



February 20, 2008

Mr. Neil McCrank Q.C., P.Eng.
Special Representative of the Minister of Indian Affairs and Northern Development,
1411 Shelbourne Street SW
Calgary, AB
T3C 2L1

Re: Northern Regulatory Improvement Initiative

Dear Mr. McCrank:

Canadian Zinc Corporation welcomes the Federal Government's Northern Regulatory Improvement Initiative to improve the current regulatory regimes in the North, particularly the Northwest Territories and welcomes your appointment as the Minister's Special Representative.

Since 2001, Canadian Zinc's Prairie Creek mine project has been the subject of five separate Environmental Assessments by the MVEIRB, two Court applications (Supreme Court of NWT and Federal Court of Canada) and the successful approval of four Land Use Permits, two Water Licences and a Winter Road Permit issued by the MVLWB.

To illustrate some of the challenges faced by Canadian Zinc we attach two schedules showing the timelines for:

1. Class B Water Licence, which took four years and eleven months from application to final issue;
2. Road Land Use Permit, which was applied for in May 2003 and which, unfortunately, almost five years later is still not operative.

As a significant participant in the regulatory process in the Northwest Territories, Canadian Zinc believes that there is an urgent need for review and improvement in the regulatory process and in the North to retain Canada's competitiveness in the worldwide mining industry.

It is Canadian Zinc's belief that the current system is not working predictably or efficiently and further that the current system is not serving well the very people the co-management regulatory process was established to serve. Canadian Zinc is in continuous contact with many communities within the Dehcho territory and as such we have direct experience on this subject.

Canadian Zinc Corporation participated with other mining and exploration companies, and with industry organizations (NWT and Nunavut Chamber of Mines; PDAC and MAC) in making detailed submissions to Michael Hardin and we support fully Michael Hardin's submissions to you.

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If we could offer only a few general suggestions these would be:

1. Establishment of timelines:

- For the Water Board, Review Board and the “consultation process”, including Crown Consultation. We have previously described the regulatory process in the Mackenzie Valley as a revolving door out of which there is no exit.

2. Streamline the process:

- Not all projects require same level of scrutiny and/or review.
- Not all participants should be required or expected to comment on everything.
- Federal Government departments / agencies should adopt a one window / co-ordination office, (at least on larger projects).

3. Make more use of the Minister’s statutory Direction.

- Improve administrative and policy oversight by DIAND (as recommended by the Auditor General).

None of these suggestions require legislative amendment but they do require political direction and leadership.

We thank you for your participation in this initiative and look forward to your report.

Yours truly

CANADIAN ZINC CORPORATION



John F. Kearney
Chairman and President

cc: Michael Hardin
Working Group

Mike Vaydik

Rick Meyers

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CANADIAN ZINC CORPORATION

Prairie Creek Mine, DehCho Region, NWT

Mackenzie Valley Resource Management Act

Road - Land Use Permit

List of Milestones

1980 - 1982	Road to Prairie Creek mine built and permitted
May 23, 2003	Application for Land Use Permit for Road filed with MVLWB, claiming exemption from Environmental Assessment
December 12, 2003	MVLWB calls written hearing on exemption
June 1, 2004	MLVWB Decision - application not exempt
June 30, 2004	Judicial Review Appeal filed by CZN against MVLWB
September 17, 2004	Deh Cho First Nations join case as Intervenor
December, 2004	Supreme Court of Northwest Territories hearing of Judicial Review
May 6, 2005	Judgment of Court ruling that Application is exempt from Environmental Assessment
May 2005	MVLWB start licencing process
June 13, 2005	Letter from Nahanni (DCFN) to MVLWB alleging infringement of aboriginal and treaty rights under Section 35 of Constitution and inadequate consultation
June 23, 2005	MVLWB letter to DIAND re consultation
October 28, 2005	DIAND letter to MVLWB “preliminary assessment will take anywhere from one to four months”
March 16, 2006	DIAND letter to Nahanni requesting additional information
April 18, 2006	Letter from Nahanni to DIAND re meeting dates
June 30 2006	Letter from DIAND to Nahanni proposing meeting in July 2006
August 31, 2006	Meeting in Yellowknife between DIAND & Nahanni (DCFN) Nahanni unwilling to discuss specific infringements
September 14, 2006	Letter from CZN to DIAND expressing concern at delays
October 2, 2006	Letter DIAND to CZN – “INAC is conducting its preliminary assessment...” “arranging follow up meeting within next few weeks” “After meeting I will be assessing the information before the Department and determining further course of action.”
October 19, 2006	Meeting in Yellowknife between CZN and DIAND to communicate CZN’s views and to record concern with delays
??	Follow up meeting DIAND & Nahanni ??
February 14, 2007	DIAND response to June 23, 2005 Enquiry from Water Board INAC letter to MVLWB with Consultation Report
April 19, 2007	Issue of Land Use Permit dated April 11, 2007
April 24, 2007	MVLWB Reasons for Decision re LUP MV2003F0028
June 8, 2007	CZN application to MVLWB for Type B Water Licence to permit road repairs
June 27, 2007	Letter from DCFN to MVLWB alleging significant alteration and need for consultation
June 29, 2007	MVLWB letter to DIAND requesting Government’s comments and response on alleged infringements and consultation
July 11, 2007	Letter INAC to MVLWB “INAC is currently conducting a preliminary assessment ... I will have my staff report back to you on the status of this assessment by July 31, 2007 ”.

