

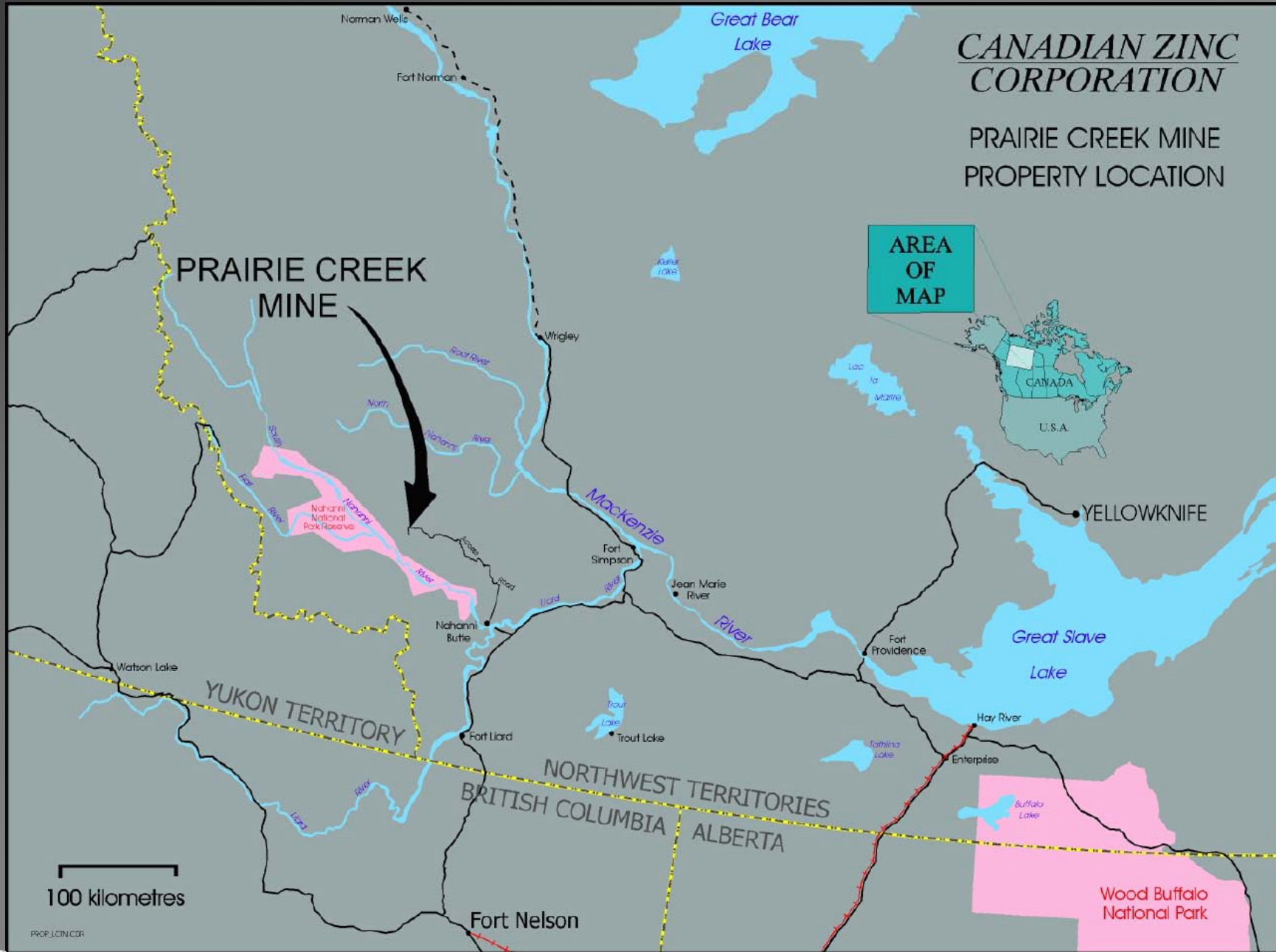
CANADIAN ZINC CORPORATION

**PHASE 3 SURFACE DRILLING EXPLORATION
PROGRAM**

**MVLWB LUP MV2004C0030
MVEIRB EA 0405-02**

CANADIAN ZINC CORPORATION

PRAIRIE CREEK MINE PROPERTY LOCATION





100 kilometres

