



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

Access
by
RFR 27

9(2)

Extension

June 9, 2006

File: MV2001C0022

Mr. Alan Taylor
Canadian Zinc Corporation
Suite 1710, 650 West Georgia Street
PO Box 11644
VANCOUVER, BC V6B 4N9

Fax: (604) 688-2043

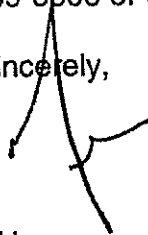
Dear Mr. Taylor:

Extension to LUP MV2001C0022 – Phase II Drilling

The Mackenzie Valley Land and Water Board (the Board) met on June 9, 2006 to deliberate on your request to have Land Use Permit MV2001C0022 (the Permit) for phase II drilling extended for two years. The Board decided to extend the Permit to November 29, 2008 as requested with changes to the conditions. The conditions of the Permit have been harmonized with the conditions of the phase III drilling permit, MV2004C0030, wherever possible.

If you have any questions regarding this letter, please contact Meg McCluskie at (867) 669-0506 or email meg@mvlwb.com.

Yours sincerely,

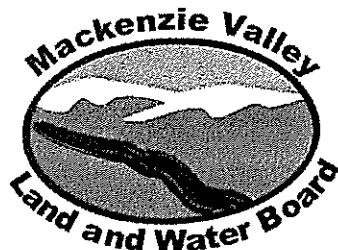
A handwritten signature in black ink, appearing to read "Willard Hagen".

Willard Hagen
Interim Chair

Attachment

Copied to: Distribution List

LAND USE PERMIT



Permit Class A	Permit No MV2001C0022	Amendment No
--------------------------	---------------------------------	--------------

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 Dave Harpley	Date April 3, 2006
Type of Land use Operation Mineral Exploration	
Location Prairie Creek Mine	

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

Dated at Yellowknife this 9 day of June, 2006

Signature Chair

Signature Witness

Commencement Date

November 30, 2006

Expiry Date

November 29, 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 MV2001C0022**

Part A: Scope of Land Use Permit

1. This Land Use Permit entitles Canadian Zinc Corporation (the Permittee) to conduct mineral exploration activity consisting of 50 to 60 diamond drill holes located throughout the Prairie Creek Mine property, 61° 33' N and 124° 48' W.
2. This Land Use 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 Land Use Permit.
3. Compliance with the terms and conditions of this Land Use Permit does not absolve the Permittee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.

Part B: Definitions

“**Board**” means the Mackenzie Valley Land and Water Board established under part 4 of the *Mackenzie Valley Resource Management Act*;

“**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;

“**Sump(s)**” is a pit, trench, hollow or cavity excavated in the earth's surface for the purpose of depositing waste material therein; and

“**Watercourse**” means **Watercourse** as defined in the Mackenzie Valley Land Use Regulations.

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 not construct drill sites within one hundred (100) metres of the ordinary high water mark of any Watercourse , unless otherwise authorized by an Inspector . | LOCATION OF
ADITS AND
DRILLSITES |

- | | | |
|--------------------------|--|---------------------------------|
| 3. | The Permittee shall use existing camp facilities only. | CAMP LOCATION |
| 4. | When the Permittee is drilling within one hundred (100) metres of the ordinary high water mark of any Watercourse , they must employ a recirculating drill and ensure that Drill Waste does not enter any Watercourse . | LOCATION OF DRILLSITES |
| 5. | The Permittee shall not construct parallel lines or roads unless authorized by an Inspector . | PARALLEL ROADS |
| 6. | Any spur roads constructed as part of the permitted undertakings shall: <ul style="list-style-type: none"> (a) extend no more than 30 metres past existing lines or roads; and (b) be located at least 30 metres from any Watercourse, except at stream crossings, unless otherwise authorized by an Inspector. | SPUR ROADS |
|
26(1)(b) TIME | | |
| 7. | The Permittee's Field Supervisor shall contact an Inspector at (867) 695-2627 and the Board at (867) 669-0506 at least forty-eight (48) hours prior to the commencement of this land use operation. | CONTACT INSPECTOR/ BOARD |
| 8. | The Permittee shall advise an Inspector at least ten (10) days prior to the end of each drilling season of: <ul style="list-style-type: none"> (a) the plan for removal or storage of equipment and materials; and (b) the plan for any clean up or stabilization of the lands that will take place. | SEASONAL REPORTS BEFORE REMOVAL |
| 9. | The Permittee shall advise an Inspector at least ten (10) days prior to the final completion of the land use operation of: <ul style="list-style-type: none"> (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. | FINAL REPORT BEFORE REMOVAL |
| 10. | The Permittee shall provide the following information in writing to the Board and Inspector , at least forty-eight (48) hours prior to commencement of this land use operation: <ul style="list-style-type: none"> (a) person(s) 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 |

- | | | |
|-----|---|----------|
| 11. | The Permittee shall submit to the Inspector and the Board every 30 days during active operations a progress report detailing on a 1:10,000 scale map the following information: | PROGRESS |
| | (a) sites drilled and sites to be drilled within the next reporting period of 30 days; | |
| | (b) water supply locations for past 30 days and water supply locations for the next reporting period of 30 days; and | |
| | (c) temporary fuel cache locations for past 30 days and temporary fuel cache locations for the next reporting period of 30 days. | |

- | | | |
|-----|---|---|
| 12. | The Permittee shall not cross any Watercourse during the period of August 16 to June 14 of any year, unless otherwise authorized by an Inspector . Water crossings shall only occur in areas of clean cobble. | SHUT DOWN
PERIOD FOR
STREAM FORDING |
|-----|---|---|

- | | | |
|-----|--|---------|
| 13. | The Board and/or the 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

- | | | |
|-----|--|----------------------------|
| 14. | The Permittee shall only use equipment identified in the accepted application. | ONLY APPROVED
EQUIPMENT |
|-----|--|----------------------------|

- | | | |
|-----|--|----------------------|
| 15. | The Permittee shall ensure a wildlife-proof garbage container is on site at all times. | GARBAGE
CONTAINER |
|-----|--|----------------------|

26(1)(d) METHODS AND TECHNIQUES

- | | | |
|-----|--|------------|
| 16. | The Permittee shall plug all boreholes as the land use operation progresses. | PLUG HOLES |
|-----|--|------------|

- | | | |
|-----|---|--------------------------|
| 17. | The Permittee shall not clear areas larger than identified in the accepted application. | MINIMIZE AREA
CLEARED |
|-----|---|--------------------------|

- | | | |
|-----|---|--|
| 18. | 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

- | | | |
|-----|---|---------------------|
| 19. | The Permittee shall locate all Sumps : | SUMPS FROM
WATER |
| | (a) at least one hundred (100) metres above the ordinary high water mark of any Watercourse , unless otherwise authorized by an Inspector ; and | |
| | (b) in a such a manner as to prevent the contents of the Sumps from entering any Watercourse . | |

- | | | |
|---|--|-----------------------------------|
| 20. | The Permittee shall place and mound all material previously excavated over the Sump area to ensure ponding does not occur. | BACKFILL SUMP |
| 21. | 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 | | |
| 22. | The Permittee shall, where flowing water from bore holes is encountered:

(a) plug the bore hole in such a manner as to permanently prevent any further outflow of water; and
(b) report the occurrence to an Inspector immediately. | PLUG ARTESIAN WELLS |
| 23. | Sediment/soil stockpiles shall be located above the ordinary high water mark, and stored, sloped and contained such that sediment does not enter any Watercourse . | WASTE MATERIAL PILES |
| 24. | The land use operation shall not cause obstruction to any natural drainage. | NATURAL DRAINAGE |
| 25. | The Permittee shall not cut any stream bank. | STREAM BANKS |
| 26. | The Permittee shall not use the bed of streams for access routes except for the purpose of crossing the streams. | STREAM BEDS – ACCESS |
| 27. | The Permittee shall construct dykes and diversion ditches as authorized by an Inspector . | DYKES/ DIVERSION |
| 28. | The Permittee shall implement sedimentation and erosion control measures as the land use operation progresses to prevent the entry of sediment into any Watercourse . Sedimentation and erosion control measures shall be inspected regularly and shall be repaired if damaged, or adjusted to maximize effectiveness in controlling erosion and sedimentation. | SEDIMENTATION AND EROSION CONTROL |
| 29. | The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface. | PREVENTION OF RUTTING |
| 26(1)(g) USE, STORAGE, HANDLING AND ULTIMATE DISPOSAL OF ANY CHEMICAL OR TOXIC MATERIAL | | |
| 30. | The Permittee shall not use chemicals in connection with the land use operation that were not identified in the accepted application. | APPROVAL OF CHEMICALS |
| 31. | The Permittee shall use drip pans, or other similar preventative measures, when refuelling equipment on site. | DRIP PANS |

- | | | |
|-----|--|--|
| 32. | The Permittee shall ensure that all Drill Waste is disposed of in such a manner that does not allow any harmful substances to enter any Watercourse . | DRILL WASTE
DISPOSAL |
| 33. | The Permittee shall dispose of Drill Waste in Sumps or in portable, impermeable containers such that Drill Waste does not enter any Watercourse . | DRILL WASTE
DISPOSAL |
| 34. | The Permittee shall contain any Drill Waste containing toxic or persistent chemical additives and remove that Drill Waste to an approved disposal facility. These activities shall be done in a manner acceptable to an Inspector . | DRILL WASTE
DISPOSAL |
| 35. | 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(1)(h) WILDLIFE AND FISHERIES HABITAT

- | | | |
|-----|---|------------------------|
| 36. | The Permittee shall minimize damage to wildlife and fish habitat in conducting this land use operation. | HABITAT DAMAGE |
| 37. | The Permittee shall not obstruct the movement of fish while conducting this land use operation. | FREE FISH
MOVEMENT |
| 38. | The Permittee shall construct and maintain the water intake using the DFO recommended 2.54 mm fine mesh size to prevent entrainment of fish. Other dimensions must follow DFO's <i>Freshwater Intake End-of-Pipe Fish Screen Guidelines</i> . | PREVENT
ENTRAINMENT |
| 39. | The Permittee shall minimize disturbance to and contact with caribou, migratory birds or their nesting areas, Peregrine Falcon (<i>anatum</i>), Yellow Rail, Short-eared Owl, and western toad. | SPECIES AT RISK |

26(1)(i) STORAGE, HANDLING AND DISPOSAL OF REFUSE OR SEWAGE

- | | | |
|-----|---|------------------------------|
| 40. | The Permittee shall dispose of all Sewage as described in the accepted application. | SEWAGE DISPOSAL |
| 41. | The Permittee shall burn all combustible garbage and debris, except plastics, daily, in a fuel-fired incinerator acceptable to an Inspector . | INCINERATION |
| 42. | The Permittee shall: <ul style="list-style-type: none"> (a) ensure that food and camp wastes remain inaccessible to wildlife at all times; and (b) use food handling and garbage disposal procedures that do not attract wildlife, including bears. | WILDLIFE / HUMAN
CONFLICT |

- | | | |
|-----|--|-----------------------------|
| 43. | The Permittee shall ensure that all hazardous wastes, including waste oil not used to power the incinerator, receive proper treatment and disposal at an approved facility. | HAZARDOUS
WASTE DISPOSAL |
| 44. | The Permittee shall dispose of all plastics and non-combustible solid garbage and debris such as scrap metal, wood and rubber at a disposal site or facility acceptable to an Inspector . | SOLID WASTE
DISPOSAL |

26(1)(j) PROTECTION OF HISTORICAL, ARCHAEOLOGICAL AND BURIAL SITES

- | | | |
|-----|--|------------------------------|
| 45. | The Permittee shall not operate any vehicle within thirty (30) metres of a known or suspected archaeological site. | OPERATE VEHICLE |
| 46. | The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site. | DISTURBANCE OF
SITE |
| 47. | The Permittee shall immediately cease any activity which disturbs an archaeological, historical, and/or burial site and contact the Board at (867) 669-0506 should an archaeological site or specimen be encountered or disturbed by any land use activity. | CONTACTS |
| 48. | The Permittee shall ensure that all persons working under authority of this Land Use 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

- | | | |
|-----|--|------------------------|
| 49. | The Permittee shall not feed wildlife. | NO FEEDING
WILDLIFE |
|-----|--|------------------------|

26(1)(l) SECURITY DEPOSIT

- | | | |
|-----|--|--|
| 50. | The Permittee shall be liable for any cost of damages over and above the amount of the security deposit. | LIABILITY FOR
DAMAGES |
| 51. | All costs to remediate the area under this Land Use Permit are the responsibility of the Permittee. | RESPONSIBILITY
FOR REMEDIATION
COSTS |

26(1)(m) FUEL STORAGE

- | | | |
|-----|---|----------------|
| 52. | The Permittee shall locate all temporary fuel caches: | FUEL BY STREAM |
| | (a) at least one hundred (100) metres above the ordinary high water mark of any Watercourse , unless otherwise authorized by an Inspector ; and | |
| | (b) in such a manner as to prevent any fuel from entering any Watercourse . | |

- | | | |
|-----|---|--|
| 53. | The Permittee shall not allow petroleum products to spread to surrounding lands or into any Watercourse . | FUEL CONTAINMENT |
| 54. | The Permittee shall during active operations:
(a) examine all fuel storage containers for leaks a minimum of once every day; and
(b) repair all leaks immediately. | CHECK FOR LEAKS |
| 55. | The Permittee shall seal all fuel and chemical container outlets except the outlet currently in use. | SEAL OUTLET |
| 56. | The Permittee shall ensure that all fuel caches have adequate secondary containment with an impervious liner acceptable to an Inspector . | FUEL CACHE
SECONDARY
CONTAINMENT |
| 57. | The Permittee shall line all Sumps dug to contain fuel-fed pumps or fuel containers with an impervious liner as approved by an Inspector . | SUMP LINING |
| 58. | The Permittee shall ensure that an appropriate spill contingency plan is in place at all times. | SPILL
CONTINGENCY
PLAN |
| 59. | The Permittee shall consistently maintain and have readily available spill kits, including shovels, barrels, sorbents, pumps, etc., at the site of operations at all times. | SPILL KITS |
| 60. | The Permittee may use the existing fuel in the tanks located within the main Tank Farm Facility located at the mine site but shall not add any new fuel to any of the tanks until the repairs listed in the letter from the Board to the Permittee dated January 11, 2006 under Water Licence MV2001L2-0003 are carried out. | USE OF DIESEL
FUEL |

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

- | | | |
|-----|---|-------------------------------|
| 61. | The Permittee shall dispose of all debris and brush by windrowing. All windrows of brush and debris shall be made to lie flat and compact by bucking the material into suitable lengths, lopping the branches from the stem, or crushing with heavy machinery, unless otherwise authorized by an Inspector . | BRUSH DISPOSAL |
| 62. | The Permittee shall progressively complete disposal of all debris and brush in a manner acceptable to an Inspector . | PROGRESSIVE
BRUSH DISPOSAL |

