental and resource impacts (describe the effects of the proposed land-use operation on land water, flora & fauna and related socio-economic impacts). (Use separate page if necessary.)

Minimal environmental disturbance is expected to occur as all activity will take place within the area of traditional mining activity and within 100 m of the existing mill and associated facilities. New surface disturbance will be restricted to the immediate area of the portal, an area of about 500 m^2.

The mineral resources at Prairie Creek are hosted in carbonate rocks. The decline will be driven entirely within the sedimentary dolostone formation and will produce approximately 5200 m^3 of rock, which will be trucked and stockpiled within the existing plantsite area, either adjacent to the existing ore stockpile or in the storage yard along the toe of the tailings impoundment dam.

The Upper Spar and Chert/Dolostone rock units from which the rock will originate have been tested and determined to have low levels of mineralization, low sulphide values and high excess neutralization potential, and will therefore pose no hazard to the environment through sulphide oxidation processes. The results of this testwork are attached.

Quality of the water to be pumped from the underground workings is expected to be typical of the local groundwater regime which connects naturally with the Prairie Creek Aquifer. A sump will be developed near the mouth of the portal to act as a settling pond for mine water prior to release to Harrison Creek. Fisheries studies by Beak consultants in 1980-81 and Rescan in 1994 identified limited fisheries habitat potential in Harrison Creek, with steep gradients restricting fish movement upstream of the mouth. Fish utilization appears restricted to the mouth where 7 Slimy Sculpin were captured in 1980 and 2 Dolly Varden, 10 mountain whitefish and 8 slimy sculpin were encountered in 1981. No fish were observed in Harrison Creek in 1994. Fish utilization of Prairie Creek appears to be confined largely to the headwaters and the mouth. The headwaters appear to be utilized by Dolly Varden (or Bull Trout) and Rocky Mountain Whitefish. Artic Grayling do not appear to move upstream in Prairie Creek beyond the lowest reaches near the mouth.

7. Proposed restoration plan (please use a separate page if necessary).

Following completion of the exploration program, all equipment will be removed from the underground workings. Dewatering will be discontinued and the workings will flood to the natural groundwater level. The portal entrance will be sealed as required. As the development is a decline, no discharge of water is expected from the portal.

Rock removed from underground will be stockpiled within the existing plantsite area.

8. Other rights, licences or permits related to this permit application (mineral rights, timber permits, water licences, etc.)

Mining Lease 2932 and Surface Lease 95F10/10-5-3.

No new roads required

Roads: ☐ Is this to be a pioneered road? ☐ Has the route been laid out or ground truthed?

9. Proposed disposal methods.

a) Garbage: Prairie Creek refuse site

b) Sewage (Sanitary & Grey Water): Exfiltration sump

c) Brush & trees: NA

d) Overburden (Organic soils, waste material, etc.): Waste rock to be stockpiled in plantsite area

10. Equipment (includes drills, pumps, etc.) (Please use separate page if necessary.)

Type & number	Size	Proposed use
** See Attached Sheet**		

11. Fuels	( )	Number of containers	Capacity of containers	Location
Diesel		4 11	1.7 million litres ea 400 1200 litres	Existing Tank Farm Mobile equipment
Gasoline		2 3	20,000 litres ea 150 litres ea	Existing Tank Farm Pick up trucks
Aviation fuel				
Propane				
Other				

12 Containment fuel spill contingency plans. (Please attach separate contingency plan if necessary).

A spill contingency plan has previously been prepared and submitted for the Prairie Creek Mine.

13. Methods of fuel transfer (to other tanks, vehicles, etc.)

Manual or electric pump, gravity.

14 Period of operation (includes time to cover all phases of project work applied for, including restoration)

Estimated duration of operation: 5 months
Period of operation: May 1 – September 30, 2001

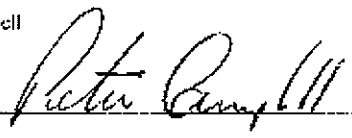
15. Period of permit (up to five years, with maximum of two years of extension)
5 years: Additional exploration drilling will be conducted from the decline in subsequent years.

16 Location of activities by map co-ordinates (attached maps and sketches)

Minimum latitude (degree, minute) 61° 33' N	Maximum latitude (degree, minute) 61° 33' N
Minimum longitude (degree, minute) 124° 48' W	Maximum longitude (degree, minute) 124° ' W

Map Sheet no. 95F10

17. Applicant
Print name in full J. Peter Campbell

Signature  Date March 05, 2001

18. Fees [X] Type A - $150.00 [ ] Type B - $150.00

Land use fee: less than 2 ha * _____ hectares @ $50.00/hectare $ 0.00

* Area covered under separate applications as well)

[ ] Assignment fee $50.00 $ 0.00

Total application and land use fees $ 150.00

Canadian Zinc Corporation
Land Use Permit Application
Decline Development and Underground Exploration Drilling

Section 10 (Continued from Application)

10. Equipment (includes drills, pumps, etc.) (Please use separate page if necessary.)

Type & number	Size	Proposed use
1 Two-boom air jumbo drill	MJM20B	Decline development
1Boyles or ADL diamond drill	B-10 or 150 Mini Myte	Exploration drilling
3 scoop trams	Wagner 2-yard	Rock hauling
1 front end loader	Cat 966	Rock loading
2 rock trucks	Volvo 5350	Rock Hauling
1 U/G service vehicle		U/G support
1 Electric Fan	60 75 hp	Ventilation
2 Wilden face pumps		Dewatering
1 Flygt sump pump	13 hp	Dewatering
1 Cat bulldozer	D8	Road Maintenance
1 Cat grader	14G	Road Maintenance
3 Pick up trucks	¾ ton	Personnel transport

CANADIAN ZINC CORPORATION

March 05, 2001

Project Description
Type "A" Land Use Permit Application

Prairie Creek Mine
Underground Decline Development and Exploration Drilling

Introduction

Mineralization was first discovered at Prairie Creek in 1928. Exploration activity over the years has resulted in some 232 holes having been drilled on the property for an approximate total of 50,000 metres of drilling conducted to date. As well, between 1970 and 1980, extensive underground development of Zone 3 took place, resulting in some 5 km of underground workings on three levels. Access to the underground workings is available through the existing 870, 930 and 970 m portals.

Historically, the Prairie Creek deposit has been evaluated on the basis of its being composed primarily of quartz vein-type mineralization. The mine and mill were originally designed and constructed in 1982 based on a 1.81 million tonne ore reserve of vein-type material grading 10.8% lead, 11.75% zinc, 0.4% copper and 182 g/tonne silver.

Since acquiring the Prairie Creek Mine in 1991, Canadian Zinc has conducted numerous diamond drill programs on the property. To date, the Company has drilled some 128 holes, recovering more than 40,000 metres of drill core in the process. The Company's drilling focus to date has been primarily on Zone 3 in the immediate mine site area, where 80% of the total exploratory work has been carried out.

In 1992, a stratabound form of mineralization was discovered underlying the vein-type deposits of Zone 3 while drilling to extend these vein resources at depth. Up to six mineralized stratabound lenses have been intersected varying in thickness from between less than one metre to several metres in thickness. Total thickness of the stratabound zone reaches up to 28 m. The stratabound deposits are located at around the 600 – 650m elevation, 200 – 350 m below the existing underground workings and 400 m below the surface of the ground.

As a result of the exploration drilling undertaken by Canadian Zinc, the mineral resource now stands at 11.8 million tonnes grading 10.1% lead, 12.5% zinc, 0.4% copper and 161 g/tonne silver. Of this resource, approximately 80% is comprised of vein-type mineralization and only 12% is stratabound mineralization.