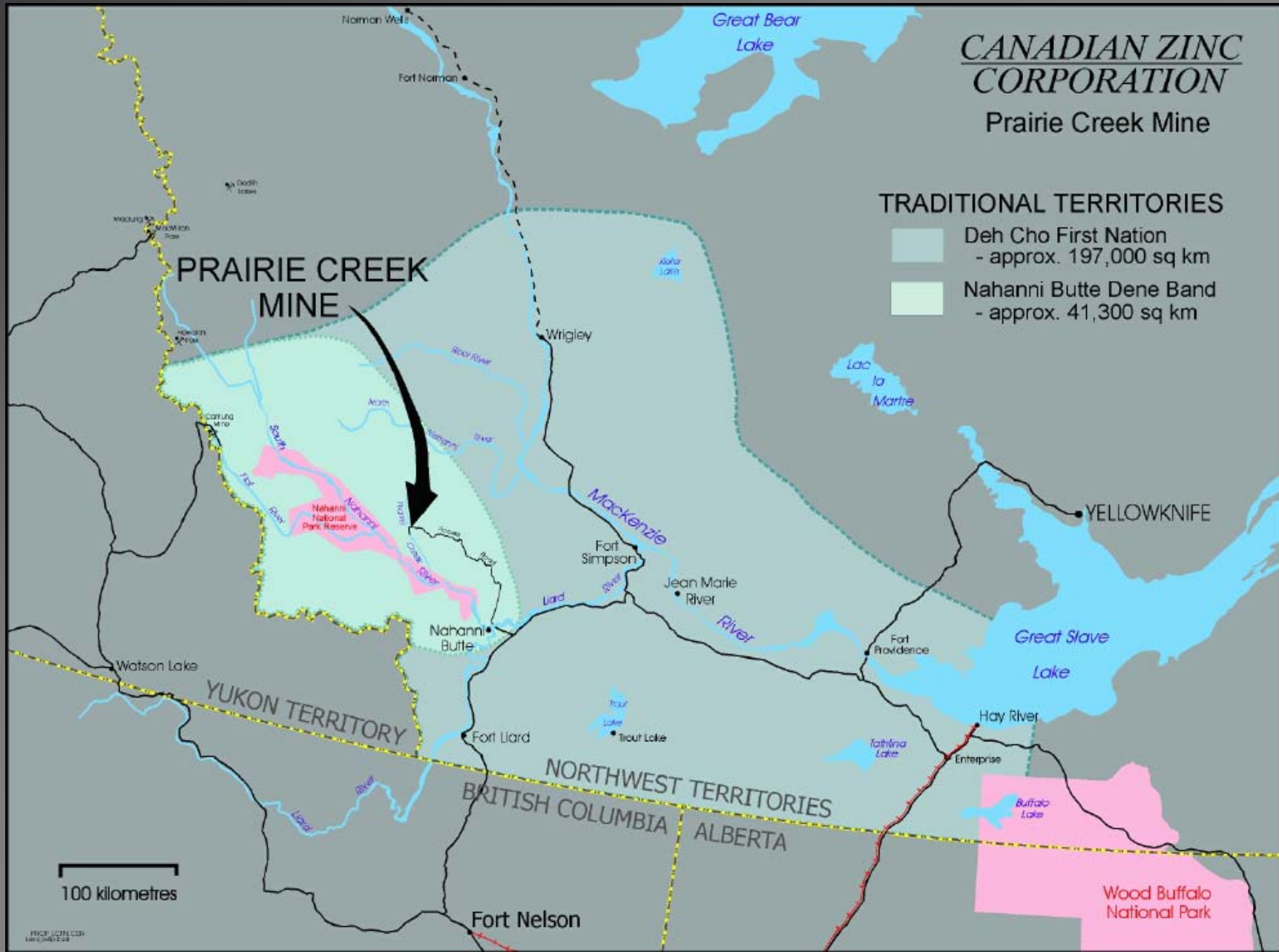
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CANADIAN ZINC CORPORATION

Prairie Creek Mine

TRADITIONAL TERRITORIES

-  Deh Cho First Nation
- approx. 197,000 sq km
-  Nahanni Butte Dene Band
- approx. 41,300 sq km