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July 13, 2007	Letter DFO to Nahanni, LKFN, DCFN inviting comment “regarding the impact, if any, the proposed road works, habitat replacement and monitoring plan may have with respect to traditional activities and culturally sensitive sites”
September 6, 2007	Letter DCFN to MVLWB refusing to comment on draft water licence when have not been consulted by INAC or DFO
September 19, 2007	Letter CZN to MVLWB commenting on DCFN request for ruling
September 25, 2007	MVLWB letter to distribution list seeking views from interested parties on alleged significant alteration
October 3, 2007	Letter DCFN to MVLWB clarifying request for ruling
October 15, 2007	Letter CPAWS to MVLWB submission alleging significant alteration
October 15, 2007	ENR (GNWT) Letter to MVLWB. No comments to provide
October 24, 2007	Letter MVLWB to CZN requesting response to DCFN CPAWS and ENR submissions
October 29, 2007	Letter DFO to MVLWB commenting on DCFN request
November 2, 2007	Meeting – Edmonton – CZN-INAC Staff
November 7, 2007	CZN Community Open House - Nahanni
November 16, 2007	MVLWB ruling that proposed work under water licence is NOT a significant alteration
November 23, 2007	INAC (+DFO) visit Nahanni Butte
December 7, 2007	INAC meet DCFN in Simpson for “Information Session” (not consultation)
December 10, 2007	Letter Nahanni to INAC seeking financial assistance
December 14, 2007	Letter CZN to INAC concerned about delays in completing consultation
January 7, 2008	INAC response letter to Nahanni and seeking input
January 11, 2008	MVLWB Reasons for Decision re ruling of No Significant Alteration
January 15, 2008	Telephone conversation INAC – Chief Tesou – Nahanni
January 23, 2008	Meeting Yellowknife – Nahanni - INAC
January 24, 2008	Letter DFO to Nahanni, DCFN, & LKFN –“ DFO and CZN are still in discussions. DFO would like to hear, understand and consult with you in relation to the possible issuance of an authorization at this site. If a second meeting is preferred propose meeting dates to DFU before February 22, 2008 to ensure a timely decision making process in meantime.”

DIAND “preliminary” assessment of assertions of infringement and non-consultation June 2005 to February 2007 (21 months)

DIAND “preliminary” assessment of DCFN assertions of significant alteration, infringement and non-consultation – ongoing since July 2007

Elapsed time from date of application for permit May 2003 to February 2008 (4 ¾ years), notwithstanding Supreme Court ruling that application is exempt from assessment.

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CANADIAN ZINC CORPORATION
Mackenzie Valley Resource Management Act
Water Licence Process
List of Milestones

March 5, 2001	Application for Type 'B' Water Licence filed with MVLWB
April 11, 2001	Referred to Environmental Assessment by Parks Canada
February 5, 2002	First Report of MVEIRB submitted to Minister
September 3, 2002	Referred back to MVEIRB by Minister
April 4, 2003	Second Report of MVEIRB submitted to Minister
June 16, 2003	MVEIRB Report accepted by Minister
September 10, 2003	Water Licence issued by MVLWB
October 10, 2003	Judicial Review Appeal filed by Deh Cho First Nations
August 30, 2005	Federal Court of Canada hearing of Judicial Review
December 20, 2005	Judgment of Court directing MVLWB to reissue Licence
February 6, 2006	MVLWB Reissues Water Licence – (term 5 years from Sept 10/2003)

Elapsed time from date of Application (March 5, 2001) to reissue of Water Licence (February 6, 2006) – 4 years 11 months
Work started May 2006

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