As part of the ongoing process of establishing, confirming and enhancing the known mineral resource at the Prairie Creek property, Canadian Zinc proposes to develop an exploration decline to permit access for underground exploration drilling of the stratabound deposit underlying the Zone 3 quartz vein mineralization.

The main objective of the proposed decline development and underground drilling exploration program is to further delineate additional stratabound and vein mineralization that will add to the existing defined mineral resource. The stratabound deposits are very underexplored, thus having the potential to significantly increase the known mineral resource and, due to their thickness, hold the key to supporting the desired increased mill throughput of 1500 tonnes per day.

The proposed decline will allow drilling to be conducted from underground about 200 m above the stratabound, as compared to drilling from surface which would require approximately 450 m long holes, resulting in a substantial saving in drilling costs.

The decline development is proposed to take place within 1000m of the existing minesite facilities and within the area of traditional mining activity at Prairie Creek and the boundaries of Mining Lease 2932 and Surface Lease 95F10/10-5-3.

The general area for the proposed decline is shown on the accompanying 1:5000 scale map.

Description of Decline Development

The proposed decline will be accessed by a portal to be developed at the 905 m elevation approximately 600 m north of the existing mill facility. The proposed portal location is accessible by existing roads. This will be the fourth portal established on the property to access the underground workings, the others being in the same general area at the 870m, 930m and 970m elevations. The decline itself will be approximately 3m in width, 2.3m high and 600 m long at a 15% downward grade.

The majority of the equipment utilized in support of this program currently exists on-site. The main drive would be drilled by a two-boom air jumbo drill, which would be airlifted into the site. Rock from the underground development would be removed by existing 2-yard scoop trams and transported to stockpile locations by existing loader and truck. All this equipment is currently on-site, along with necessary compressors and fuel.

A minimum of 9 drill cutouts will be prepared along the decline to support the planned underground exploration drilling program. This work will be carried out using Boyles electric or hydraulic diamond drills. It is estimated that further delineation of the deposits will require drilling of 50 to 250 m long holes totaling approximately 5000m.

The mineral resources at Prairie Creek are hosted in carbonate rocks. The decline will be driven entirely within the sedimentary dolostone formation and will produce approximately 5200 m^3 of rock, which will be trucked and stockpiled within the existing plantsite area, either adjacent to the existing ore stockpile or in the storage yard along the toe of the tailings impoundment dam.

The Upper Spar and Chert/Dolostone rock units from which the rock will originate have been tested and determined to have low sulphide values and high excess neutralization potential, and will therefore pose no hazard to the environment through sulphide oxidation processes. The results of this testwork are attached.

Dewatering of the workings will be accomplished through the use of sumps and pumps underground. A sump will be developed near the mouth of the portal to act as a settling pond for mine water prior to release to Harrison Creek. Quality of the water to be pumped from the underground workings is expected to be typical of the local groundwater regime which is hydraulically connected with the Prairie Creek Aquifer. A sump will be developed near the mouth of the portal to act as a settling pond for mine water prior to release to Harrison Creek.

Fisheries studies by Beak consultants in 1980-81 and Rescan in 1994 have identified limited fisheries habitat potential in Harrison Creek, with steep gradients restricting fish movement upstream of the mouth. Fish utilization appears restricted to the mouth where 7 Slimy Sculpin were captured in 1980, and 2 Dolly Varden, 10 mountain whitefish and 8 slimy sculpin were encountered in 1981. No fish were observed in Harrison Creek in 1994. Fish utilization of Prairie Creek appears to be confined largely to the headwaters and the mouth. The headwaters appear to be utilized by Dolly Varden (or Bull Trout) and Rocky Mountain Whitefish. Artic Grayling do not appear to move upstream in Prairie Creek beyond the lowest reaches near the mouth.

No impacts on fisheries or other aquatic resources are expected as a result of the release of mine water during the operation.

Personnel

The underground development and exploration diamond drilling will be conducted by a qualified underground mining contractor and diamond drilling contractor, respectively. The contracts will be awarded following a competitive bidding process taking into account cost, quality of work, reliability, ability to undertake work and meet shchedule, etc.

It is anticipated that initial preparation and driving of the decline will take in the order of 3.5 months to complete. The diamond drilling, depending on the final budgets which will determine the amount of drilling which will be undertaken, and on whether drilling can commence while the decline is still be advanced, will take in the order of 3 months to complete.

It is expected that development of the decline will require the following personnel:

- 1 Project Superintendent
- 1 Shift Boss
- 1 Surveyor
- 1 Lead Mechanic
- 3 Shift Mechanics
- 1 Electrician
- 1 Surface Operator/Labourer
- 6 Miners

- 15 Total

It is expected that the decline development will be conducted while other activity is ongoing at the site, including operation of a mill pilot plant and exploration drilling. This will likely result in sharing of personnel between programs. All personnel involved in the decline development will be accommodated within the existing camp facility. Domestic water is supplied from an existing well, sewage is discharge to a sump and garbage is incinerated. Site operations will be supported by a camp cook and a project manager.

Consultation

Following is a summary of consultations undertaken, including those with government regulatory agencies, the Nahanni Butte Dene Band, the Liidlii Kue First Nation, Acho Dene Koe First Nation and the Deh Cho First Nations.

August 14-16, 2000 Yellowknife
- Meetings with INAC, GNWT/RWED, EC, DFO, MVLWB, MVEIRB, Parks Canada, DCFN (Petr Cizek)

October 6, 2000
- Letter request to NBDB, LKFN, ADKFN, DCFN for meeting

November 21, 2000 Yellowknife
- Meeting with Mineral Development Advisory Group (MDAG)
- INAC, EC, DFO, GNWT/RWED, WCB, SRHB.

November 22, 2000 Nahanni Butte
- Meeting with First Nation community and association representatives
- NBDB, LKFN, DCFN, CPAWS, Parks Canada

January 5,2001
- Letter request to NBDB, LKFN, ADKFN for traditional knowledge

January 11, 2001
- Letter enclosing Draft Application package to NBDB, LKFN, ADKFN & DCFN requesting comments

February 26, 2001

- Telephone conversation with Chief Leon Konisenta (NBDB) advising of intention to submit permit applications

February 27, 2001

- Letter to NBDB, LKFN, ADKFN & DCFN advising of intention to submit permit applications

Plans for development of the decline at Prairie Creek in 2001 were among the issues discussed by Canadian Zinc at these meeting. At each of these meetings, an information package was distributed to attendees which contained among other things a memo describing the plans for decline development.

No specific concerns were raised at any of these meetings or in response to any correspondence with respect to the proposed mineral exploration program.

Archaeology

An archaeological database search was conducted on August 18, 2000 through the Canadian Museum of Civilization in support of previous Land Use Application MV2000C0030 submitted by Canadian Zinc.

The database search area encompassed the entire minesite area, as well as the entire access road corridor from the Prairie Creek mine to the Liard River. To accomplish this, the search parameters were defined by geographical coordinates to cover a block extending from 61° 00' to 61°45' N. latitude and from 122°45' to 125°00' W. longitude.

No archaeological sites were identified within the minesite area proposed for use under this Land Use application. The closest identified sites are south of the South Nahanni River near the mouth of the Meilleur River, 35-40 km south of the minesite.