100 kilometres



History of Permitting Activity – Prairie Creek Mine

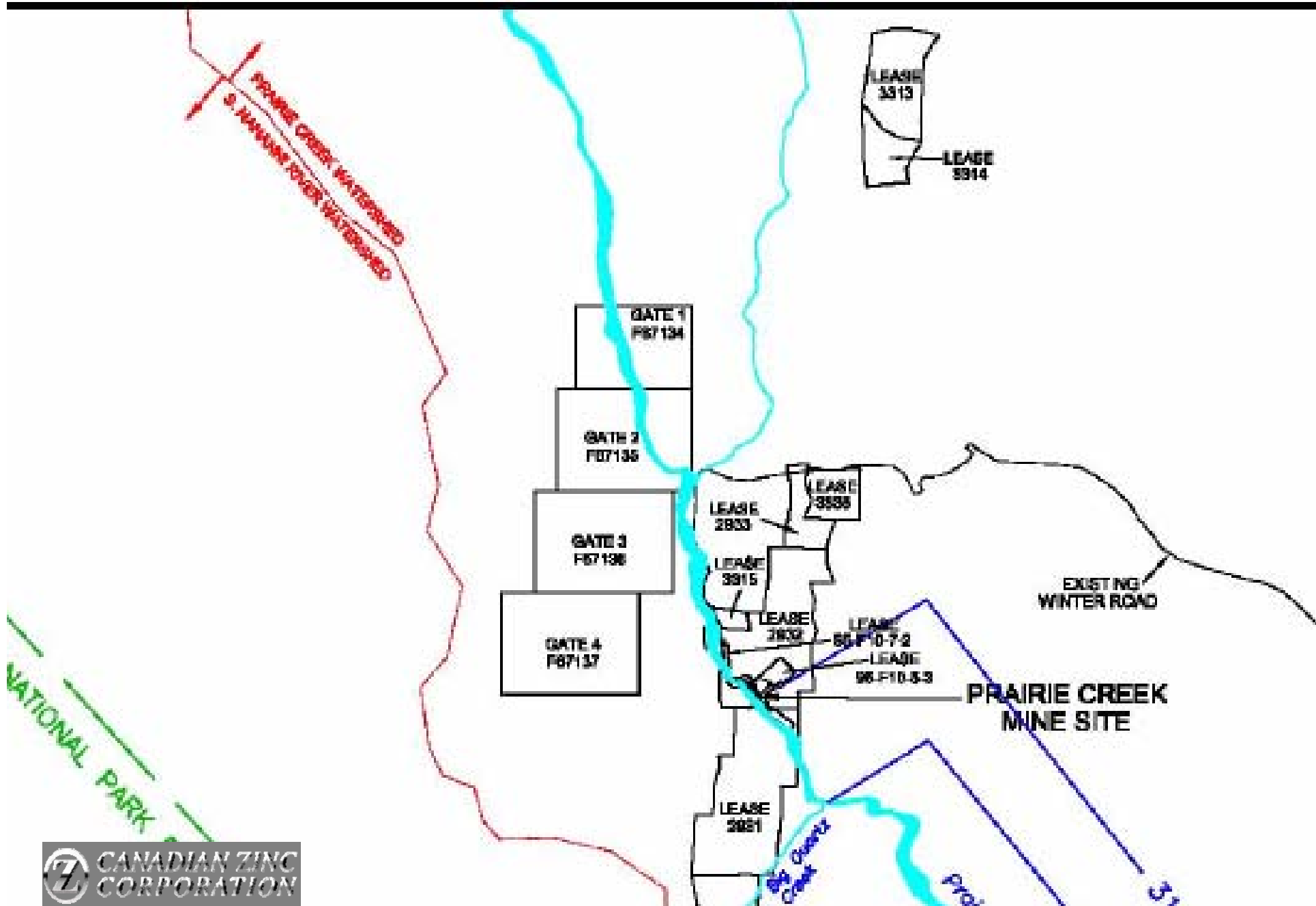
Permit/Licence Type	Permit/Licence Identifier No.	Permit/Licence Purpose	Date of Application	Date Issued	Elapsed Time	Expired/Expires	Issuing Agency	Enabling Legislation
Land Use Permit	N80F249	Winter Road	04-Mar-80	02-Jul-80	59 days	1983	DIAND	TLA&R
Land Use Permit	N80F248	Expl DDH & u/g dev	04-Mar-80	14-Apr-80	41 days	12-Apr-85	DIAND	TLA&R
Water Licence	N3L3-0932	Mining & Milling	30-Jul-80	01-Jul-82	690 days	30-Jun-86	NWTWB	NIWA&R
Quarry Permit	81/42	Gravel quarry	31-Mar-81	02-Jul-81	93 days	Per N80F248	DIAND	TQR
Land Use Permit	N82F761	All weather road	16-Aug-82	N/A	N/A	N/A	DIAND	TLA&R
Land Use Permit	N86C537	Expl DDH	12-Feb-86	07-Apr-86	54 days	30-Oct-86	DIAND	TLA&R
Land Use Permit	N87C668	Expl DDH	21-Jan-87	06-Mar-87	44 days	30-Sep-88	DIAND	TLA&R
Land Use Permit	N92C778	Expl DDH	June 11 1992	27-Jul-92	46 days	30-Dec-94	DIAND	TLA&R
Land Use Permit	N95F346	All weather road	23-Dec-94	N/A	N/A	04-Jan-96	DIAND	TLA&R
Land Use Permit	N95C373	Expl DDH	01-Mar-95	12-Apr-95	42 days	10-Apr-98	DIAND	TLA&R
Land Use Permit	MV2000C0030	Expl DDH (6-7)	28-Jul-00	14-Jun-01	322 days	13-Jun-06	MVLWB	MVRMA
Land Use Permit	MV2000C0030	Cat camp cleanup	28-Jul-00	N/A	250 days	N/A	MVLWB	MVRMA
Land Use Permit	MV2001C0022	Expl DDH (50-60)	05-Mar-01	30-Nov-01	270 days	29-Nov-06	MVLWB	MVRMA
Land Use Permit	MV2001C0023	U/G Decline	05-Mar-01	Sept.10, 2003	920 days	Sept.10, 2008	MVLWB	MVRMA
Water Licence	MV2001L2-0003	Pilot Plant	05-Mar-01	Sept. 10, 2003	920 days	Sept.9, 2008	MVLWB	MVRMA
Winter Road	MV2003F0028	Winter Road	Sept.25, 2003	Pending...	524 days+	N/A	MVLWB	MVRMA
Land Use Permit	MV2004C0030	Expl DDH(amend)	June 1, 2004(referred)	Pending...	426 days+	N/A	MVLWB	MVRMA
Production LUP and Water Licence	???				??????????			

