March 21, 2011

Mackenzie Valley Environmental Impact Review Board
#200 Scotia Centre
5102-50th Avenue
Yellowknife, NT
X1A 2N7

RE: Fisheries and Oceans Canada – Request for Focused Technical Sessions - Canadian Zinc Corporation’s proposed Prairie Creek Mine Project

Fisheries and Oceans Canada (DFO) has reviewed Canadian Zinc Corporation’s (CZN) responses to the second round of information requests (IR) and would like to provide the Review Board with the following comments and recommendations.

In order for DFO to review a development proposal and to ensure the adequate protection of fish and fish habitat in accordance with the Fisheries Act, we require that proponents provide sufficient details as it relates to works or undertakings in or near aquatic environments and riparian areas. DFO encourages proponents to contact us as early as possible in the planning process, preferably before entering the environmental assessment (EA), to discuss how to prevent or reduce potential impacts to fish and fish habitat. Where impacts can not be avoided, through relocation or redesign, DFO will consider if an Authorization under the Fisheries Act is appropriate. DFO will not make any decisions under the Fisheries Act until such time as an environmental assessment has been completed and where specific mitigation measures, and effective compensation plans and monitoring have been considered.

As stated in our latest IR (DFO_2-3), CZN must address concerns, including those raised by other parties, related to downstream impacts and water quality before DFO will consider authorizing a particular outfall option. Throughout the EA, CZN has proposed a few different outfall options; a diffuser in the Developer’s Assessment Report, an outfall pipe into Prairie Creek during the technical sessions and finally an exfiltration system as part of this latest submission. In our initial review of the exfiltration system, it is our opinion that this option will likely require an Authorization under the Fisheries Act and a draft compensation plan during the EA. DFO also notes that CZN has provided a substantial amount of new technical information as part of this IR response and most of which relates to water management and water quality. Since mine site water quality was identified as a “Key Line of Inquiry” for this environmental assessment, DFO feels that additional technical discussions between the proponent and parties are warranted.

DFO also requires clarification from CZN on the following matters prior to the submission of our technical reports:

- Sediment and erosion control and monitoring along the access road and at stream crossing locations
- Water withdrawal (appropriate sources, access, impacts, contingencies)
- Access to borrow sites
CZN was also requested to provide a compilation of commitments made during the course of this environmental assessment by March 23rd, 2011. DFO looks forward to receiving this information, as it will greatly assist us in the drafting of our technical submissions.

DFO would like to thank the Review Board in advance for considering our request for additional time for topic-specific technical sessions for parties to discuss and hopefully resolve any outstanding concerns in advance of technical report submissions and the public hearing. If you have any questions, please do not hesitate to contact Sarah Olivier at (867) 669-4919, by fax (867) 669-4940, or email at Sarah.Olivier@dfo-mpo.gc.ca.

Sincerely,

[Signature]

Beverley Ross
Regional Manager, Environmental Assessment for Major Projects
Central and Arctic Region
Fisheries and Oceans Canada

cc  Mike Hecimovich, Fisheries and Oceans Canada
    Kelly Burke, Fisheries and Oceans Canada
    Lorraine Sawdon, Fisheries and Oceans Canada