

Mackenzie Valley Land and Water Board  
7th Floor - 4910 50th Avenue  
P.O. Box 2130  
YELLOWKNIFE NT X1A 2P6  
Phone (867) 669-0506  
FAX (867) 873-6610

FILE NUMBER: MV2004C0030

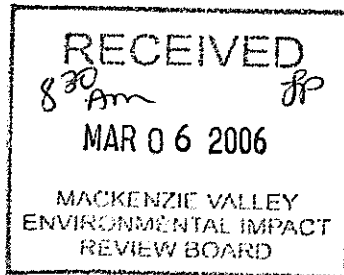
Date: March 3, 2006  
To: CZN Distribution List  
Organization: Various - see attached list  
Fax Number: Various - see attached list  
From: Sarah Baines  
Number of pages including cover 7

Request for recommendations for terms and conditions for the Phase III Drilling permit for Canadian Zinc.

Recommendations are due by **March 17, 2006**.

- Enclosures
- As requested
- For your information
- For your comment
- For your approval

<u>Delivered by</u>	<u>Date</u>
<input type="checkbox"/> Mail	_____
<input type="checkbox"/> Courier	_____
<input type="checkbox"/> Hand Delivered	_____
<input checked="" type="checkbox"/> Fax	<u>March 4, 2006</u>



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March 3, 2006

Application MV2004C0030

DISTRIBUTION LIST by Fax**DEHCHO/ SOUTH SLAVE AREA****FIRST NATIONS**

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Chief Keyna Norwegian	Liidlil Kue First Nation (Ft Simpson)	25	867-695-2665
Chief Berna Landry	Deh Gah Got'ie Dene Council (Ft Prov.)	18	867-699-3134
Chief Harry Deneron	Acho Dene Koe First Nation (Fort Liard)	37	867-770-4144
Chief Eric Betsaka	Nahanni Butte First Nation	36	867-602-2910
Chief David Moses	Pehdzeh Ki First Nation (Wrigley)	23	867-581-3229
Chief Fred Norwegian	T'hedzehK'edeli First Nation (JMR)	22	867-809-2002 or 809-2071
Chief Lloyd Chicot	Ka'a'gee Tu First Nation (Kakisa)	21	867-825-2002
Chief Dennis Deneron	Sambaa K'e Dene Band (Trout Lake)	38	867-206-2828
Chief Roy Fabian	K'atlodeeche First Nation (Hay River)	20	867-874-3229
Chief Karen Felker	West Point First Nation (Hay River)	19	867-874-2486
President Dana Cross	Hay River Métis Nation		867-874-6888
President Danny Beck	Hay River Métis Council		867-874-4472
President Marie Lafferty	Fort Simpson Métis Local #52		867-695-2040
President Ernie McLeod	Fort Liard Métis Local #67	42	867-770-3266
President Albert Lafferty	Ft. Providence Métis Council Local #57		867-699-4319
President Robert Tordiff	Northwest Territory Métis Nation	45	867-872-2772

**COMMUNITIES**

Mayor Maggie Levavasseur	Hamlet of Fort Providence	18	867-699-3210
Mayor Diane Gonet	Hamlet of Fort Liard	39	867-770-4004
Mayor Raymond Michaud	Village of Fort Simpson	17	867-695-2005
Mayor Diana Ehman	Town of Hay River	16	867-874-3237
Mayor Winnie Cadieux	Enterprise Settlement Corporation	24	867-984-3400

**ABORIGINAL ORGANIZATIONS**

Laura Pitkanen	Dehcho Representative		705-756-4466
Darren Campbell	Fort Providence Resource Management Board		867-699-3133
Heidi Wiebe	Deh Cho Land Use Planning Committee	41	867-699-3166
Chris Paci	Dene Nation	40	920-2254
Frank Kotchea	Nahendeh Land & Environmental Services	43	867-770-4573

**GOVERNMENT**

Ed Hornby	South Mackenzie District Office	57	669-2720
Kathleen Racher	DIAND - Water Resources	58	669-2716
Mineral Development Advisor	Mineral Development Division	59	669-2705
Tom Andrews	GNWT - Prince of Wales Heritage Museum	60	873-0205
Duane Fleming	GNWT - Health	65	669-7517
Jason McNeil	GNWT - ENR	63	873-4021
Mike Fournier	Environment Canada	66	873-8185
Ernest Watson	DFO	68	669-4940
Josephine Simms	WCB	67	873-4596

If there is an error in our contact, please notify our office.