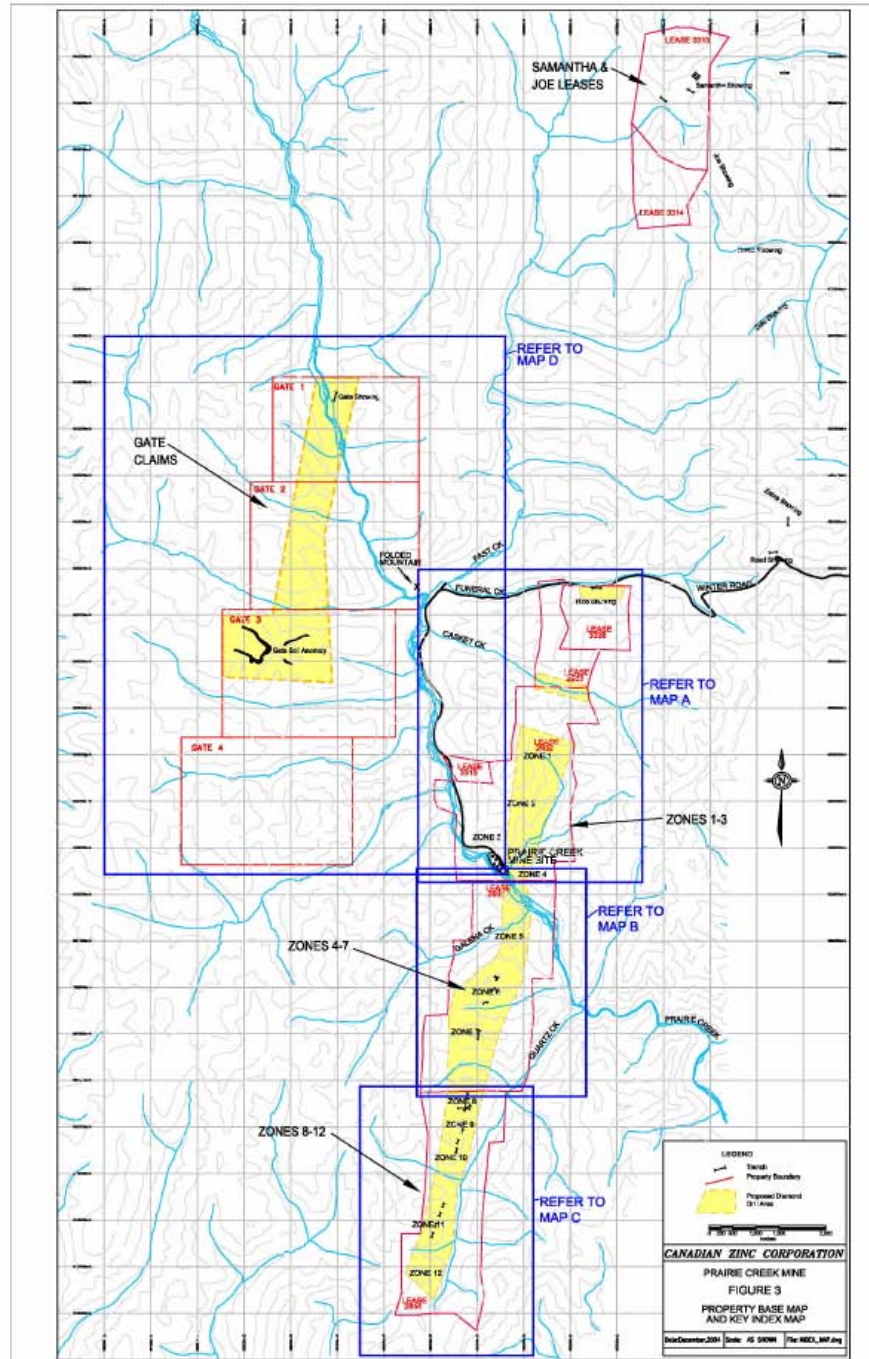
History of Permitting Activity at the Prairie Creek Mine Since the Introduction of the MVRMA (1999)

