

NorZinc Closes \$10 Million Rights Offering With \$9.49 Million Raised

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NorZinc Pauses Surface Drill Program Due To Severe Weather Conditions

VANCOUVER, Nov. 20, 2020 - [NorZinc Ltd.](#) (TSX: NZC) (OTCQB: NORZF) (the "Company" or "NorZinc") is pleased to announce that it has closed its previously announced rights offering (the "Rights Offering") which expired on November 18, 2020, raising total aggregate gross proceeds of approximately \$9,492,000 and representing 94.92% of the total rights offered.

Details of Subscriptions

Upon closing, the Company issued a total of 146,028,424 common shares of the Company (each a "Common Share") under the Rights Offering at a price of \$0.065 per Common Share. An aggregate of 86,662,428 Common Shares were issued under the basic subscription privileges, an aggregate of 10,999,124 Common Shares were distributed under the additional subscription privileges, and RCF VI CAD LLC and its affiliated entities ("RCF") purchased an additional 48,366,872 Common Shares pursuant to the standby purchase agreement (the "Standby Purchase Agreement"). To the knowledge of the Company, no person became an insider as a result of the Rights Offering. The Company did not pay any fees or commissions in connection with the distribution of securities in the Rights Offering.

As previously announced on October 13, 2020, in connection with the Rights Offering, the Company entered into the Standby Purchase Agreement with RCF VI CAD LLC. RCF exercised its basic subscription privilege under the Standby Purchase Agreement to purchase 61,935,395 Common Shares and also purchased an additional 48,366,872 Common Shares pursuant to the Standby Purchase Agreement. RCF paid for its 110,302,267 Common Shares purchased in connection with the Rights Offering by setting off \$7,169,647 of NorZinc's obligations outstanding under the bridge loan, representing all US\$5.25 million of principal, and interest outstanding, for the purchase price payable in connection with the exercise of its Rights and purchase of additional Common Shares.

As of the closing date, 536,079,345 Common Shares are issued and outstanding, reflecting the 146,028,424 Common Shares issued pursuant to the Rights Offering.

Surface Drill Program Update

As announced on November 17, 2020 the Company has completed its first hole PC-20-225 of its surface drill program and core samples are currently at the assay lab and testing is underway. Results will be disclosed as soon as the Company's has completed its QA/QC review.

At 11am Pacific Time on November 19, 2020, NorZinc decided to halt drilling operations due to increasing and compounding challenges with working safely, in deteriorating winter weather conditions. Covid-19 has introduced several logistical and manpower constraints, and it is the Company's view that it is not safe nor feasible to continue drilling at this time.

The drill rig will remain on the drill pad throughout winter, and will be ready to resume drilling in the spring.

Early Warning Disclosure

RCF is providing the following additional information pursuant to the early warning requirements of applicable Canadian securities laws:

RCF acquired an aggregate of 110,302,267 Common Shares, through the exercise of the basic subscription privilege in the Rights Offering for the purchase of 61,935,395 Common Shares and the purchase of an additional 48,366,872 Common Shares for an aggregate purchase price of \$7,169,647 which it set off against certain debt owed to RCF by NorZinc, which increased RCF's aggregate shareholding percentage in the Common Shares by approximately 9% after giving effect to the 146,028,424 Common Shares issued pursuant to the Rights Offering.

Immediately prior to the commencement of the Rights Offering, RCF beneficially owned an aggregate of 157,026,728 Common Shares, representing approximately 40.3% of the issued and outstanding Common Shares. Immediately following closing of the Rights Offering, RCF beneficially own an aggregate of 267,328,995 Common Shares, representing approximately 49.87% of the 536,079,345 Common Shares that are issued and outstanding as of the closing date of the Rights Offering.

The Common Shares were acquired for investment purposes. RCF may from time to time acquire additional securities, dispose of some or all of the existing or additional securities, or may continue to hold the securities of the Company. Pursuant to a second amended and restated investor rights agreement dated April 24, 2020 between RCF and the Company, RCF has the right to participate in future equity financings of the Company to maintain its then current equity ownership in the Company on terms no less favourable than those offered to other investors in such financings (subject to certain exceptions).

About NorZinc

NorZinc is a TSX-listed mine development Company trading under the symbol "NZC". NorZinc is developing its key project, the 100%-owned high grade zinc-lead-silver Prairie Creek Mine, located in the Northwest Territories. NorZinc also owns projects in Newfoundland that host several zinc-lead-copper-gold-silver deposits.

Cautionary Statement – Forward-Looking Information

This press release contains forward-looking information, including, among other things, statements regarding the resumption of the Company's drilling activities and drill results. These statements reflect the Company's objectives and are disclosed in order to explain the direction the Company intends to take in 2020 and 2021. There is no assurance that drilling will resume in timely manner or with respect to the timing and quality of the drill results. There is also no assurance that further exploration on the property will result in increased reserves. Resources that are not reserves do not have demonstrated economic viability. Inferred resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as reserves. There is no certainty that resources will ever be converted into reserves.

In making the forward-looking statements in this release, the Company has applied certain factors and assumptions that the Company believes are reasonable, including that the mine enhancement objectives will achieve the expected results, that additional exploration on the property will result in increases in reserves, that financing will be available to achieve these goals on acceptable terms, that regulatory approvals for the plan will be received. These statements also based on management's expectations regarding the size and quality of resources, future trends for the Company, progress in development of properties, future production and sales volumes, capital costs, mine production costs, demand and market outlook for metals, future metal prices and treatment and refining charges, the outcome of legal proceedings, the timing of exploration, development and mining activities, capital market conditions, and the financial results of the Company. However, the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Material risk factors that could cause actual results to differ materially from the forward-looking statements include risks that the assumptions and factors on which the forward-looking information is based differ from expectations, risks related to the COVID-19 global health crisis, the Company's history of losses, lack of revenue generation, and dependence on substantial financing to develop the Prairie Creek Mine, as well as all of the risk factors described in the Company's most recent Annual Information Form and Management's Discussion & Analysis filed with Canadian provincial securities regulatory authorities. The Company disclaims any intention or obligation to update or revise any forward-looking information, except as required by applicable law.

SOURCE [NorZinc Ltd.](#)

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