26(1)(o) RESTORATION OF THE LANDS

- | | | |
|-----|--|------------------------------------|
| 63. | The Permittee shall backfill and restore all Sumps progressively as operations proceed. | PROGRESSIVE
SUMP
RESTORATION |
|-----|--|------------------------------------|

64. The Permittee shall save the organic and top soils stripped from the excavation area and place the organic and top soils over the disturbed area prior to the expiry date of this Land Use Permit. SAVE AND PLACE ORGANIC SOIL

65. The Permittee shall commence and foster revegetation on the land used within one (1) year of the completion of the land use operation. RE-ESTABLISH VEGETATION

66. The Permittee shall complete all reclamation or stabilization of any lands used, including roads and drill pads constructed or used as part of the permitted undertakings, prior to the expiry date of this Land Use Permit in a manner acceptable to an **Inspector**. CLEAN-UP

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

67. The Permittee shall display a copy of this Land Use Permit in the camp used to carry out this land use operation. DISPLAY PERMIT

68. 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

69. The Permittee shall ensure that all persons working under the authority of the Land Use Permit are aware of and are appropriately trained to implement the conditions of this Land Use Permit and the Permittee's commitments made during the environmental assessment. NOTIFICATION TO ALL EMPLOYEES/ CONTRACTORS

70. The Permittee shall not remove any material from below the ordinary high water mark of any **Watercourse**. WORK WITHIN WATERCOURSES

June 9, 2006

DISTRIBUTION LIST by Fax**DEHCHO/ SOUTH SLAVE AREA****FIRST NATIONS**

Chief Fred Norwegian	TthedzehK'edeli First Nation (JMR)		867-809-2002 or 809-2071
Chief Berna Landry	Deh Gah Got'ie Dene Council (Ft Prov.)		867-699-3134
Chief Karen Felker	West Point First Nation (Hay River)	19	867-874-2486
Chief Roy Fabian	K'atlodeeche First Nation (Hay River)	20	867-874-3229
Chief Lloyd Chicot	Ka'a'gee Tu First Nation (Kakisa)	21	867-825-2002
Chief Gabe Hardisty	Pehdzeh Ki First Nation (Wrigley)	23	867-581-3229
Chief Keyna Norwegian	Liidlii Kue First Nation (Ft Simpson)	25	867-695-2665
Grand Chief Herb Norwegian	Dehcho First Nations	35	867-695-2038
Chief Eric Betsaka	Nahanni Butte First Nation	36	867-602-2910
Chief Harry Deneron	Acho Dene Koe First Nation (Fort Liard)	37	867-770-4144
Chief Dennis Deneron	Sambaa K'e Dene Band (Trout Lake)	38	867-206-2828

COMMUNITIES

Mayor Diana Ehman	Town of Hay River	16	867-874-3237
Mayor Raymond Michaud	Village of Fort Simpson	17	867-695-2005
Mayor Maggie Levavasseur	Hamlet of Fort Providence	18	867-699-3360
Mayor Winnie Cadioux	Enterprise Settlement Corporation	24	867-984-3400
Mayor Diane Gonet	Hamlet of Fort Liard	39	867-770-4004

ABORIGINAL ORGANIZATIONS

Laura Pitkanen	Dehcho Representative		705-756-4466
President Dana Cross	Hay River Metis Nation		867-874-6888
President Danny Beck	Hay River Métis Council		867-874-4472
President Marie Lafferty	Fort Simpson Metis Local #52		867-695-2040
President Albert Lafferty	Ft. Providence Metis Council Local #57		867-699-4319
Darren Campbell	Fort Providence Resource Management Board	27	867-699-3133
Chris Paci	Dene Nation	40	920-2254
Heidi Wiebe	Deh Cho Land Use Planning Committee	41	867-699-3166
President Ernie McLeod	Fort Liard Metis Local #67	42	867-770-3266
Frank Kotchea	Nahendeh Land & Environmental Services	43	867-770-4573
President Robert Tordiff	Northwest Territory Métis Nation	45	867-872-2772

GOVERNMENT

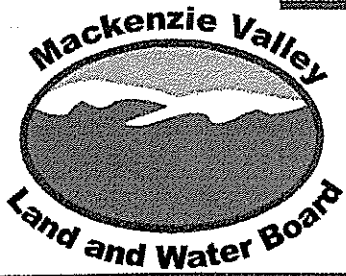
Ed Homby	South Mackenzie District Office	57	669-2720
Kathleen Racher	DIAND - Water Resources	58	669-2716
Mineral Development Advisor	Mineral Development Division	59	669-2705
Tom Andrews	GNWT - Prince of Wales Heritage Museum	60	873-0205
Jason McNeil	GNWT - ENR	63	873-4021
Duane Fleming	GNWT - Health	65	669-7517
Greg Brady	GNWT - ITI		873-0645
Mike Fournier	Environment Canada	66	873-8185
Josephine Simms	WCB	67	873-4596
Ernest Watson	DFO	68	669-4940

DISTRIBUTION LIST by Fax

DEHCHO/ SOUTH SLAVE AREA

OTHERS

Mandell Pinder, Barrister & Solicitors	(Ka'a'gee Tu First Nation)		604-681-0959
Doug Bryshon	Dev. Corp Mgr Sambaa K'e(Trout Lake)	44	867-874-4505
Peter Redvers	Research Cons. Sambaa K'e	44	867-874-4505
[if operation is near enter Chuck Blyth]	Nahanni National Park Reserve	46	867-695-2446
Katherine Cumming	Parks Canada	47	204-983-0031
Jennifer Morin	CPAWS	49	873-9593
Vern Christensen	MVEIRB	50	766-7074



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

FILE NUMBER: MV2001C0022

Date: June 12, 2006

To: Willard Hagen, Interim Chair

Organization: MVLWB

Fax Number: _____

From: Bob Wooley, Executive Director MVLWB

Number of pages including cover 11

Remarks:

The attached Board Meeting items have been reviewed and are attached for your signature.

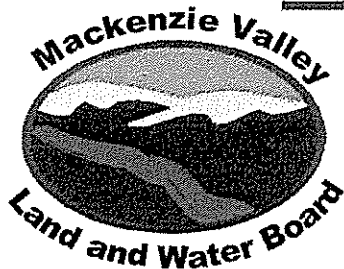
- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> Extension to LUP Type "A" | <input type="checkbox"/> Water License | <input type="checkbox"/> Enclosures |
| • Issuance Letter | • Cover Page | <input type="checkbox"/> As requested |
| • Land Use Permit Cover | • General Procedures | <input type="checkbox"/> For your information |
| • Conditions | • Scope and Definitions | <input type="checkbox"/> For your comment |
| • Distribution List | | <input type="checkbox"/> For your approval |
| <input type="checkbox"/> Letter: | <input type="checkbox"/> Final Clearance Letter | <input checked="" type="checkbox"/> For your action |
| <input type="checkbox"/> Reasons for Decision | <input type="checkbox"/> Approval Letter for Reports/ Plans | |
| <input type="checkbox"/> Approval Letter for Conditions | <input type="checkbox"/> Notification | |

Delivered by Date

Bob Wooley Jun 13/06
 Bob Wooley, Executive Director MVLWB Date:

- E-Mail Out _____
- Faxed Back _____

Note: The document accompanying this transmission contains confidential information intended for a specific individual and purpose. The information is private, and is legally protected by law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or the taking of any action in reference to the contents of this telecopied information is strictly prohibited. If you have received this communication in error, please notify the above person immediately by telephone and return the original to by regular mail to address above.