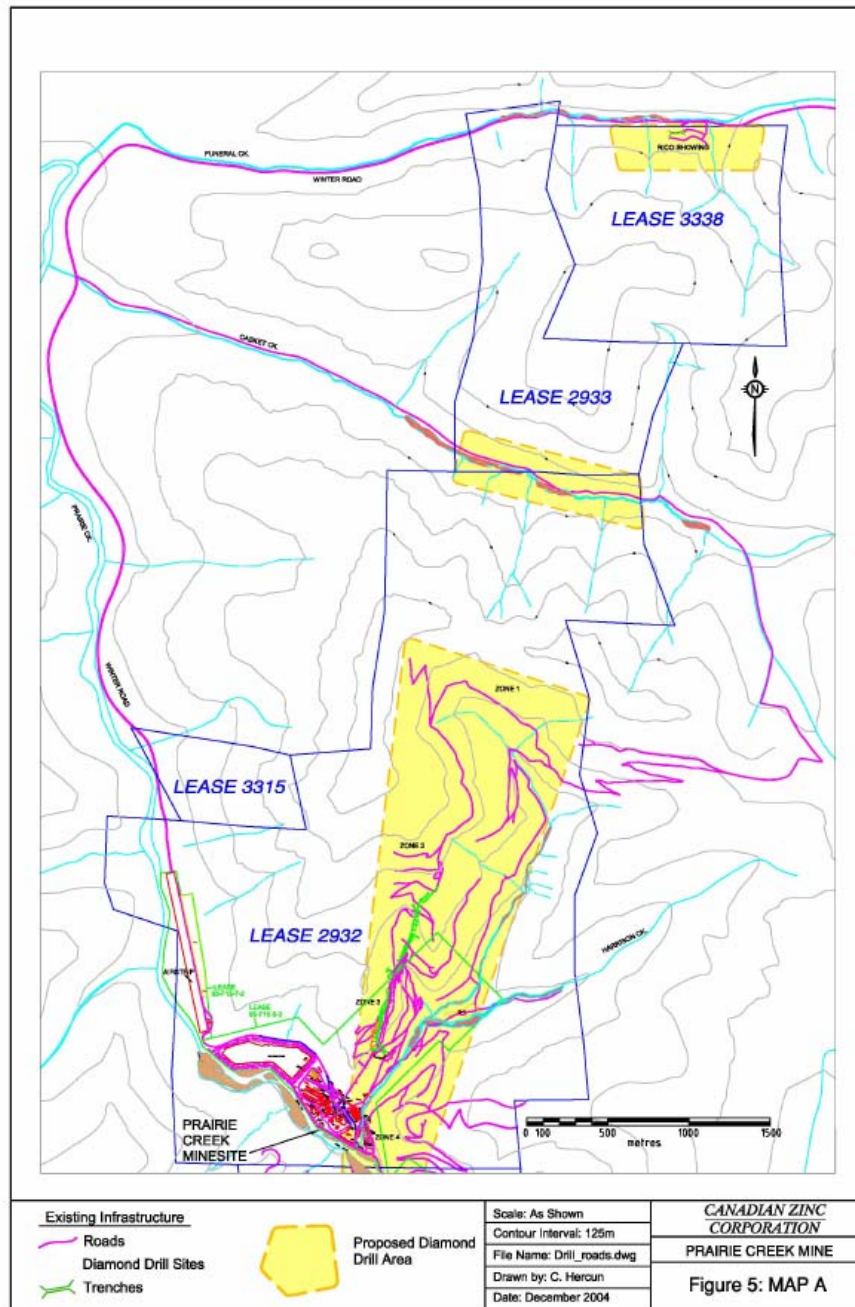
Permit/Licence Type	Permit/Licence Identifier No.	Permit/Licence Purpose	Date of Application	Date Issued	Elapsed Time	Note
Land Use Permit	MV2000C0030	Expl DDH (6-7)	July 28, 2000	June 14, 2001	322 days	drilling
Land Use Permit	MV2000C0030	Cat camp cleanup	July 28, 2000	remains open	250 days	clean-up
Land Use Permit	MV2001C0022	Expl DDH (50-60)	March 5, 2001	November 30, 2001	270 days	drilling
Land Use Permit	MV2001C0023	U/G Decline	March 5, 2001	Sept.10, 2003	920 days	Judicial Review pending
Water Licence	MV2001L2-0003	Pilot Plant	March 5, 2001	Sept. 10, 2003	920 days	Judicial Review pending
Land Use Permit	MV2003F0028	Winter Road	Sept.25, 2003	Pending...	524 days+	Judicial Review decision pending
Land Use Permit	MV2004C0030	Expl DDH(amend)	June 1, 2004(referred)	Pending...	426 days+	EA process presently underway
Future LUP??						