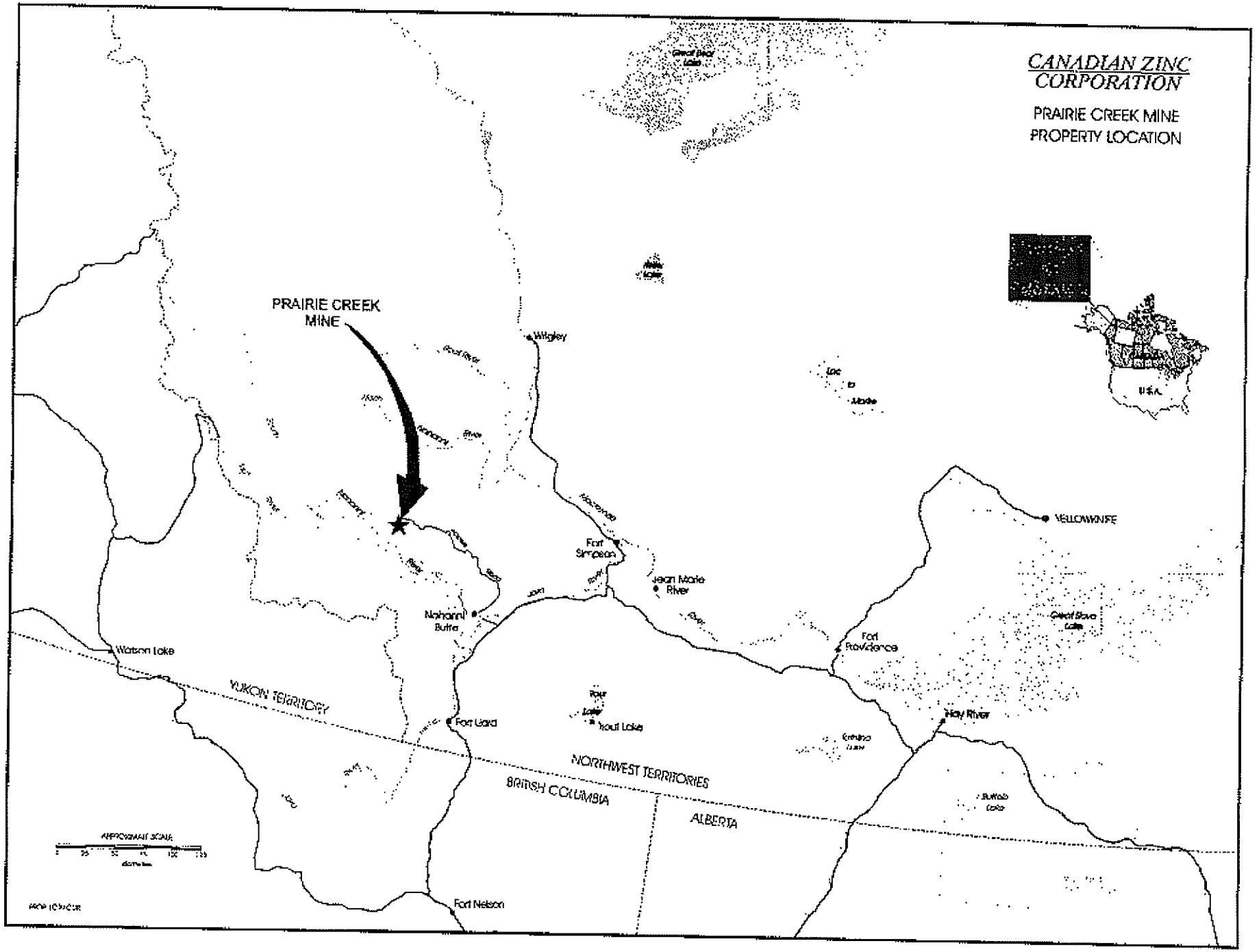
All areas proposed for use in this application have been previously developed. No new development is planned in conjunction with this application.

UNDERGROUND DECLINE DEVELOPMENT - 2001
WASTE ROCK CHARACTERIZATION

Sample ID	Rock Type	Description	Paste pH	Total S %	SO4 - S %	Sx - S %	Total AP kgCaCO3/t	Sx-S AP kgCaCO3/t	NP kgCaCO3/t	CO2 %	CaNP kgCaCO3/t	NNP kgCaCO3/t	NP/TAP
Unit 6-1	Upper spar	PC94-63;324 5m	9 1	0.51	0.005	0 53	16	17	999	43.2	982	+983	62.1
Unit 6-2	Upper spar	PC94-61A;314.6m	8.8	0.17	0.005	0 26	5	8	1030	45.1	1026	+1025	200 1
Unit 7-1	Chert/Dolostone	PC94-63,260 9m	9.2	0 05	0.005	0.06	2	2	446	19 2	437	+444	285 1
Unit 7-2	Chert/Dolostone	PC94-61A;283.2m	9.1	0.06	0.005	0.1	2	3	342	14 7	334	+340	179.1

Sample ID	Rock Type	Description	Ag ppm	Al %	As ppm	Ba ppm	Be ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Hg ppb
Unit 6-1	Upper spar	PC94-63;324 5m	3	0.12	10	10	0.25	17.8	13 5	0.5	9	40	0 47	4 8
Unit 6-2	Upper spar	PC94-61A;314 6m	0 5	0.08	10	20	0.25	10.7	7.5	0.5	6	23	0.27	5.2
Unit 7-1	Chert/Dolostone	PC94-63,260 9m	0 25	0 75	10	5	0.25	3 99	0.5	0.5	120	5	0.15	0.24
Unit 7-2	Chert/Dolostone	PC94-61A;283.2m	0.5	0 52	10	10	0.25	4 82	0 5	0 5	144	5	0.27	0.16

Sample ID	Rock Type	Description	K %	Mg %	Mn ppm	Mo ppm	Na %	Ni ppm	P ppm	Pb ppm	Sr ppm	Ti %	V ppm	Zn ppm
Unit 6-1	Upper spar	PC94-63.324.5m	0 21	15 6	290	1	0.62	2		3200	130	0 005	15	2270
Unit 6-2	Upper spar	PC94-61A,314.6m	0 09	13.2	250	1	0.42	1		380	92	0 005	13	1450
Unit 7-1	Chert/Dolostone	PC94-63;260.9m	0 5	4.4	95	0.5	0 07	6	270	54	19	0 005	52	158
Unit 7-2	Chert/Dolostone	PC94-61A;283.2m	0 22	5 1	95	3	0.2	7	80	41	29	0 005	92	72


CANADIAN ZINC CORPORATION
PRAIRIE CREEK MINE PROPERTY LOCATION
PRAIRIE CREEK MINE
Wrigley
Fort Simpson
Jean Marie River
Nahanni Butte
Watson Lake
Fort Liard
Yellowknife
Fort Providence
Hay River
Trout Lake
YUKON TERRITORY
NORTHWEST TERRITORIES
BRITISH COLUMBIA
ALBERTA
Fort Nelson
U.S.A.

Parks Canada / Parcs Canada

John is this a lawful request? Louise Blyth.

Nahanni National Park Reserve
PO Box 348, Fort Simpson, NT
X0E 0N0

9 April, 2001

Mackenzie Valley Land and Water Board
7th Floor – 4910 50th Avenue, PO Box 2130
Yellowknife, NT
X1A 2P6

Attn: Greg Smith, Regulatory Officer

RE: MVLWB File MV2001C0022, MV2001C0023, MV2001L2-0003

Dear Mr. Smith,

Parks Canada, Nahanni National Park Reserve, hereby requests that the above-mentioned three applications, namely the Canadian Zinc Corporation's Surface Exploration Program, Underground Decline Development and Exploration, and Water License for Metallurgic Plant Operation – Prairie Creek Mine, be referred to the Mackenzie Valley Environmental Impact Review Board for assessment. This referral is being made as per Section 126(2)(a) of the Mackenzie Valley Resource Management Act.