**OTHERS**

Chuck Blyth	Nahanni National Park Reserve	46	867-695-2446 } under-sea
Katherine Cumming	Parks Canada	47	204-983-0031 } cover
Jennifer Morin	CPAWS	49	873-9593
Vern Christensen	MVEIRB	50	766-7074
Doug Bryshon	Dev. Corp Mgr Sambaa K'e (Trout Lake)	44	867-874-4505
Peter Redvers	Research Cons. Sambaa K'e	44	867-874-4505
Mandell Pinder, Barrister & Solicitors	(Ka'a'gee Tu First Nation)		604-681-0959

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March 3, 2006

File: MV2004C0030

Distribution List

Dear Distribution List:

**Request for recommendations – Phase III Drill Permit for Canadian Zinc**

The Minister of Indian and Northern Affairs Canada (the Minister) has adopted the recommendations made by the Mackenzie Valley Environmental Review Board (MVEIRB) in the Report of Environmental Assessment for the Phase III Drilling Program at Prairie Creek. In keeping with the Minister's decision, the Mackenzie Valley Land and Water Board (the Board) is now entering the permitting phase for the drill program.

To assist with the permitting phase, the Board invites you to submit recommendations for terms and conditions for the draft land use permit. Any proposed term and condition must be accompanied by a clear rationale as to why it's being recommended. Any recommendations must be submitted in writing to the MVLWB no later than **March 17, 2006**. Please quote LUP MV2004C0030 on any correspondence.

The original application submitted to the Board has been attached for reference but the documents generated during the environmental assessment may be more helpful to you. To view the project description, the Developer's Assessment Report, the Report of Environmental Assessment and all related correspondence, please see the MVEIRB's website at [www.mveirb.nt.ca](http://www.mveirb.nt.ca).

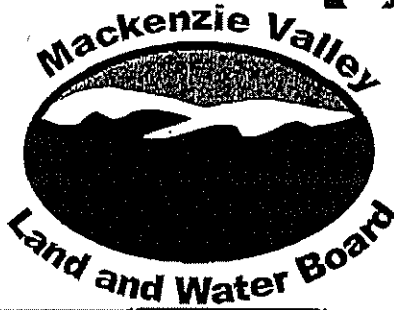
If you have any questions regarding this request, please contact me at (867) 766-7457 or email [sbaines@mvlwb.com](mailto:sbaines@mvlwb.com).

Yours sincerely,

A handwritten signature in cursive script that reads "SBaines".

Sarah Baines  
Regulatory Officer

Attachment



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Application for:  
 New Land Use Permit

Amendment

*Board decided to treat this as a new permit application*

~~MV2001C0022~~

or Renewal

MV2004C0030

*Staines*

**\*\*TYPE A\*\***

1. Applicant's name and mailing address: Canadian Zinc Corporation 1202 - 700 W. Pender St. Vancouver, BC, V6C 1G8	Fax number: 604-688-2043
2. Head office address: As above  Field supervisor: Mr. Alan Taylor Satellite telephone: 1-600-700-2454 Satellite fax: 1-600-700-9209	Telephone number: 604-688-2001  Fax number: As above  Telephone number: As above
3. Other personnel (subcontractor, contractors, company staff etc.)  TOTAL: To be determined. Est. 14 (Number of persons on site)	
4. Eligibility: (Refer to section 18 of the <i>Mackenzie Valley Land Use Regulations</i> )  a)(i) <input checked="" type="checkbox"/> a)(ii) <input type="checkbox"/> a)(iii) <input type="checkbox"/> b)(i) <input type="checkbox"/> b)(ii) <input type="checkbox"/>	
5. a) Summary of operation (Describe purpose, nature and location of all activities.)  As part of the ongoing process of establishing, confirming and enhancing the known mineral resource at the Prairie Creek property, Canadian Zinc proposes to conduct an additional surface mineral exploration drilling program, to follow up on the 6-7 hole Phase I program applied for on July 28, 2000.  The main objective of the proposed drilling exploration program is to further delineate the area of vein and stratabound mineralization that makes up the known mineral resource in Zone 3 where the majority of exploration work has been conducted to date. The program is designed to provide the additional degree of confidence in the geological database necessary to upgrade the existing 11.8 million tonne mineral resource to mineral reserve status through the application of geostatistical modeling. As a result, proposed holes are located between and in close proximity to existing holes in order to provide in-fill drilling on a closer spaced grid.  Subject to available funding, the program is expected to entail drilling of 50 - 60 holes of up to 500 metres each in length for a total of up to 25,000 to 30,000 metres of recovered core.  The area proposed for investigation includes other areas of the Prairie Creek Property that are registered to Canadian Zinc Corporation including Mining Leases and Mineral Claims as described further in the original Project Description Report. Access to the drill sites will be via the network of existing tote roads.  b) Please indicate if a camp is to be set up. (Please provide details on a separate page, if necessary.) The land use operation will be based in and serviced from the existing facilities at the Prairie Creek Mine. No new camp will be set up.	

6. Summary of potential environmental and resource impacts (describe the effects of the proposed land-use operation on land, water, flora & fauna and related socio-economic impacts). (Use separate page if necessary.)