HISTORY LEADING TO PHASE 3 DRILLING EA

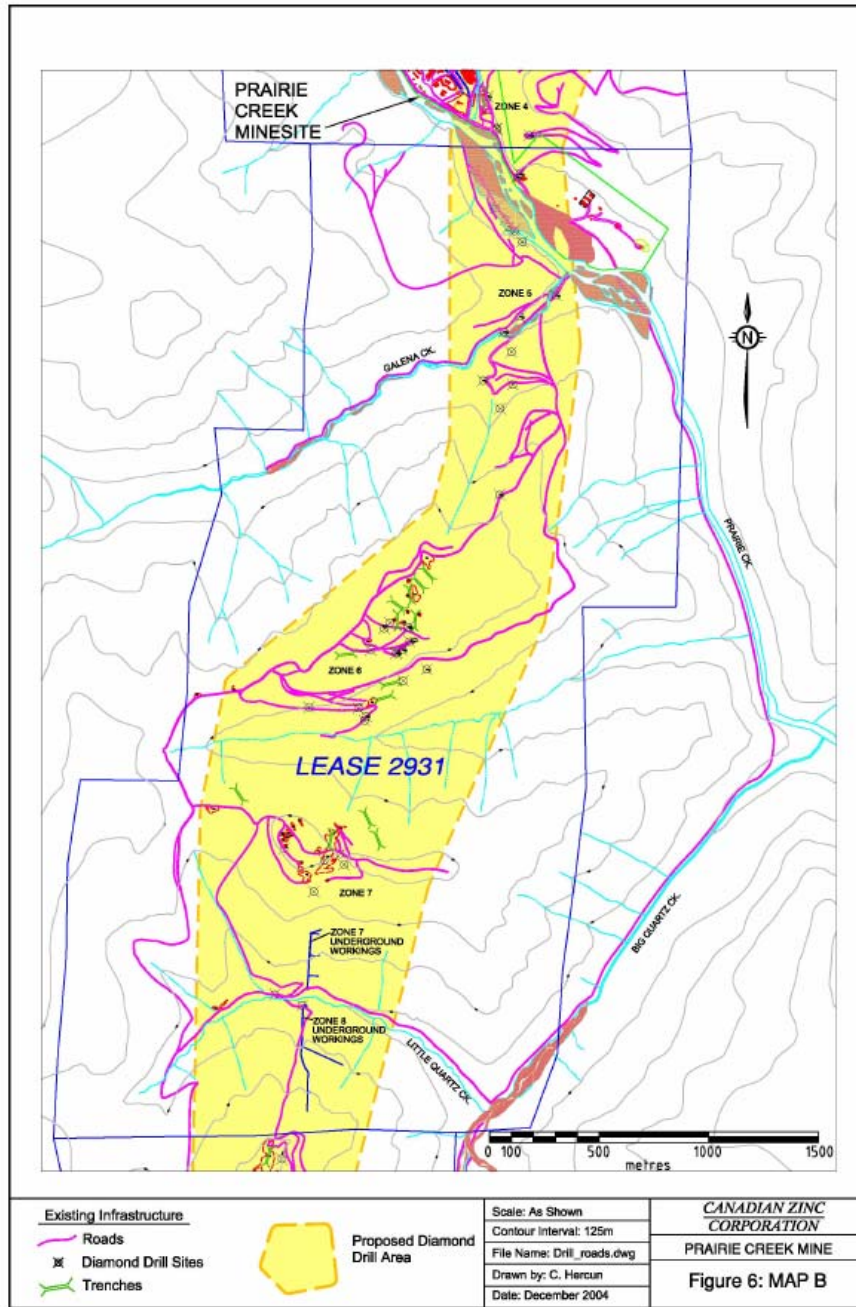
- Phase 2: 50-60 hole diamond drill program was submitted in tandem with an underground decline/pilot plant LUP/water licence application March 2001.
- All were referred to EA May 2001.
- Phase 2 was split off separately early in the EA process
- Phase 2 drilling LUP issued by MVLWB Nov. 2001.
- UG decline LUP and water licence issued Sept. 2003 which negated the need to carry out surface diamond drilling in this area
- Requested clarification of drilling area under LUP MV2001C0022 with MVLWB Dec. 2004.
- Subsequent letter dated Jan. 7, 2005 from MVLWB allowed property drilling, based on this financing and a drill program was proposed.
- April 19, 2004, MVLWB withdrew their previous letter and recommended CZN apply for a Formal Amendment
- CZN applied for a Formal amendment to LUP MV2001C0022 which was referred to EA by Parks Canada on the basis of “public concern about the cumulative effects of this project on the South Nahanni Watershed”. MVLWB created new Land Use Permit MV2004C0030 for Phase 3 drilling.
- CZN submitted Detailed Description Report for Phase 3 Drilling to MVEIRB Dec. 2004, EA 0405-02.