Nahanni National Park Reserve is of the opinion that these proposed projects have the potential to impact the ecological integrity of the park reserve. These potential impacts include effects on transboundary wildlife such as grizzly bears, Dall's sheep and woodland caribou, and effects on water quality and fish habitat in both Prairie Creek and the South Nahanni River.

If there are any further questions, please contact our office at (867)695-3151, or (867)695-2446 (Fax).

Thank you for your assistance in this matter.

Sincerely,

for Chuck Blyth
Superintendent
Nahanni National Park Reserve

cc. Roland Semjanovs, Chair, MVEIRB

Canada

COPY

CANADA'S NATIONAL PARKS AND
NATIONAL HISTORIC SITES

LES PARCS NATIONAUX ET LES LIEUX
HISTORIQUES NATIONAUX DU CANADA

FACSIMILE

TÉLÉCOPIE

Nahanni National Park Reserve /
Reserve de parc national Nahanni
P.O. Box 348/ C.P. 348
Fort Simpson, NT, X0E 0N0
Telephone/Téléphone: 867- 695- 3151
Facsimile/Télécopieur: 867- 695- 2446

To / À ROLAND SEMJANOVS ~~GREG SMITH~~

Tel / Tél.

Fax / Téléc. 920-4761
867 ~~695~~ 873-6610

From / De DOUGLAS TATE

Date 09 APRIL 2001

Pages 2

Message

LETTER REGARDING CANADIAN ZINC APPLICATIONS IS ATTACHED.

DOUG.

EA0809-002
DM
LLR #

accessed by Review Board Nov 2008

(2)

LAND USE PERMIT

Permit Class	Permit No	Amendment No
"A"	MV2001C0023	

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	Date
J. Peter Campbell	March 5, 2001
Type of Land use Operation	
Decline Development and Metallurgical Pilot Plant	
Location	
61° 33'N and 124° 48' W	

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

Dated at Yellowknife this 26 day of August , 2003

Signature Chair

Signature Witness

Commencement Date
September 10, 2003

Expiry Date
September 9, 2008

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 MV2001C0023

Part A: Scope of Permit

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

   a) Mining exploration and associated activities including underground decline development at the 905 metre elevation and metallurgic pilot plant at the Prairie Creek Mine. Location:

   61° 33'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*;

"Artesian Aquifer" means a water-bearing stratum, which when encountered during drilling operations, produces a pressurized flow of groundwater that reaches an elevation above the ground surface;

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

"Dogleg" means clearing a line, trail or right-of-way that is curved sufficiently so that no part of the clearing beyond the curve is visible when approached from either direction;

"Drill Waste" means all materials or chemicals, solid or liquid, associated with the drilling of boreholes and includes borehole cuttings;

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

"Sewage" means all toilet wastes and grey water; and

"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

1. The Permittee shall not conduct this land use operation on any lands not designated in the accepted application. — PLANS

2. The Permittee shall use an existing campsite. — CAMP LOCATION

3. The Permittee shall not construct parallel lines or roads unless authorized by the inspector. — PARALLEL ROADS

26(1)(b) TIME

4. The Permittee's Field Supervisor shall first contact an Inspector at (867) 695-2626 and then the Board at (867)669-0506 at least forty-eight (48) hours prior to the commencement of this land use operation. — CONTACT INSPECTOR/ BOARD

5. 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

6. The Permittee shall provide in writing to the Board and Inspector, at least forty-eight (48) hours prior to commencement of this land use operation, the following information: — IDENTIFY AGENT
   (a) person, or persons, in charge of the field operation to whom notices, orders, and reports may be served;
   (b) alternates; and
   (c) all methods for contacting the above person(s).

7. The Permittee shall notify an Inspector at least ten (10) days prior to backfilling any sump. — BACKFILLING NOTIFICATION

8. 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

9. The Permittee shall not use any equipment except of the type, size, and number that is listed in the accepted application. — ONLY APPROVED EQUIPMENT

26(1)(d) METHODS AND TECHNIQUES

10. The Permittee shall plug all boreholes to the satisfaction of an Inspector as the land use operation progresses. — PLUG HOLES

11. The Permittee shall refill and restore borehole craters as the land use operation progresses. REFILL CRATERS

12. The Permittee shall remove or cut off and seal all drill casings at ground level immediately upon completion of drilling. REMOVAL AND SEALING OF DRILL CASINGS

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

13. The Permittee shall not locate any sump within one hundred (100) metres of the ordinary high water mark of any water body, unless otherwise authorized in writing by an Inspector. SUMPS FROM WATER

14. The Permittee shall maintain freeboard of not less than one (1.0) metre in all surface sumps. FREEBOARD OF SUMPS

15. The Permittee shall: BACKFILL SUMP – OVERLAP
    (a) place and mound all material previously excavated over the sump area to ensure ponding does not occur; and
    (b) overlap the material a minimum of two (2) metres beyond the edges of the existing sump wall.

16. The Permittee shall ensure that the land use area is kept clean at all times. CLEAN WORK AREA

26(1)(f) CONTROL OR PREVENTION OF PONDING OF WATER, FLOODING, EROSION, SLIDES AND SUBSIDENCE OF LAND

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    (b) the artesian occurrence shall be reported to the Inspector immediately.

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20. The Permittee shall construct dykes and diversion ditches as authorized in writing by an Inspector. DYKES/ DIVERSION

21. The Permittee shall install erosion control structures as the land use operation progresses. PROGRESSIVE EROSION CONTROL

22. The Permittee shall slope the sides of waste material piles to a horizontal/vertical ratio of two (2) horizontal to one (1) vertical unless otherwise authorized in writing by an Inspector. WASTE MATERIAL PILES

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24. The Permittee shall remove all drill waste containing poisonous or persistent chemical additives to an approved disposal facility. — DRILL WASTE DISPOSAL

25. The Permittee shall not allow any drilling waste to spread to the surrounding lands. — DRILL WASTE CONTAINMENT

26. The Permittee shall dispose of all combustible waste petroleum products by incineration or removal. — WASTE PETROLEUM DISPOSAL

27. The Permittee shall dispose of all toxic or persistent substances in a manner as approved in writing by the Board. — WASTE CHEMICAL DISPOSAL

28. 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

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29. The Permittee shall submit a Wildlife Management Plan to be implemented upon approval by the Board before land use operations commence: — WILDLIFE MANAGEMENT PLAN

    (a) a bear response protocol that allows personnel to respond adequately to problem bears;
    (b) measures for the protection of the existing mineral lick near the minesite that provide for its continued use by wildlife with minimal disturbance;
    (c) a wildlife movement and interactions monitoring program; and
    (d) a wildlife education protocol for all employees working on site.

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31. The Permittee shall not harass wildlife during this land use operation. — NO WILDLIFE HARASSMENT

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34. The Permittee shall incinerate all combustible garbage and debris, except plastics, daily. INCINERATION

35. The Permittee shall remove all scrap metal, discarded machinery, parts, barrels kegs, plastics, and building materials as specified in the accepted application. REMOVE WASTE MATERIAL

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37. The Permittee shall immediately cease any activity which disturbs an archaeological, historical, and/or burial site and contact the Prince of Wales Northern Heritage Centre at (867) 873-7688 and then 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

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39. The Permittee shall be liable for any cost of damages over and above the amount of the security deposit. LIABILITY FOR DAMAGES

40. All costs to remediate the area under this permit are the responsibility of the Permittee. RESPONSIBILITY FOR REMEDIATION COSTS

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43. The Permittee shall not allow petroleum products to spread to surrounding lands or into water bodies. FUEL CONTAINMENT

44. The Permittee shall use secondary containment for fuel storage between 410 and 4,000 litres that is authorized in writing by the Inspector. — FUEL CONTAINMENT

45. The volume of the dyked area shall be ten per cent (10%) greater than the capacity of the largest fuel container placed therein. — CAPACITY

46. The Permittee shall: — CHECK FOR LEAKS
    (a) examine all fuel storage containers for leaks a minimum of once every day or as otherwise authorized by an inspector; and
    (b) repair all leaks immediately.