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

FILE NUMBER: MV2001C0022

Date: June 22, 2006

To: Mr. Alan Taylor

Organization: Canadian Zinc Corporation

Fax Number: (604) 688-2043

Copied To: Distribution List - attached - Distribution 5 pages

From: Janna for Meg McCluskie, Regulatory Officer

Number of pages including cover 13

Remarks:

- Extension to LUP MV2001C0022 – Phase II Drilling
- Enclosures
 - As requested
 - For your information
 - For your comment
 - For your action
 - For your approval

<u>Delivered by</u>	<u>Date</u>
<input checked="" type="checkbox"/> Mail	<u> </u>
<input type="checkbox"/> Courier	<u> </u>
<input type="checkbox"/> Hand Delivered	<u> </u>
<input checked="" type="checkbox"/> Fax	<u>June 22/06</u>

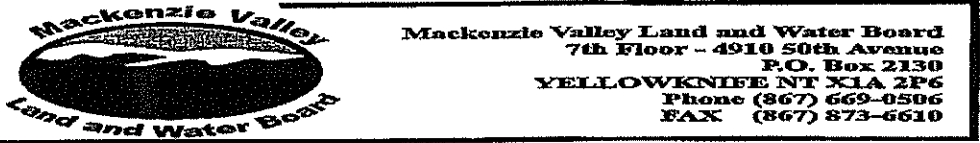
Note: The document accompanying this transmission contains confidential information intended for a specific individual and purpose. The information is private, and is legally protected by law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or the taking of any action in reference to the contents of this telecopied information is strictly prohibited. If you have received this communication in error, please notify the above person immediately by telephone and return the original to by regular mail to address above.

Confirmation Report - Memory Send

Page : 001
 Date & Time: 22-Jun-2006 16:05
 Line 1 : +8678736610
 Line 2 :
 Machine ID : MVLWB

Job number : 747
 Date : 22-Jun 14:03
 To : 16046882043
 Number of pages : 013
 Start time : 22-Jun 16:00
 End time : 22-Jun 16:05
 Pages sent : 013
 Status : OK

Job number : 747 *** SEND SUCCESSFUL ***



FILE NUMBER: MV2001C0022

Date: June 22, 2006
 To: Mr. Alan Taylor
 Organization: Canadian Zinc Corporation
 Fax Number: (604) 688-2043
 Copied To: Distribution List - attached
 From: Janna for Meg McCluskie, Regulatory Officer
 Number of pages including cover 13

Remarks:

Extension to LUP MV2001C0022 - Phase II Drilling

<input type="checkbox"/>	Enclosures	
<input type="checkbox"/>	As requested	
<input type="checkbox"/>	For your information	
<input type="checkbox"/>	For your comment	
<input checked="" type="checkbox"/>	For your action	
<input type="checkbox"/>	For your approval	
Delivered by		Date
<input checked="" type="checkbox"/>	Mail	
<input type="checkbox"/>	Courier	
<input type="checkbox"/>	Hand Delivered	
<input checked="" type="checkbox"/>	Fax	<u>June 22/06</u>

NOTE: The document accompanying this transmission contains confidential information intended for a specific individual and purpose. The information is private, and is legally protected by law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or the taking of any action in reliance on the contents of this telecopied information is strictly prohibited. If you have received this communication in error, please notify the above person immediately by telephone and return the original to by regular mail to address above.



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

FILE NUMBER: MV2001C0022

Date: June 22, 2006
To: Mr. Alan Taylor
Organization: Canadian Zinc Corporation
Fax Number: (604) 688-2043
Copied To: Distribution List - attached
From: Janna for Meg McCluskie, Regulatory Officer
Number of pages including cover 13

Remarks:

Extension to LUP MV2001C0022 - Phase II Drilling

- Enclosures
As requested
For your information
For your comment
For your action
For your approval

Table with 2 columns: Delivered by, Date. Includes entries for Mail, Courier, Hand Delivered, and Fax with dates.

Note: The document accompanying this transmission contains confidential information intended for a specific individual and purpose. The information is private, and is legally protected by law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or the taking of any action in reference to the contents of this telecopied information is strictly prohibited. If you have received this communication in error, please notify the above person immediately by telephone and return the original to by regular mail to address above.

Group Send Report

Page : 001
Date & Time: 22-Jun-2006 17:07
Line 1 : +8678736610
Line 2 :
Machine ID : MVLWB

Job number : 748
Date : 22-Jun 15:14
Number of pages : 004
Start time : 22-Jun 15:48
End time : 22-Jun 17:07
Successful nbrs.

One touch numbers

19	18678742486
20	18678743229
21	18678252002
23	18675813229
25	18676952665
35	18676952038
36	18676022910
37	18677704144
38	18672062828
16	18678743237
17	18676952005
24	18679843400
39	18677704004
27	18676993133
40	9202254
41	18676993166
43	18677704573
45	18678722772
57	6692720
58	6692716
59	6692705
60	8730205
63	8734021
65	6697517
66	8738185
67	8734596
68	6694940
44	18678744505
46	18676952446
47	12049830031
49	8739593
50	7667074

Fax numbers

☎18678092002
☎18676993134
☎17057564466

Group Send Report

Page : 002
Date & Time: 22-Jun-2006 17:07
Line 1 : +8678736610
Line 2 :
Machine ID : MVLWB

Successful nbrs.

☎18678744472
☎18676952040
☎18676994319
☎8730645
☎16046810959

Unsuccessful nbrs.

Pages sent

One touch numbers

18
42

18676993210
18677703266

Fax numbers

☎18678746888

000
000

000

} *Re faxed June 26/06*

Job number : 770

*** SEND FAILED ***



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

FILE NUMBER: MV2001C0022

Date: June 22, 2006
 To: Mr. Alan Taylor
 Organization: Canadian Zinc Corporation
 Fax Number: (604) 688-2043
 Copied To: Distribution List - attached - Distribution 5 pages
 From: Janna for Meg McCluskie, Regulatory Officer
 Number of pages including cover 13

Remarks:

Extension to LUP MV2001C0022 - Phase II Drilling

- Enclosures
- As requested
- For your information
- For your comment
- For your action
- For your approval

Delivered by	Date
<input checked="" type="checkbox"/> Mail	
<input type="checkbox"/> Courier	
<input type="checkbox"/> Hand Delivered	
<input checked="" type="checkbox"/> Fax	June 22/06

Note: The document accompanying this transmission contains confidential information intended for a specific individual and purpose. The information is private, and is legally protected by law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or the taking of any action in reference to the contents of this telecopied information is strictly prohibited. If you have received this communication in error, please notify the above person immediately by telephone and return the original to by regular mail to address above.

Group Send Report

Page : 001
Date & Time: 26-Jun-2006 08:51
Line 1 : +8678736610
Line 2 :
Machine ID : MVLWB

Job number : 770
Date : 26-Jun 08:12
Number of pages : 005
Start time : 26-Jun 08:35
End time : 26-Jun 08:51
Successful nbrs.

Unsuccessful nbrs.