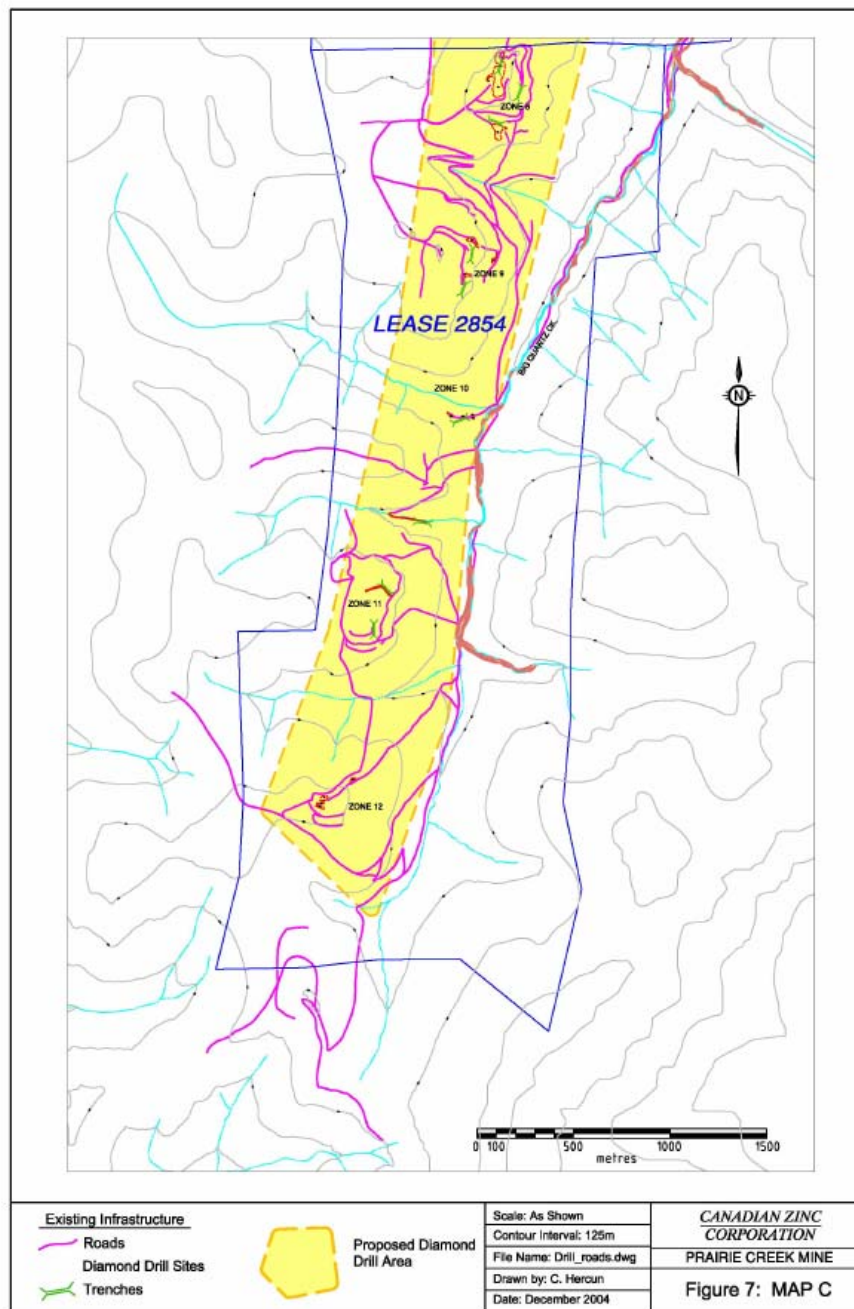






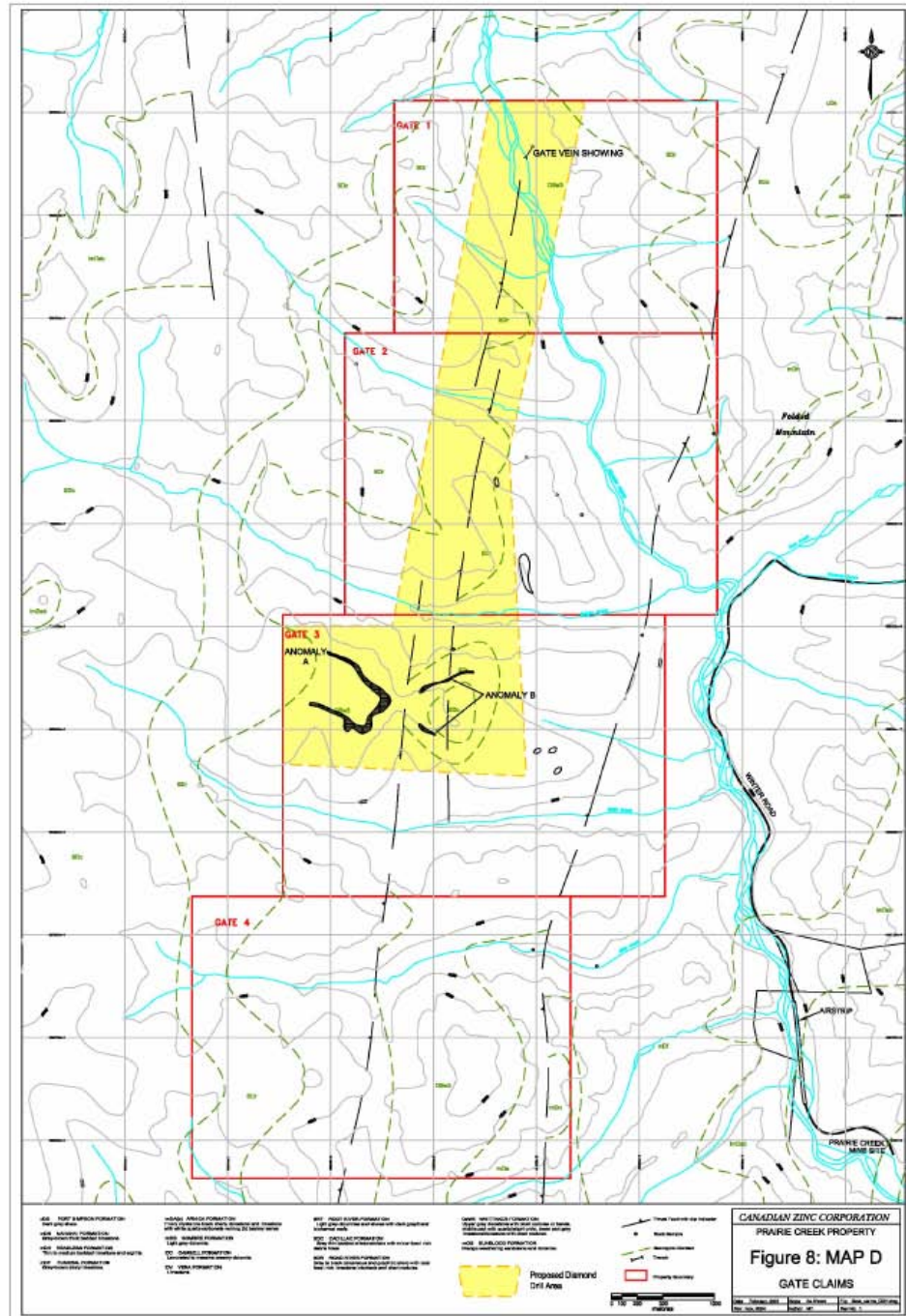


























PHASE 3 SURFACE DRILLING PROJECT DESCRIPTION REPORT: COMPILATION

- Based on the experience and knowledge of 2 previous diamond drill permits, MV2000C0030 and MV2001C0022 that went through the EA process. Also benefits from the processing of 3 other exploration permits
- All issued conditions, concerns raised in various correspondence, previous Terms of Reference and recent mitigation measures were incorporated into the Description Report.
- The basic drill permit application is the same as the previous applications only covering a larger area but still within the existing mineral leases.
- Previous concerns such as wildlife and fisheries have been further researched through the use of consultants
- The Project Description Report contains a substantial Appendix in order to be a self-standing document for reviewers not familiar with the project background.



An Initiative of the Prospectors & Developers Association of Canada

November 26, 2004

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PHASE 3 DRILLING DESCRIPTION REPORT

Differences from Phase 2:

- Road access to outlying sites (rehab old roads, new road 'spurs')
- Heli-drilling
- Crossing Prairie Creek

Issues:

- Potential wildlife disturbance
- Crossing Prairie Creek

Detailed Description:

- Incorporates currently acceptable mitigation practices
- Incorporates previous regulatory requirements from past applications
- Relies on guidelines in the new PDAC E3 manual (environmental excellence in exploration)
- Written by Taylor and Harpley, with contributions from Jemmett and Schmidt