47. 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

48. 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

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

26(1)(o) RESTORATION OF THE LANDS

49. The Permittee shall complete all clean-up and restoration of the lands used prior to the expiry date of this Permit outlined in the Abandonment and Restoration Plan as per Appendix I, titled "Conditions Applying to Abandonment and Restoration". — CLEAN-UP

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

50. The Permittee shall display a copy of this Permit in each campsite established to carry out this land use operation. — DISPLAY PERMIT

51. 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

52. 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

53. The Permittee shall use existing lines or roads wherever possible. — EXISTING LINES ROADS

APPENDIX I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION

1. The Licensee shall, within six (6) months of issuance of this License, submit to the Board for approval an Abandonment and Restoration Plan which shall take into consideration all areas referred to in Part G, Item 1 of Water License MV2001L2-0003, and Condition forty-nine (49) under Section 26(1)(o) of Land Use Permit MV2001C0023.

2. The Licensee shall address the following when completing or revising the Abandonment and Restoration Plan:

   a) the water intake facilities;
   b) the water treatment and waste disposal sites and facilities;
   c) the petroleum and chemical storage areas;
   d) any site affected by waste spills;
   e) the natural runoff waters from the development site;
   f) the restoration of natural drainage and the restoration of stream banks at the operation site(s);
   g) the potential for groundwater contamination;
   h) any facilities or areas which may have been affected by development such that potential pollution problems exist;
   i) a phased approach and implementation schedule;
   j) maps delineating all disturbed areas, borrow material locations and site facilities;
   k) a proposal identifying measures by which restoration costs will be financed by the Licensee upon abandonment;
   l) a Solid Tailings Final Disposal Plan for the Solid Tailings generated by the operation of the Pilot Plant to be implemented before the expiry of the license;
   m) the waste rock and ore storage areas,
   n) the acid generation potential and leachability of tailings, waste rock and ore piles, and any other areas identified as having the potential to leach or be acid generating,
   o) all lands affected by licensed undertakings, and

p) list of facilities and infrastructure, currently existing or constructed as part of the licensed undertakings, that may be used in future proposed activities.

3. The Licensee shall revise the Plan referred to in Item 1 if not approved. The revised Plan shall be submitted to the Board for approval within six (6) months of receiving notification of the Board's decision.

4. Notwithstanding the time schedule referred to in the Abandonment and Restoration Plan, the Licensee shall endeavour to carry out Progressive Reclamation of areas which are abandoned prior to closure of operations.

5. The Licensee shall complete the reclamation work within the time schedule specified in the Plan, or as subsequently revised and approved by the Board.

6. The Licensee shall review the Abandonment and Restoration Plan annually and shall modify the Plan as necessary to reflect changes in operation, technology, and results of reclamation and/or other studies. The proposed modifications shall be submitted to the Board for approval.

7. Upon implementation of the Abandonment and Restoration Plan, the Licensee shall provide to the Board updates of all abandonment and restoration activities by March 31st of each year.

8. Compliance with the Abandonment and Restoration Plan specified in this License does not limit the legal liability of the Licensee, other than liability arising from provisions of the *Act* and its Regulations.

MACKENZIE VALLEY LAND AND WATER BOARD

Witness **Chair**

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

7(b)

September 12, 2003

File: MV2001C0023

Mr. J. Peter Campbell
Canadian Zinc Corporation
Suite 1202 - 700 West Pender Street
VANCOUVER, BC V6C 1G8

Fax: (604) 688-2043

Dear Mr. Campbell:

ISSUANCE OF A TYPE "A" LAND USE PERMIT

Attached is Land Use Permit MV2001C0023 granted by the Mackenzie Valley Land and Water Board (MVLWB or the Board) 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 MV2001C0023 for a period of five (5) years commencing September 10, 2003 and expiring September 9, 2008.

Please read all Conditions carefully and note that as per Land Use Permit Condition thirty-eight (38) a security deposit in the amount of $30, 000 shall be posted with the Minister and copied to the Board prior to the start of the operation pursuant to Section 71 of the *MVRMA* and Section 32 of the Mackenzie Valley Land Use Regulations.

Please be advised that this letter, with attached permit, 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 full cooperation of Canadian Zinc Corporation is anticipated and appreciated.

Yours sincerely,

Melody J. McLeod
Chair

Attachments

Copied to: Ed Hornby, South Mackenzie District, DIAND, Yellowknife
Stephen Mathyk, Regulatory Officer, MVLWB
Sarah Baines, Regulatory Officer, MVLWB
Distribution List of Reviewers

LAND USE PERMIT

Permit Class	Permit No	Amendment No
"A"	MV2001C0023	

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	Date
J. Peter Campbell	March 5, 2001
Type of Land use Operation	
Decline Development and Metallurgical Pilot Plant	
Location	
61° 33'N and 124° 48' W	

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

Dated at Yellowknife this 26 day of August , 2003

Signature Chair

Signature Witness

Commencement Date
September 10, 2003

Expiry Date
September 9, 2008

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 MV2001C0023

Part A: Scope of Permit

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

   a) Mining exploration and associated activities including underground decline development at the 905 metre elevation and metallurgic pilot plant at the Prairie Creek Mine. Location:

   61° 33'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*;

"Artesian Aquifer" means a water-bearing stratum, which when encountered during drilling operations, produces a pressurized flow of groundwater that reaches an elevation above the ground surface;

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

"Dogleg" means clearing a line, trail or right-of-way that is curved sufficiently so that no part of the clearing beyond the curve is visible when approached from either direction;

"Drill Waste" means all materials or chemicals, solid or liquid, associated with the drilling of boreholes and includes borehole cuttings;

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

"Sewage" means all toilet wastes and grey water; and

"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

1.	The Permittee shall not conduct this land use operation on any lands not designated in the accepted application.	PLANS
2.	The Permittee shall use an existing campsite.	CAMP LOCATION
3.	The Permittee shall not construct parallel lines or roads unless authorized by the inspector.	PARALLEL ROADS

26(1)(b) TIME

4.	The Permittee's Field Supervisor shall first contact an Inspector at (867) 695-2626 and then the Board at (867)669-0506 at least forty-eight (48) hours prior to the commencement of this land use operation.	CONTACT INSPECTOR/ BOARD
5.	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
6.	The Permittee shall provide in writing to the Board and Inspector, at least forty-eight (48) hours prior to commencement of this land use operation, the following information: (a) person, or persons, in charge of the field operation to whom notices, orders, and reports may be served; (b) alternates; and (c) all methods for contacting the above person(s).	IDENTIFY AGENT
7.	The Permittee shall notify an Inspector at least ten (10) days prior to backfilling any sump.	BACKFILLING NOTIFICATION
8.	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

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9.	The Permittee shall not use any equipment except of the type, size, and number that is listed in the accepted application.	ONLY APPROVED EQUIPMENT

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10.	The Permittee shall plug all boreholes to the satisfaction of an Inspector as the land use operation progresses.	PLUG HOLES