Pages sent

One touch numbers

18
42

~~+8678993210~~ resent to (86) 699-3360 ✓
18677703266

000
000

Fax numbers

~~+8678746688~~

000

Confirmation Report - Memory Send

Page : 001
 Date & Time: 26-Jun-2006 13:03
 Line 1 : +8678736610
 Line 2 :
 Machine ID : MVLWB

Job number : 780
 Date : 26-Jun 12:59
 To : 18676993360
 Number of pages : 013
 Start time : 26-Jun 12:59
 End time : 26-Jun 13:03
 Pages sent : 013
 Status : OK

Job number : 780 *** SEND SUCCESSFUL ***



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

FILE NUMBER: MV2001C0022

Date: June 22, 2006
 To: Mr. Alan Taylor
 Organization: Canadian Zinc Corporation
 Fax Number: (604) 688-2043
 Copied To: Distribution List - attached - Distribution 5 pages
 From: Jenna for Meg McCluskie, Regulatory Officer
 Number of pages including cover 13

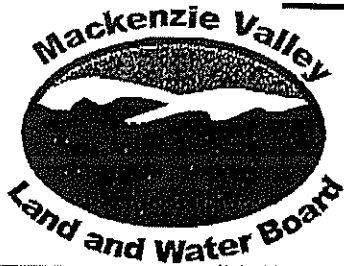
Remarks:

Extension to LUP MV2001C0022 - Phase II Drilling

- Enclosures
- As requested
- For your information
- For your comment
- For your action
- For your approval

<u>Delivered by</u>	<u>Date</u>
<input checked="" type="checkbox"/> Mail	_____
<input type="checkbox"/> Courier	_____
<input type="checkbox"/> Hand Delivered	_____
<input checked="" type="checkbox"/> Fax	<u>June 22/06</u>

Note: The document accompanying this transmission contains confidential information intended for a specific individual and purpose. The information is private, and is legally protected by law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or the taking of any action in reliance on the contents of this telecopied information is strictly prohibited. If you have received this communication in error, please notify the above person immediately by telephone and return the original to by regular mail to address above.



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

EA 0405-02
CZN Expansion

8(a)

FILE NUMBER: MV2001C0022
MV2004C0030

Date: June 1, 2004
To: Mr. Alan Taylor
Company: Canadian Zinc Corporation
Copied To: Vern Christensen, Executive Director, MVEIRB (50)
Fax Number: (604) 688-2043
From: Marilyn For Melody McLeod

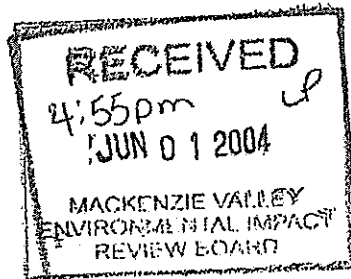
Number of pages including cover 11

Remarks:

Board Decision – Amendment Request
Mineral Exploration at Prairie Creek Mine

- Letter
- Preliminary Screening Report

- Enclosures
- As requested
- For your information
- For your comment
- For your approval



Delivered by **Date**

Mail _____

Courier _____

Hand _____

Delivered _____

Fax June 1, 2004
PA

Note: The document accompanying this transmission contains confidential information intended for a specific individual and purpose. The information is private, and is legally protected by law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or the taking of any action in reference to the contents of this telecopied information is strictly prohibited. If you have received this communication in error, please notify the above person immediately by telephone and return the original to by regular mail to address above.

**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

June 1, 2004

File: MV2001C0022
MV2004C0030

Mr. Alan Taylor
Canadian Zinc Corporation
Suite 1202 - 700 West Pender Street
VANCOUVER, BC V6C 1G8

Fax: (604) 688-2043

Dear Mr. Taylor:

**Board Decision – Amendment Request
Mineral Exploration at Prairie Creek Mine**

The Mackenzie Valley Land and Water Board (MVLWB) met on June 1, 2004 to deal with the aforementioned application. The decision was to refer the application to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) for an environmental assessment pursuant to Subsection 125(1) of the *Mackenzie Valley Resource Management Act*. Please note that the application is being referred to the MVEIRB as a new Land Use Permit and has been assigned file number MV2004C0030.

The application is being referred to the MVEIRB specifically due to public concern about the cumulative effects of this project on the South Nahanni Watershed. For further clarification, please see the attached reasons for decision and the preliminary screening report.

If you have any questions, contact Bob Wooley, Executive Director at (867) 669-0506 or email mvlwbpermit@mvlwb.com.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Melody J. McLeod".

Melody J. McLeod
Chair

Attachment

Copies to: Vern Christensen, MVEIRB
Charlene Coe for Ed Hornby, South Mackenzie District, DIAND,
Yellowknife
Herb Norwegian, Deh Cho First Nation
Chief Keyna Norwegian, Liidlii Kue First Nation

PRELIMINARY SCREENING REPORT FORM

PRELIMINARY SCREENER: MVLWB REFERENCE / FILE NUMBER: MV2001C0022 TITLE: Mineral Exploration, Prairie Creek Mine Site ORGANIZATION: Canadian Zinc Corporation MEETING DATE: June 1, 2004	EIRB REFERENCE NUMBER:
--	------------------------------

- Type of Development:
- New
 - Amend, EIRB Ref. #
 - Requires permit, license or authorization
 - Does not require permit, license or authorization

Project Summary

- (1) Operation Summary
 - Land based diamond drilling of up to 60 holes to further delineate the mineral resources on the Prairie Creek Property
 - Access to drill sites will be mainly by existing tote roads but short 20-30 metre access spurs may have to be constructed
 - Drilling will be conducted on existing drill pads or from new drill pads located adjacent to existing tote roads
 - The existing camps facilities at the Prairie Creek Mine will be used
 - Operation to be conducted during the summer months until November 29, 2006 when the LUP expires
- (2) Fuel
 - All fuels needed for the operation will be stored at the existing, fully bermed fuel tank farm facility at the Prairie Creek Mine site. Fuel will be transferred to equipment in small batches on an as needed basis by helicopter or pick up truck.
 - No fuel will be stored at each individual drill site or access spur site except within the fuel tanks in the equipment.
- (3) Equipment
 - 2 Longyear Super 38 drills or equivalent
 - 1 Cat front end loader
 - 1 Cat bulldozer
 - 1 Cat grader
 - 2 rock trucks
 - 3 pickup trucks

Scope

Conduct mineral exploration activity consisting of 50 to 60 diamond drill holes located throughout the Prairie Creek Mine property.

Coordinates: 61°33'N & 124°48'W.

Principal Activities (related to scoping)

- | | | |
|---------------------------------------|---|--|
| <input type="checkbox"/> Construction | <input checked="" type="checkbox"/> Exploration | <input type="checkbox"/> Decommissioning |
| <input type="checkbox"/> Installation | <input type="checkbox"/> Industrial | <input type="checkbox"/> Abandonment |
| <input type="checkbox"/> Maintenance | <input type="checkbox"/> Recreation | <input type="checkbox"/> Aerial |
| <input type="checkbox"/> Expansion | <input type="checkbox"/> Municipal | <input type="checkbox"/> Harvesting |
| <input type="checkbox"/> Operation | <input type="checkbox"/> Quarry | <input type="checkbox"/> Camp |
| <input type="checkbox"/> Repair | <input type="checkbox"/> Linear / Corridor | <input type="checkbox"/> Scientific/ |
| <input type="checkbox"/> Research | | <input type="checkbox"/> Solid Waste |
| <input type="checkbox"/> Water Intake | <input type="checkbox"/> Sewage | |
| <input type="checkbox"/> Other: | | |

Principal Development Components (related to scoping)

