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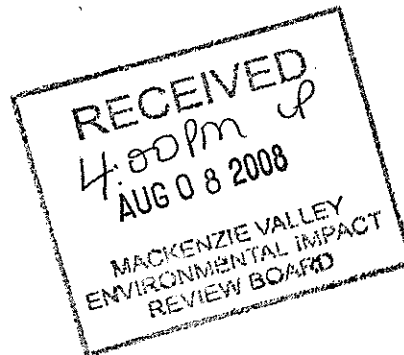
Name - Nom: Vern Christensen, Executive Director
Mackenzie Valley Environmental Impact Review Board

Facsimile no. - No de télécopieur: (867) 766-7074, Telephone no. - N° de téléphone

Attached please find correspondence to Vern Christensen, Executive Director, MVEIRB from Trish McCreesh-McCreodi, Regional Director General, Indian and Northern Affairs Canada regarding Canadian Zinc Corporation's Water License and Land Use Permit Applications for Prairic Creek.

If you have difficulty with this transmission, please contact our office.

Thank you
Deanne





Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

Box 1500
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August 8, 2008

MVLWB File Number: MV2008L2-0002, MV2008D0014, MV2008T0012, MV2008T0013

Mr Vern Christensen
Executive Director
Mackenzie Valley Environmental Impact Review Board
P.O. BOX 938
YELLOWKNIFE NT X1A 2P1

Re: Canadian Zinc Corporation's Water License and Land Use Permit Applications for Prairie Creek (MV2008L2-0002, MV2008D0014, MV2008T0012, MV2008T0013)

Dear Mr. Christensen:

In reviewing the applications, INAC recognizes that Canadian Zinc is proposing several changes of use and additions to the existing in-place infrastructure at the Prairie Creek mine site constructed in 1982. In particular, we noted the changes to subsurface tailings disposal, use of the original surface tailings pond as a water management facility, waste rock management plans, sewage treatment plant, and power plant upgrade plans. It is the department's view that these changes should be examined through the environmental assessment process, taking into account information generated through previous environmental assessments related to this mine site.

In addition, the Nahanni Butte Dene Band has written to Indian and Northern Affairs Canada (INAC) stating that, in their opinion, this project could have an adverse impact on the environment of the Nahanni Butte Dene's traditional territory. The Nahanni Butte Dene Band requests that Canada refer the proposed development to environmental assessment as per Article 12 of the *Settlement Agreement* between the Deh Cho First Nations and the Government of Canada dated July 8, 2005.

Therefore, Indian and Northern Affairs Canada, as per Section 126(2)(a) of the *Mackenzie Valley Resource Management Act*, refers Canadian Zinc Corporation's Water License and Land Use Permit Applications for Prairie Creek MV2008L2-0002, MV2008D0014, MV2008T0012, MV2008T0013 to an environmental assessment.

INAC supports responsible economic development within a sound regulatory regime in the Northwest Territories. In the case of the Prairie Creek mine site, Canada has several responsibilities: as manager of Crown subsurface rights in the Northwest Territories, to protect Canadian Zinc's existing mineral rights and ensure access for the lawful exercise of those rights, to ensure that land and water are protected, and to assist in ensuring that the Crown's Section 35 legal duty to consult with Aboriginal peoples is met.

If you have any questions about the above, please contact Mr. David Livingstone, Director Renewable Resources and Environment, at 669-2647.

Sincerely,



Trish Merrithew-Mercredi
Regional Director General
Northwest Territories

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