11. The Permittee shall refill and restore borehole craters as the land use operation progresses. — REFILL CRATERS

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13. The Permittee shall not locate any sump within one hundred (100) metres of the ordinary high water mark of any water body, unless otherwise authorized in writing by an Inspector. — SUMPS FROM WATER

14. The Permittee shall maintain freeboard of not less than one (1.0) metre in all surface sumps. — FREEBOARD OF SUMPS

15. The Permittee shall: — BACKFILL SUMP – OVERLAP
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   f) the restoration of natural drainage and the restoration of stream banks at the operation site(s);

   g) the potential for groundwater contamination;

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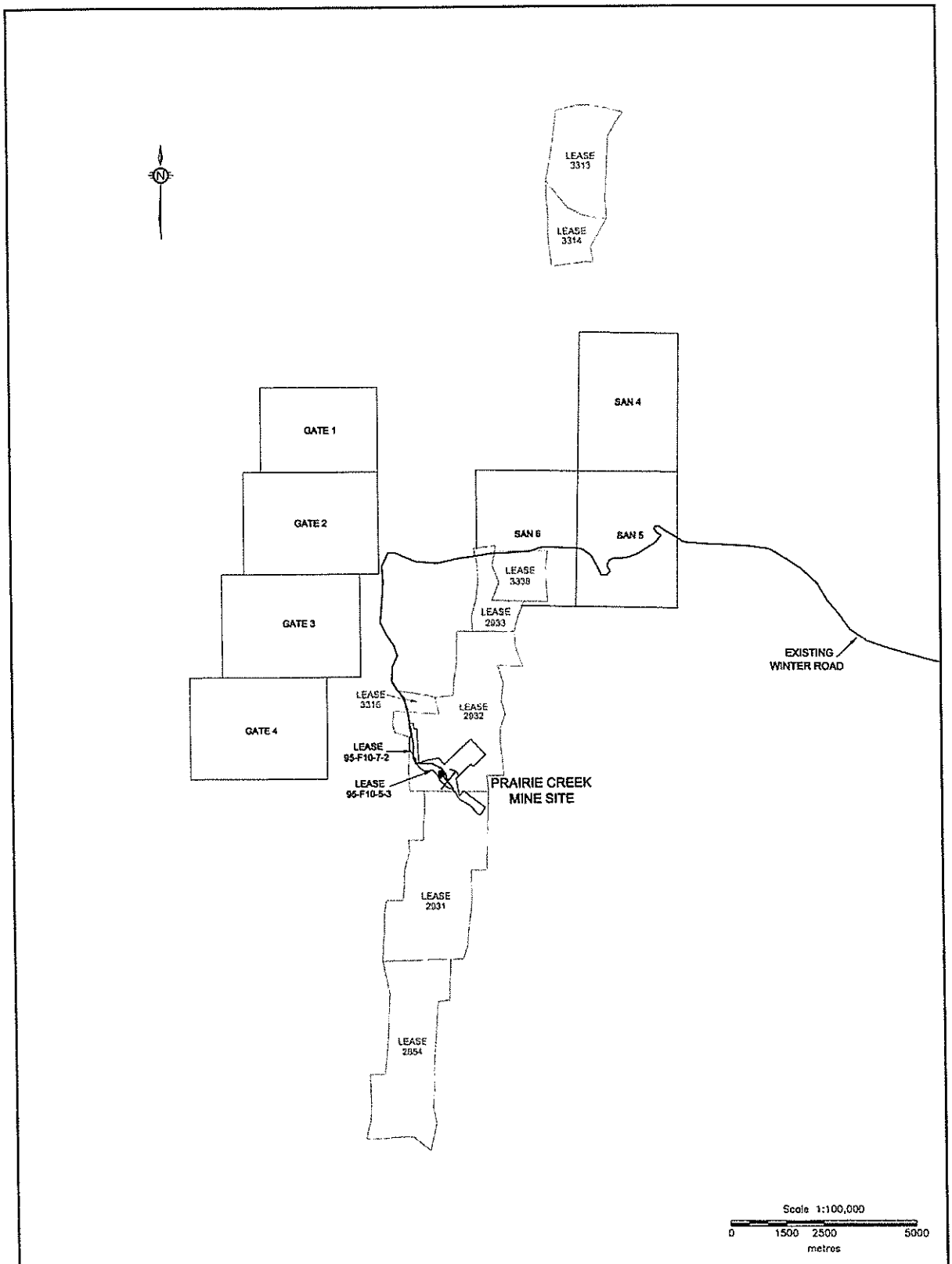
MACKENZIE VALLEY LAND AND WATER BOARD

Witness

Chair



GATE 1 Mineral Claim
LEASE 95-F-10-5-3 Surface Lease
LEASE 2033 Mining Lease

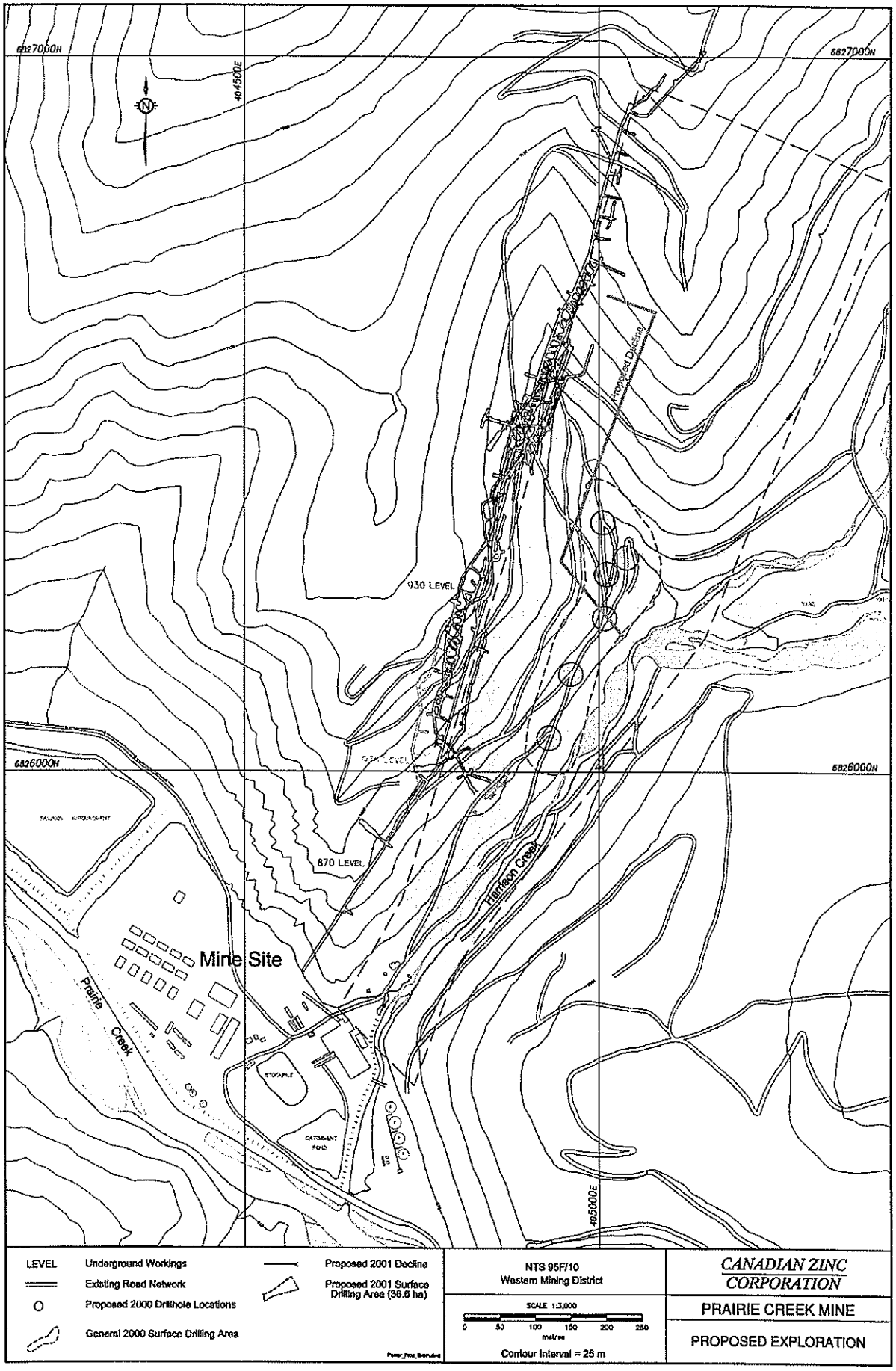
Scale:	1:100,000
Drawing:	claims.dwg
Revised:	