- | | |
|---|--|
| <input type="checkbox"/> Access Road | <input type="checkbox"/> Waste Management |
| <input type="checkbox"/> construction | <input type="checkbox"/> disposal of hazardous waste |
| <input type="checkbox"/> abandonment/removal | <input checked="" type="checkbox"/> waste generation |
| <input type="checkbox"/> modification e.g., widening, straightening | <input type="checkbox"/> Sewage |
| <input type="checkbox"/> Automobile, Aircraft or Vessel Movement | <input checked="" type="checkbox"/> disposal of sewage |
| <input type="checkbox"/> Blasting | <input type="checkbox"/> Geoscientific Sampling |
| <input type="checkbox"/> Building | <input type="checkbox"/> trenching |
| <input type="checkbox"/> Burning | <input checked="" type="checkbox"/> diamond drill |
| <input type="checkbox"/> Burying | <input type="checkbox"/> borehole core sampling |
| <input type="checkbox"/> Channeling | <input type="checkbox"/> bulk soil sampling |
| <input type="checkbox"/> Cut and Fill | <input type="checkbox"/> Gravel |
| <input type="checkbox"/> Cutting of Trees or Removal of Vegetation | <input type="checkbox"/> Hydrological Testing |
| <input type="checkbox"/> Dams and Impoundments | <input type="checkbox"/> Site Restoration |
| <input type="checkbox"/> construction | <input type="checkbox"/> fertilization |
| <input type="checkbox"/> abandonment/removal | <input type="checkbox"/> grubbing |

- modification
- Ditch Construction
- Drainage Alteration
- Drilling other than Geoscientific
- Ecological Surveys
- Excavation
- Explosive Storage
- Fuel Storage
- Topsoil, Overburden or Soil
 - fill
 - disposal
 - removal
 - storage

- planting/seeding
- reforestation
- scarify
- spraying
- recontouring
- Slashing and removal of vegetation
- Soil Testing
- Stream Crossing/Bridging
- Tunneling/Underground
- Road repair and access spur construction

NTS Topographic Map Sheet Numbers
95F10

Latitude / Longitude:
61°33' N; 124°48' W

Nearest Community and Water Body:
Community: Nahanni Butte
Water Body: Prairie Creek

Land Status (consultation information)

- Free Hold / Private
- Commissioners Land
- Federal Crown Land
- Municipal Land

Transboundary Implications

- British Columbia
- Nunavut
- Alberta
- Wood Buffalo National Park
- Saskatchewan
- Inuvialuit Settlement Region
- Yukon

Type of Transboundary Implication: Impact / Effect Development

Public Concern _____
(DESCRIBE)

PHYSICAL - CHEMICAL EFFECTS

IMPACT

1. Ground Water

- water table alteration
- water quality changes

- infiltration changes
- other
- N/A

MITIGATION

Drilling may penetrate a confined aquifer, resulting in artesian flow and a lowered potentiometric surface. Requiring the proponent to plug and permanently seal all drill holes where artesian flow is encountered should mitigate these effects.

Improper handling of drill wastes, fuels and garbage may result in toxic leachate reaching ground water through recharge areas. Requiring the proponent to use techniques that limit the volume of these substances that come into contact with soil or water, and techniques that reduce spill response times should help mitigate these effects.

The techniques to be used include: the use of a recirculating drill; the burning of all combustible garbage in a forced-air fuel fired incinerator; the use of drip pans at fuel transfer locations; and having readily available spill plans and kits, and personnel trained in the use of the kits on site. All spills are to be reported to the Spill Line.

IMPACT

2. Surface Water

- flow or level changes
- water quality changes

MITIGATION

The use of a recirculating drill will help reduce the volume of water required during drilling. Since exact drilling locations are not known, water sources are not yet known.

Improper handling of drill wastes, sewage and fuel may result in these substances entering surface waters. Drill waste contamination should be minimized by requiring the proponent to use a recirculating drill and to deposit all cuttings in a land based sump at least 100 m above the high water mark of any water body/course.

Sewage and greywater is to be deposited in the existing exfiltration sump on site which is currently permitted under MV2001C0022.

Hydrocarbon contamination should be minimized by locating fuel caches at least 100 m above the high water mark of a water body/course; by ensuring that all equipment crossing creeks is free of visible hydrocarbon residue; by checking the fuel containers every week for leaks; by having spill kits readily available at all drill and spur construction sites; and by using drip pans when refuelling equipment. The main fuel storage facility already permitted for use is fully bermed.

Using sumps will limit the aerial extent of possible contaminant source areas.

Sediments may enter water bodies/ courses through erosion of banks and hill slopes. To reduce erosion potential stream banks should not be cut; stream beds should not be used as access routes, erosion control structures should be installed where needed; and all disturbed areas should be recontoured/restabilized to conform to local topography.

- water quantity changes
- Drainage pattern changes
- temperature
- wetland changes / loss
- other:
- N/A

IMPACT**3. Noise**

- noise in/near water
- other: noise increase
- N/A

IMPACT**4. Land**

- geologic structure changes
- soil contamination
- buffer zone loss
- soil compaction & settling
- Destabilization / erosion
- permafrost regime alteration
- other: explosives/scarring
- N/A

IMPACT**5. Non Renewable Natural Resources**

- resource depletion

MITIGATION

All equipment to be used will generate noise. No mitigation but impact should be for short, intermittent periods of time.

MITIGATION

Fuel and chemical spills could contaminate soils. Having spill kits and spill contingencies in place, as well as training personnel to respond to such events, will speed up response times. This should help reduce the impacts of any spills.

Constructing new access spurs and drill pads may cause soil compaction in currently undisturbed areas. These effects will be minimized by using, wherever possible, the existing tote roads, drill pads, campsite and main fuel tank farm facility.

Drilling and operating equipment near or in streams may cause bank erosion and destabilization. To reduce erosion potential, stream banks should not be cut; stream beds should not be used as access routes; drilling and trail construction should be well above the high water mark of any water body/course; erosion control structures should be installed where needed; and all disturbed areas should be recontoured/restabilized to conform to local topography.

MITIGATION

No resources will be depleted during this operation but reviewers have stated concerns that this exploration may lead to mining of the mineral resources.

other. N/A**IMPACT**6. Air/Climate/
Atmosphere**MITIGATION** Other

Standard filters on the equipment will reduce emissions but overall no mitigation.

 N/A**BIOLOGICAL ENVIRONMENT****IMPACT**

1. Vegetation

MITIGATION species composition species introduction

The equipment has been only used at the Prairie Creek Mine site for a number of years; therefore, the probability of introducing new plant species to the site is low.

 toxin / heavy accumulation other: foliage damage

Fuel and chemical spills could damage plant foliage. Having spill kits and spill contingencies in place, as well as training personnel to respond to such events, will speed up response times and minimize any impacts.

All vegetation will be removed at the new access spur sites and possibly at the drill sites. No mitigation unless the disturbed areas are revegetated (naturally or by human effort). An A&R plan for LUP MV2001C0023 is currently being reviewed that will address these issues because the A&R Plan has to take into account the entire mine site.

 N/A**IMPACT**

2. Wildlife & Fish

MITIGATION effects on rare, threatened or endangered speciesReviewers have identified that the Prairie Creek watershed is important habitat for Grizzlies (listed as Special Concern under the *Species at Risk Act*) and Bull Trout (on COWSEWIC's Highest Priority Candidate List).

Disturbance to these species can only be minimized, not fully prevented but it should only be for a short period of time.

 fish population changes

Spawning grounds can be protected by prohibiting the use of steam beds as access routes and by requiring that access routes be constructed at least 30 metres from any stream, and by prohibiting drilling within 100 metres of the high water mark of any stream.

