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December 17, 2019

File: MV2019C0011 &
MV2019L2-0006

Mr. David Harpley
Canadian Zinc Corporation
SUITE 1710-650 West Georgia Street
Vancouver BC V6B 4N9

[Sent](#) by email

Dear Mr. Harpley:

Re: Security Adjustment Request

The Board met on December 17, 2019 to consider Canadian Zinc Corporation's (CZN) request to review the security increase (security adjustment request) required under Water Licence (Licence) MV2019L2-0006 and Land Use Permit (Permit) MV2019C0011 submitted to the Board on November 27, 2019.

The Board has made a decision to deny the security adjustment request at this time. The Board notes that CZN's letter did not provide new evidence for the Board to consider adjusting security required under Licence MV2019L2-0006 and Permit MV2019C0011.

The Board commends CZN's efforts to consider amending the mining Licence MV2008L2-0002 to include the mineral exploration activities under Licence MV2019L2-0006. The Board will consider security adjustments if CZN decides to apply for the amendment of Licence MV2008L2-0002.

The Board understands CZN's wishes to discuss with GNWT regarding the responsibility of the water treatment at the Prairie Creek Mine. If CZN's discussions with GNWT result in any new evidence, the Board will consider the security adjustment at that time.

The Board recognizes that CZN has requested a deferral of the security increase. The Board notes that CZN will have to submit a request to change the timeline of posting security with the proposed timeline and supporting rationale. The timeline extension request will be distributed for public review before the Board will consider the request.

If you have any questions concerns regarding the decision, please feel free to contact Jacqueline Ho at (867) 766-7455 or via email at jho@mvlwb.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mavis Cli-Michaud".

Mavis Cli-Michaud
MVLWB, Chair

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