CANADIAN ZINC CORPORATION

PRAIRIE CREEK MINE

LAND TENURE

Date: January, 2001 | Figure: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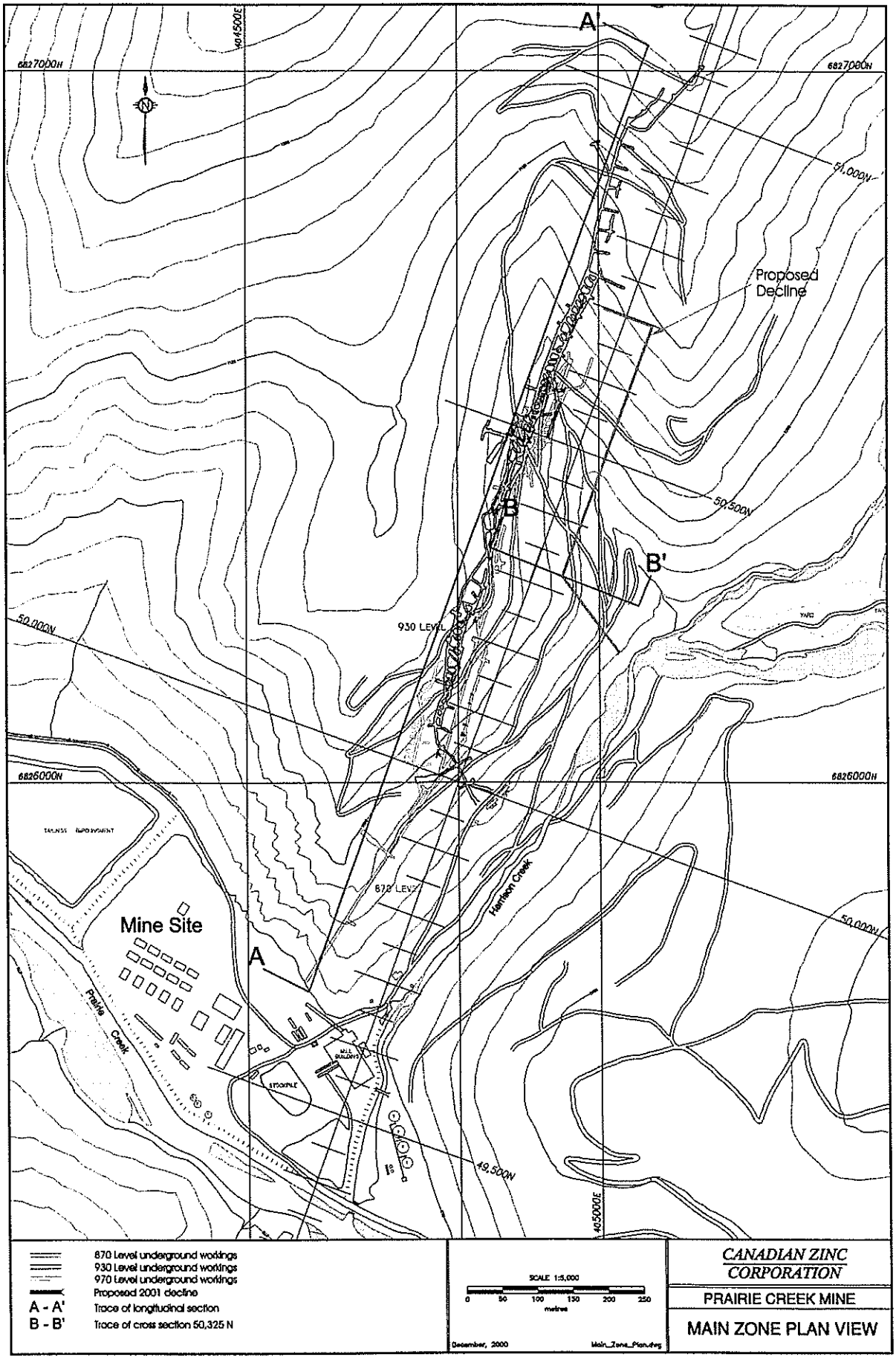
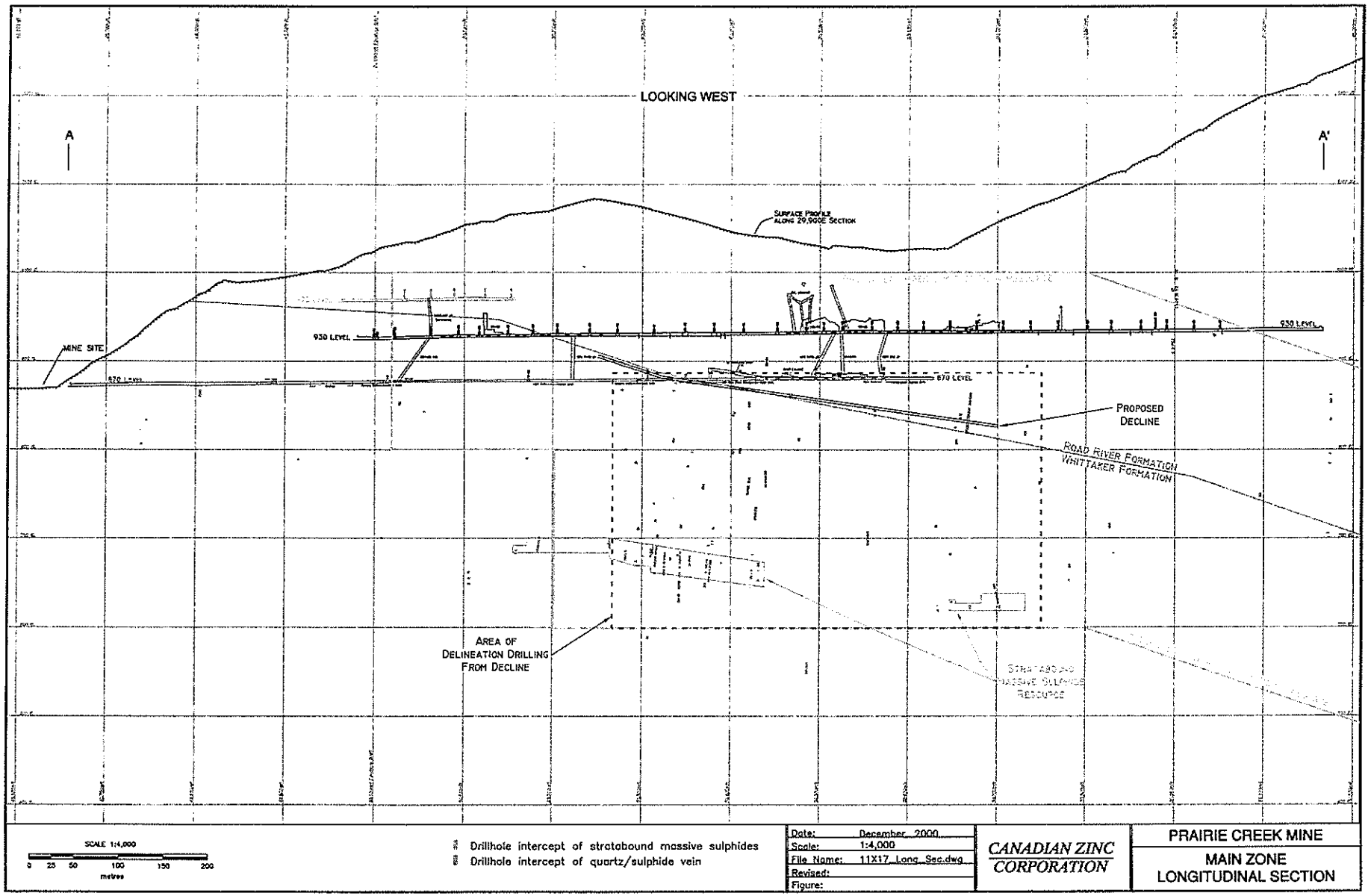
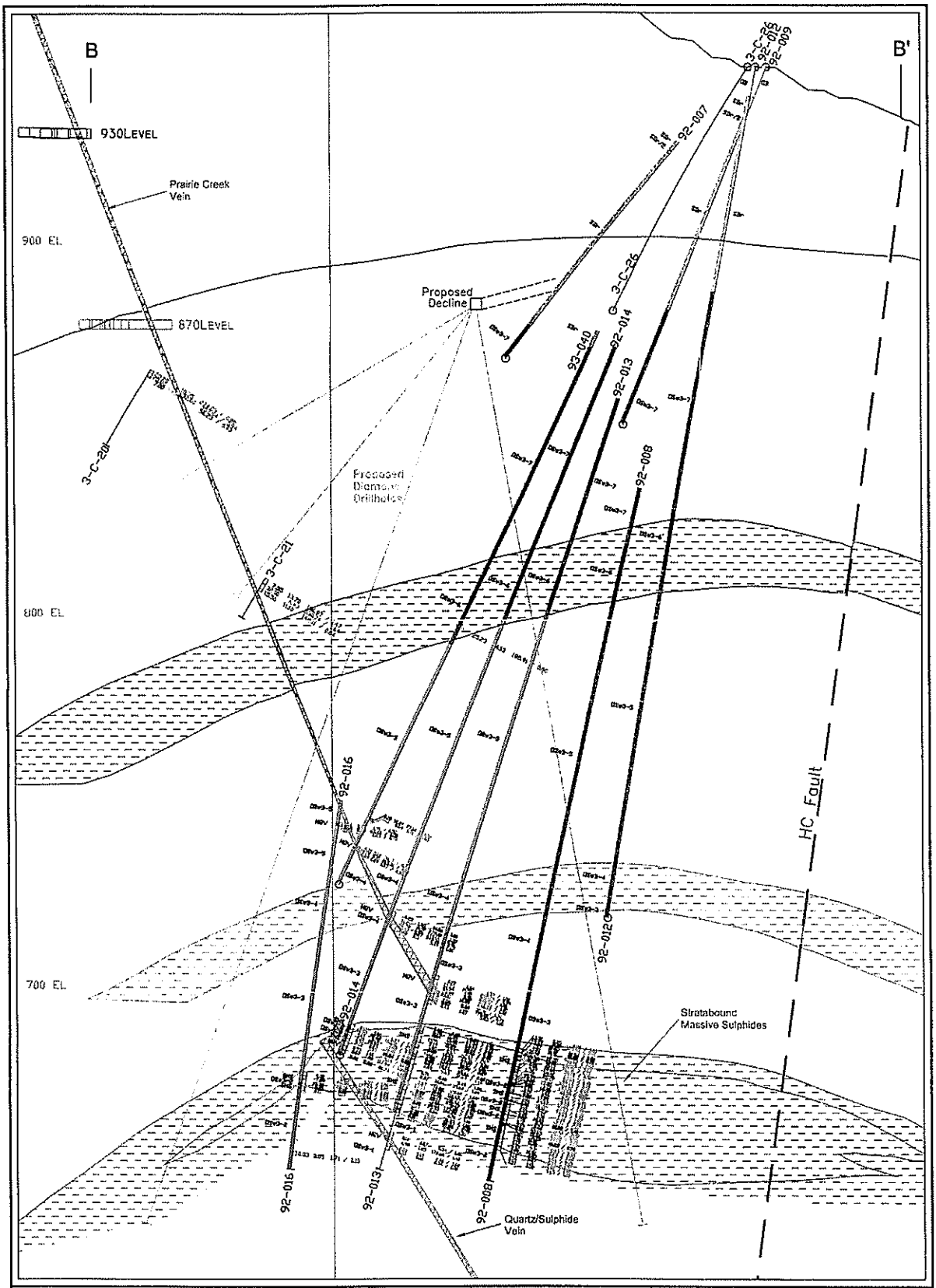
6826000N
930 LEVEL
870 LEVEL
Proposed Decline
Harrison Creek
Mine Site
Prairie Creek
405000E
LEVEL
Underground Workings
Existing Road Network
Proposed 2000 Drillhole Locations
General 2000 Surface Drilling Area
Proposed 2001 Decline
Proposed 2001 Surface Drilling Area (36.6 ha)
NTS 95F/10
Western Mining District
SCALE 1:3,000
0 50 100 150 200 250
metres
Contour Interval = 25 m
CANADIAN ZINC CORPORATION
PRAIRIE CREEK MINE
PROPOSED EXPLORATION