Minimal environmental disturbance is expected to occur as all activity will take place within the area of traditional mining activity that being the boundaries of the existing mining leases and claims. New surface disturbance will be restricted to the immediate area of each drill pad. To the extent practical drilling will be conducted from existing pads or from new pads constructed immediately adjacent to existing tote roads. Where new road access is required, distances are expected to be minimal, typically in the order of a few to 20 -30 m in length.

A total of some 249 holes have been drilled on the property to date. An application to drill an additional 6-7 holes was made on July 28, 2001. An Environmental Assessment Report on this Phase I drilling program was submitted to the MVEIRB on January 26, 2001. A detailed Project Description Report summarizing potential impacts has been prepared and submitted in support of this application for the Phase II program. Upon completion of the two programs the total number of holes drilled on the property will be in the range of 300 to 320.

7. Proposed restoration plan (please use a separate page if necessary).

The area of the proposed development is within the area of traditional mining activity. Depending on the results of the exploration program these areas are expected to be subject to ongoing activity associated with further exploration and mine development. Accordingly, final reclamation and abandonment of these sites is not proposed at this time.

The proposed drilling program will entail minimal disturbance of surficial materials. All proposed drill locations are in close proximity to existing exploration tote roads which will minimize disturbance relating to the establishment of roads and drill sites. To the extent practical drilling will be conducted from existing pads or from new pads constructed immediately adjacent to existing tote roads, again to minimize surface disturbance. Where required, extensions to existing tote roads will be kept to a minimum, typically only from a few up to 10 or 20 metres. The drill pads will be prepared only large enough to accommodate and position the approximate 7m x 4m drill rig.

Where clearing is required to create short extensions, or spurs, from existing tote roads, or the drill pads themselves, surficial materials will be stripped and stockpiled adjacent to the area. Any trees which require clearing will be bucked into 1.5 metre lengths. When all drilling is complete, cut banks will be re-contoured to conform to the local topography and stabilized, and stockpile surficial materials will be back bladed over the disturbed areas.

8. Other rights, licences or permits related to this permit application (mineral rights, timber permits, water licences, etc.)

Mining Lease 2932, 2931, 2854, 2933, 3315,3338, Mineral Claims F67134, F67135, F67136, F67137 and Surface Lease 95F10/10-5-3.

No new roads required, only access spurs to drill pads from existing roads.

Roads:  Is this to be a pioneered road?  Has the route been laid out or ground truthed?

9. Proposed disposal methods.

- a) Garbage: Prairie Creek refuse site
- b) Sewage (Sanitary & Grey Water): Exfiltration sump
- c) Brush & trees: NA
- d) Overburden (Organic soils, waste material, etc.): To be stockpiled adjacent to drill pad

10. Equipment (includes drills, pumps, etc.) (Please use separate page if necessary.)

Type & number	Size	Proposed use
2 Longyear Super 38 or equivalent	4m(w)x 7m(l) x 8m(h) - 350 GMC diesel	Core Drilling
1 Cat front end loader	966	Road maintenance
1 Cat bulldozer	D8	Road Maintenance
1 Cat grader	14G	Road Maintenance

2 rock trucks	Volvo 5350	Road Maintenance
3 Pick up trucks	¾ ton	Personnel transport

11. Fuels	( )	Number of containers	Capacity of containers	Location
Diesel		4	1.7 million litres ea	Existing Tank Farm
		2	1200 litres	Drill Rigs
		5	400 - 1200 litres	Mobile equipment
Gasoline		2	20,000 litres ea	Existing Tank Farm
		3	150 litres ea	Pick up trucks
Aviation fuel				
Propane				
Other				

12. Containment fuel spill contingency plans. (Please attach separate contingency plan if necessary).

A spill contingency plan has previously been prepared and submitted for the Prairie Creek Mine.

13. Methods of fuel transfer (to other tanks, vehicles, etc.)

Manual or electric pump, gravity.

14. Period of operation (includes time to cover all phases of project work applied for, including restoration)

Estimated duration of operation: 6 months  
 Period of operation: June 1 - October 31, 2004

15. Period of permit (up to five years, with maximum of two years of extension).

5 years: Additional exploration drilling will be conducted in subsequent years.

16. Location of activities by map co-ordinates (attached maps and sketches)

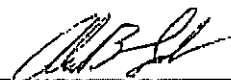
Minimum latitude (degree, minute) 61° 33' N	Maximum latitude (degree, minute) 61° 33' N
Minimum longitude (degree, minute) 124° 48' W	Maximum longitude (degree, minute) 124° ' W

Map Sheet no. 95F10

17. Applicant

Print name in full Alan B. Taylor, VP Exploration

Signature: Original Signed By: Alan B. Taylor



Date: April 20, 2004

18. Fees  Type A - \$150.00  Type B - \$150.00

Land use fee: \_\_\_\_\_ hectares @ \$50.00/hectare \$ \_\_\_\_\_

Assignment fee \$50.00 \$ 0.00

Total application and land use fees \$ 150.00