Covering all water in-takes with mesh will prevent the entrainment of fish.

 waterfowl population changes breeding disturbance population reduction species diversity change health changes
(Identify) behavioural changes

Wildlife may avoid the area during times of operation because of the noise and/or smells (exhaust, chemicals). No mitigation.

 habitat changes / effects

Parks Canada is concerned that this development will fragment continuous habitat areas. No mitigation but for the most part currently existing infrastructure will be used; therefore, further fragmentation of the landscape should be minimal.

The number and total area of new access spurs and drill pads that have to be constructed are unknown.

- game species effects
- toxins / heavy metals
- forestry changes
- agricultural changes
- other:

N/A
INTERACTING ENVIRONMENT

IMPACT

1. Habitat and Communities

- predator-prey
- wildlife habitat / ecosystem
- Composition changes
- reduction / removal of keystone or endangered species
- removal of wildlife corridor or buffer zone
- other:
- N/A

MITIGATION

Improper garbage handling may attract numerous predators to the area which will increase the pressure on prey species. Storing garbage in bear proof containers and burning garbage regularly will help mitigate this effect.

IMPACT

2. Social and Economic

- planning / zoning changes or conflicts
- increase in urban facilities or services use
- rental house
- airport operations / capacity changes
- human health hazard

MITIGATION

impair the recreational use of water or aesthetic quality

Reviewers and the public have raised concerns that development in the Prairie Creek watershed destroys the pristine nature of the whole South Nahanni Watershed, the location of the Nahanni National Park Reserve.

Canadian Zinc Corporation is in good standing with the Recorder's Office and has the legal right to work the claims and leases listed in the application.

affect water use for other purposes

affect other land use operations

quality of life changes

public concern

There is much concern regarding the cumulative effects of this operation on the downstream environment, including the Nahanni National Park Reserve, and the Prairie Creek watershed as a whole. More in-depth studies may be needed to determine these cumulative effects.

other:

N/A

IMPACT
3. Cultural and Heritage

MITIGATION

effects to historic property

increased economic pressure on historic properties

change to or loss of historic resources

change to or loss of archaeological resources

increased pressure on archaeological sites

change to or loss of aesthetically important site

effects to aboriginal lifestyle

other:

The area covered by two of Canadian Zinc's Mining Leases (2931 and 2854) was withdrawn under the Deh Cho Interim Measures Agreement, and as reported by Parks Canada, these lands are being considered for the expansion of the Nahanni National Park Reserve. These Leases were recorded prior to the withdrawal; therefore, Canadian Zinc has the legal right to work these leases.

N/A

NOTES:

Consultation

- Pursuant to Section 27 Subsections (a) and (b) of the Deh Cho First Nations (DCFN) Interim Measures Agreement, the MVLWB determined that written notice was given to the DCFN and that a reasonable period of time was allowed for DCFN to make representations with respect to the application.

PRELIMINARY SCREENER / REFERRING BODY INFORMATION

	RA or DRA	ADVICE	PERMIT REQUIRED
Federal/Territorial			
Environment Canada	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fisheries and Oceans	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Indian and Northern Affairs Canada	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Canadian Heritage (Parks Canada)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
National Energy Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Natural Resources Canada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public Works and Gov't Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transport Canada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Northern Oil and Gas Directorate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Canadian Nuclear Safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Industry Canada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Canadian Transportation Agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
National Defence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GNWT - RWED	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GNWT - MACA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GNWT - Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GNWT - Health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Prince of Wales Heritage Center	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MVEIRB	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other			
Canadian Parks and Wilderness Society	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Terra Firma Consultants	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Aboriginal / First Nations -Deh Cho			
Deh Cho First Nations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Liidlii Kue First Nation (Ft Simpson)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Deh Gah Gollie Dene Council (Ft Prov.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Acho Dene Koe First Nation (Fort Liard)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Nahanni Butte First Nation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pehdzeh Ki First Nation (Wrigley)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
T'hadzehK'adeli First Nation (JMR)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ka'a'gee Tu First Nation (Kakisa)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sambaa K'e Dene Band (Trout Lake)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
K'atlodeeche First Nation (Hay River)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
West Point First Nations (Hay River)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hamlet of Fort Providence	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hamlet of Fort Liard	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village of Fort Simpson	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town of Hay River	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Enterprise Settlement Corporation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dene Nation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hay River Metis Nation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hay River Metis Council	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fort Liard Metis Local #67	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fort Providence Metis Council	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fort Simpson Metis Local #52	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Northwest Territory Metis Nation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Nahendeh Land and Environmental Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Development Corporation Manger, Sambaa K'e	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Research Cons., Sambaa K'e	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mandell Plnder, Barristers & Solicitors, Ka'a'gee Tu First Nation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
North Slave			
Dogrib Treaty 11 Council	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dogrib Rae Band	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wha Ti First Nation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dechi Laot'i Council (Wekweti)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Garneti First Nation (Rae Lakes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lutselk'e Dene First Nation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yellowknives Dene First Nation (Ndilo)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yellowknives Dene First Nation (Dettah)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rea-Edzo Metis Local #64	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
North Slave Metis Alliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamlet of Rae Edzo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Charter Community of Wha Ti	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
City of Yellowknife	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REASONS FOR DECISION

DECISION:

The Mackenzie Valley Land and Water Board (The Board) is satisfied that the preliminary screening of application MV2001C0022, Canadian Zinc Corporation, Amendment request has been completed in accordance with Section 125 of the *Mackenzie Valley Resource Management Act*.

The Board is satisfied that a reasonable period of notice was given to Communities and First Nations affected by the application as required by Subsection 63(2) of the *MVRMA* so that they could provide comments to the Board.

Having reviewed all relevant evidence on the Public Registry, including the submissions of the Applicant, the written comments received by the Board and any staff reports prepared for the Board, the Board has decided that in its opinion that there is significant public concern regarding the proposed development.

As a result, the Board, having due regard to the facts and circumstances, the merits of the submissions made to it, and to the purpose, scope and intent of the *Mackenzie Valley Resource Management Act* and the Mackenzie Valley Land Use Regulations has decided that this Land Use Permit be referred to the MVEIRB for Environmental Assessment.

PRELIMINARY SCREENING DECISION	
<input checked="" type="checkbox"/>	Outside Local Government Boundaries
<input type="checkbox"/>	The development proposal might have a significant adverse impact on the environment, refer it to the EIRB.
<input checked="" type="checkbox"/>	Proceed with regulatory process and/or implementation.
<input checked="" type="checkbox"/>	The development proposal might have public concern, refer it to the EIRB.
<input type="checkbox"/>	Proceed with regulatory process and/or implementation.
<input type="checkbox"/>	Wholly within Local Government Boundaries
<input type="checkbox"/>	The development proposal is likely to have a significant adverse impact on air, water or renewable resources, refer it to the EIRB.
<input type="checkbox"/>	Proceed with regulatory process and/or implementation.
<input type="checkbox"/>	The development proposal might have public concern, refer it to the EIRB.
<input type="checkbox"/>	Proceed with regulatory process and/or implementation.

Preliminary Screening Organization

Mackenzie Valley Land and Water Board

June 1, 2004

Signatures



a(b)

April 20, 2004

Mackenzie Valley Land and Water Board
7th Floor, 4910-50th Avenue,
Yellowknife, NT
X1A 2P6

Attention: Sarah Baines, Regulatory Officer

Dear Sarah:

Re: Request for Amendment to LUP MV2001C0022, Prairie Creek NT.

Canadian Zinc Corporation hereby submits a request for an Amendment to LUP MV2001C0022, specifically with reference to the Condition in Part C, Section 1, to include all lands within the Prairie Creek Property, as described in the attached Application.

