Aug. 8, 2008

Our File: 4780 006

Richard Edjericon,
Chairperson
Mackenzie Valley Environmental Impact Review Board
P.O. Box 938,
Yellowknife, NT X1A 2N7
By Email & Facsimile: 766-7074

Mackenzie Valley Land and Water Board
P.O. Box 2130
7th Floor - 4910 - 50 Ave.
Yellowknife, NT X1A 2P6
By Email & Facsimile: 873-6610

Attention: Tyree Mullaney

Re: Canadian Zinc Corporation – Applications for Land Use Permits
   MV2008T0012, MV2008T0013 & MV2008D0014 and Water Licence
   MV2008L2-0002 – Prairie Creek Mine Project

The Department of Fisheries and Oceans (DFO) and Environment Canada (EC) have reviewed the above applications, and provide the following advice pursuant to Section 22 of the Mackenzie Valley Resource Management Act. DFO's contribution to the request for specialist advice is based primarily on the mandated responsibilities under the Fisheries Act; Environment Canada's contribution is based primarily on the mandated responsibilities for the enforcement of Section 36(3) of the Fisheries Act, the Canadian Environmental Protection Act, the Species at Risk Act, and the Migratory Birds Convention Act.

Canadian Zinc Corp. (CZN) is proposing to mine approximately 5.8 million tonnes of ore over a 14 year mine life, using underground mining techniques with production rates of 600-1200 tonnes/day. Ore will be milled using the existing infrastructure, with concentrates trucked off-site via winter road. Tailings will be backfilled underground, and waste rock will be placed in a pile in the Harrison Creek valley.
As Responsible Ministers contributing to the preliminary screening of the applications, DFO and Environment Canada are of the opinion that the above noted project “might have significant adverse impacts on the environment” and, therefore, request that an environmental assessment of the Prairie Creek Mine Project proposal be conducted. We have identified a number of technical and environmental aspects of the proposed Project which should be assessed. These include:

- Water management and treatment;
- Viability of 100% disposal of tailings underground as paste backfill;
- Disposal of waste rock adjacent to Harrison Creek, regarding stability and potential for impingement on fish habitat;
- Waste management plans;
- Development of complete site closure and reclamation plans, and identification of an appropriate security deposit.
- Presence of SARA-listed species in the area (grizzly bears, wolverine, peregrine falcons, woodland caribou, wood bison) and the potential for effects on these species and their habitat needs to be assessed.

Please do not hesitate to contact Anne Wilson (EC) at (867) 669-4735 or by email at anne.wilson@ec.gc.ca or Sheena Majewski (DFO) at (867) 669-4926 or by email at sheena.majewski@dfo-mpo.gc.ca with any questions or comments with regards to the foregoing.

Yours truly,

Anne Wilson      Sheena Majewski
Water Pollution Specialist    Habitat Biologist
Environmental Protection Operations Division    Fish Habitat Management
Environment Canada    Fisheries and Oceans Canada

cc:  Carey Ogilvie (Head, EA-North, EPOD)
     Mike Fournier (Coordinator, EA, EPO)
     Myra Robertson (CWS)
     Derrick Moggy (Team Leader, Habitat, DFO)
     Sarah Olivier (Coordinator, EA, DFO)