

Minister of Indian Affairs  
and Northern Development

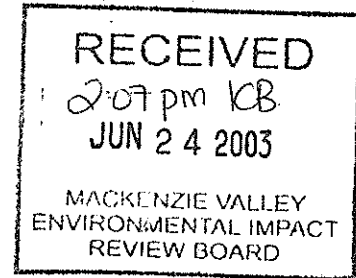


Ministre des Affaires  
indiennes et du Nord canadien

Ottawa, Canada K1A 0H4

File

JUN 17 2003



Mr. Malcolm J. Swallow  
President and CEO  
Canadian Zinc Corporation  
700 West Pender Street, Suite 1202  
VANCOUVER BC V6C 1G8

Dear Mr. Swallow:

This is in response to your letter of May 13, 2003, expressing your concerns regarding the assessment and regulatory processes related to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) Application to operate a Pilot plant and excavate an exploration decline.

As I noted in my previous response to you in September 2002, the ministerial decision process with respect to Board reports is a collaborative one which involves the department and those of other federal and territorial Ministers. In this case, the report in question was released by the Review Board on April 4, 2003, and has been under review by the various Ministries since that time.

The review of the report by the federal and territorial departments is now complete and a decision will be made shortly.

Regional officials in Yellowknife are very much aware of the need to respond quickly to the MVEIRB reports. In August 2002, they initiated a co-ordinated review to develop a process which would eliminate unnecessary delays. I expect this work to conclude shortly with an agreement on a protocol which will result in a much more efficient assessment report of the review process.

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I trust that this response will be of assistance and I encourage you to maintain your contact with Mr. David Livingstone, Director, Renewable Resources and Environment in Yellowknife on this matter.

Yours sincerely,

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ORIGINAL SIGNÉ PAR  
ROBERT D. NAULT

Robert D. Nault, PC, MP

c.c.: Mr. Todd Burlingame

COPY WITH REGISTRY  
COPELAND REGISTRY**CANADIAN ZINC**  
CORPORATIONMay 13<sup>th</sup> 2003

Hon. Robert Nault, P.C., M.P.  
Minister of Indian Affairs and Northern Development  
10 Wellington Street, North Tower  
Hull, Quebec  
K1A 0H4

By fax: 1-613-996-1759  
1-819-953-4941

2003-05-13 P01:47

Dear Minister Nault:

**Re: Mackenzie Valley Environmental Impact Review Board  
Application to operate a Pilot plant and excavate an exploration decline:  
(MV 2001 COO23, MV2001L2-0003) – Mar 5, 2001**

As I am sure you are aware, we first applied for these simple permits in March 2001, over 800 days ago. We now understand that these permits have now received approval from the MVEIRB for the second time, having already been approved once in 2002, only, after eight months consideration by the "responsible Ministers" under the guidance of your department, to be subsequently returned to the MVEIRB for re-consideration.

In April this year, the MVEIRB once again recommended that "subject to suitable safeguards" these advanced exploration projects should proceed and passed the file back to your office for consideration by your department and the "Responsible Ministers." No firm timetable has been set for this action. Typically this would normally be expected to take 14 days, which period is long passed.

All attempts through the MVEIRB and the MVLWB to find out what the likely timetable for issuance of these permits has so far proved fruitless. We are a single project company with a project that is ready to go and will add significant value to the North and the Deh Cho region. Can you please arrange the speedy granting of these permits, such that we can arrange a work program for this summer season. Without a realistic and dependable timetable for action by the permitting authorities and INAC, it is impossible to either fund or support development in the NWT.

Yours very truly,  
**CANADIAN ZINC CORPORATION**

Malcolm J. A. Swallow  
President & CEO

cc: Bob Overvold - Regional Director General, DIAND (Fax: 1-867-669-2703)  
Mackenzie Valley Land and Water Board (Fax: 1-867-873-6610)  
Mackenzie Valley Environmental Impact Review Board (Fax: 1-867-766-7074)  
Hon. Jim Antoine – Minister of RWED, GNWT (Fax: 1-867-873-0306)  
Nahanni Butte Dene Band (Fax: 1-867-602-2910)