- **David Harpley, M.Sc., P.Geo.** is Canadian Zinc's Environmental Coordinator. He is a geoscientist with over 25 years of consulting experience in geology, geochemistry, groundwater hydrology, baseline studies, impact assessment, EIA report completion, waste management and closure planning for mining projects. David has managed international mining EIA projects, as well as the Kudz-Ze-Kayah mine proposal in the Yukon. Mine projects David has worked on in NWT include Giant, The Con, Colomac, Tundra and Ekati.
- **John Jemmett, B.Sc., R.P.Bio.** is a senior fisheries biologist with over 33 years of experience in fisheries assessments of mining and industrial projects. John has worked throughout northern BC, the Yukon and Territories on mining and energy projects. He has a good understanding of current requirements and expectations for fisheries and related aquatic programs, mitigation, and impact management planning for mining projects.
- **Chris Schmidt, B.Sc., R.P.Bio.** is a senior wildlife and habitat biologist with over 33 years of experience in environmental assessment. Chris has worked on many mining projects over the years throughout all regions of BC, the Yukon and NWT. He is familiar with baseline inventory and mapping procedures, provincial standards, and regulatory agency expectations for data needs for project approvals processes. Chris has carried out wildlife surveys, habitat surveys, and terrestrial ecosystem mapping programs.

PHASE 3 EXPLORATION DRILLING ENVIRONMENTAL ASSESSMENT

- The Environmental Assessment processing of this application must be kept in perspective to the scope of the proposed exploration program.