A
A'
B
B'
6827000N
6826000N
405000E
Proposed
Decline
930 LEVEL
670 LEVEL
Mine Site
Prairie Creek
Harrison Creek
50,000N
50,500N
49,500N
STOCKPILE
670 Level underground workings
930 Level underground workings
970 Level underground workings
Proposed 2001 decline
A - A' Trace of longitudinal section
B - B' Trace of cross section 50,325 N
SCALE 1:5,000
0 50 100 150 200 250
metres
December, 2000
Main_Zone_Plan.dwg
CANADIAN ZINC CORPORATION
PRAIRIE CREEK MINE
MAIN ZONE PLAN VIEW


LOOKING WEST
A
A'
SURFACE PROFILE ALONG 29,900E SECTION
MINE SITE
930 LEVEL
870 LEVEL
930 LEVEL
870 LEVEL
PROPOSED DECLINE
ROAD RIVER FORMATION
WHITTAKER FORMATION
AREA OF DELINEATION DRILLING FROM DECLINE
SCALE 1:4,000
0 25 50 100 150 200
metres
Drillhole intercept of stratabound massive sulphides
Drillhole intercept of quartz/sulphide vein
Date: December, 2000
Scale: 1:4,000
File Name: 11X17_Long_Sec.dwg
Revised:
Figure:
CANADIAN ZINC CORPORATION
PRAIRIE CREEK MINE
MAIN ZONE
LONGITUDINAL SECTION



CANADIAN ZINC CORPORATION	PRAIRIE CREEK MINE

Date:	December, 2000
Drawn By:	M. Tindall
Revised:	
Scale:	1:1,000
Drawing:	325N_Blowup.dwg

0 12.5 25 37.5 50
metres

CROSS SECTION
50,325 NORTH