Reasons for Amendment

The recent issuance of Land Use Permit MV2001C0023 for underground work coupled with market conditions, and investor interest has directed the Company to place additional emphasis on further exploration diamond drilling in other areas of the Prairie Creek Property.

Permit Background

The original application for a Land Use Permit to support a 60-70 drill hole program at the Prairie Creek property was accepted by your Board March 7, 2001. Supporting documentation accompanying the application included a Project Description Report dated February 28, 2001. The application was referred to EA on April 11, 2001 and the review process was completed which resulted in LUP MV2001C0022 dated November 8, 2001 being issued to the Company.

Nature of Amendment

The company wishes to carry out diamond drill operations in a similar manner to that described in the existing license except the area of interest needs to expand to include other areas of the Prairie Creek Property. The drilling program would be carried out utilizing existing and appropriate drill and heavy equipment.

The Company is confident that the environmental and socio/cultural implications of this requested amendment remain negligible and consistent with predictions presented in the original Project Description Report filed with the Mackenzie Valley Land and Water Board, as well as the Report of Environmental Assessment prepared by the Mackenzie Valley Environmental Impact Review Board.

Your prompt attention to this application would be much appreciated and if you have any questions please contact me immediately.

Yours truly,

Alan B. Taylor
Vice President Exploration

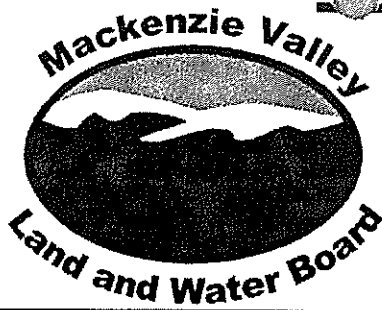
****via fax 867-873-6610 and email****
Mackenzie Valley Land & Water Board

File

APR 23 2004

Application # MV2001C0022

Copied To PLM/SB Reg



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

Application for:

New Land Use Permit

Amendment

MV2001C0022

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 Field supervisor: Mr. Alan Taylor Satellite telephone: 1-600-700-2454 Satellite fax: 1-600-700-9209	Fax number: As above
	Telephone number: As above
3. Other personnel (subcontractor, contractors, company staff etc.) TOTAL: To be determined. Est. 14 (Number of persons on site)	
4. Eligibility: (Refer to section 18 of the <i>Mackenzie Valley Land Use Regulations</i>) a)(i) <input checked="" type="checkbox"/> a)(ii) <input type="checkbox"/> a)(iii) <input type="checkbox"/> b)(i) <input type="checkbox"/> b)(ii) <input type="checkbox"/>	
5. a) Summary of operation (Describe purpose, nature and location of all activities.) As part of the ongoing process of establishing, confirming and enhancing the known mineral resource at the Prairic Creek property, Canadian Zinc proposes to conduct an additional surface mineral exploration drilling program, to follow up on the 6-7 hole Phase I program applied for on July 28, 2000. The main objective of the proposed drilling exploration program is to further delineate the area of vein and stratabound mineralization that makes up the known mineral resource in Zone 3 where the majority of exploration work has been conducted to date. The program is designed to provide the additional degree of confidence in the geological database necessary to upgrade the existing 11.8 million tonne mineral resource to mineral reserve status through the application of geostatistical modeling. As a result, proposed holes are located between and in close proximity to existing holes in order to provide in-fill drilling on a closer spaced grid. Subject to available funding, the program is expected to entail drilling of 50 - 60 holes of up to 500 metres each in length for a total of up to 25,000 to 30,000 metres of recovered core. The area proposed for investigation includes other areas of the Prairic Creek Property that are registered to Canadian Zinc Corporation including Mining Leases and Mineral Claims as described further in the original Project Description Report. Access to the drill sites will be via the network of existing tote roads. 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 be based in and serviced from the existing facilities at the Prairic Creek Mine. No new camp will be set up.	

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 that being the boundaries of the existing mining leases and claims. New surface disturbance will be restricted to the immediate area of each drill pad. To the extent practical drilling will be conducted from existing pads or from new pads constructed immediately adjacent to existing tote roads. Where new road access is required, distances are expected to be minimal, typically in the order of a few to 20 -30 m in length.

A total of some 249 holes have been drilled on the property to date. An application to drill an additional 6-7 holes was made on July 28, 2001. An Environmental Assessment Report on this Phase I drilling program was submitted to the MVEIRB on January 26, 2001. A detailed Project Description Report summarizing potential impacts has been prepared and submitted in support of this application for the Phase II program. Upon completion of the two programs the total number of holes drilled on the property will be in the range of 300 to 320.

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

The area of the proposed development is within the area of traditional mining activity. Depending on the results of the exploration program these areas are expected to be subject to ongoing activity associated with further exploration and mine development. Accordingly, final reclamation and abandonment of these sites is not proposed at this time.

The proposed drilling program will entail minimal disturbance of surficial materials. All proposed drill locations are in close proximity to existing exploration tote roads which will minimize disturbance relating to the establishment of roads and drill sites. To the extent practical drilling will be conducted from existing pads or from new pads constructed immediately adjacent to existing tote roads, again to minimize surface disturbance. Where required, extensions to existing tote roads will be kept to a minimum, typically only from a few up to 10 or 20 metres. The drill pads will be prepared only large enough to accommodate and position the approximate 7m x 4m drill rig.

Where clearing is required to create short extensions, or spurs, from existing tote roads, or the drill pads themselves, surficial materials will be stripped and stockpiled adjacent to the area. Any trees which require clearing will be bucked into 1.5 metre lengths. When all drilling is complete, cut banks will be re-contoured to conform to the local topography and stabilized, and stockpile surficial materials will be back bladed over the disturbed areas.

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

Mining Lease 2932, 2931, 2854, 2933, 3315, 3338, Mineral Claims F67134, F67135, F67136, F67137 and Surface Lease 95F10/10-5-3.

No new roads required, only access spurs to drill pads from existing roads.

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

9. Proposed disposal methods.

- | | |
|---|--|
| a) Garbage: Prairic Creek refuse site | c) Brush & trees: NA |
| b) Sewage (Sanitary & Grey Water):
Exfiltration sump | d) Overburden (Organic soils, waste material, etc.):
To be stockpiled adjacent to drill pad |

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

Type & number	Size	Proposed use
2 Longyear Super 38 or equivalent	4m(w)x 7m(l) x 8m(h) - 350 GMC diesel	Core Drilling
1 Cat front end loader	966	Road maintenance
1 Cat bulldozer	D8	Road Maintenance
1 Cat grader	14G	Road Maintenance

2 rock trucks	Volvo 5350	Road Maintenance
3 Pick up trucks	¾ ton	Personnel transport

11. Fuels	()	Number of containers	Capacity of containers	Location
Diesel		4	1.7 million litres ea	Existing Tank Farm
		2	1200 litres	Drill Rigs
		5	400 - 1200 litres	Mobile equipment
Gasoline		2	20,000 litres ea	Existing Tank Farm
		3	150 litres ea	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: 6 months

Period of operation: June 1 - October 31, 2004

15. Period of permit (up to five years, with maximum of two years of extension).

5 years: Additional exploration drilling will be conducted 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

Alan B. Taylor, VP Exploration

Signature: *Original Signed By:* Alan B. Taylor 

Date: April 20, 2004

18. Fees

Type A - \$150.00

Type B - \$150.00

Land use fee: _____ hectares @ \$50.00/hectare \$ _____

Assignment fee \$50.00

\$ _____ 0.00

Total application and land use fees

\$ 150.00