

NorZinc Announces Closing of Prospectus Offering and Private Placement for Gross Proceeds of \$7.1 Million

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VANCOUVER, Aug. 6, 2021 - [NorZinc Ltd.](#) (TSX: NZC) (OTCQB: NORZF) (the "Company" or "NorZinc") is pleased to announce that it has closed its previously announced short form prospectus offering (the "Offering") and concurrent private placement (the "Concurrent Private Placement"), raising gross proceeds of \$7,175,988 through the issuance of 110,399,823 units of the Company ("Units") at a price of \$0.065 per Unit. 95,015,208 Units were issued pursuant to the Offering and 15,384,615 Units were issued pursuant to the Concurrent Private Placement. Each Unit consists of one common share (a "Common Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable for a period of three years following the closing of the Offering at a price of \$0.09 per Common Share.

The Offering was conducted by a syndicate of agents (the "Agents"), co-led by Paradigm Capital Inc. and Scotia Capital Inc., and including Echelon Wealth Partners Inc. and Eight Capital Corp., on a "best efforts" agency basis. The Company also agreed to grant the Agents an over-allotment option (the "Over-Allotment Option") to offer for sale an additional number of Units, representing up to 15% of the Offering, exercisable in whole or in part at the Agents' sole discretion, at any time until the date that is 30 days from and including the closing of the Offering, to cover over-allotments, if any, and for market stabilization purposes.

RCF VI CAD LLC, a wholly-owned subsidiary of Resource Capital Fund VI LP ("RCF"), participated in the Concurrent Private Placement and subscribed for 15,384,615 Units for gross proceeds of approximately \$1,000,000. If the Over-Allotment Option is exercised by the Agents, RCF may increase the size of its subscription by the same proportion as the amount of the Over-Allotment Option that is exercised by the Agents. The Prospectus (as herein defined) does not qualify the Units issuable pursuant to the Concurrent Private Placement and the Units issuable pursuant to the Concurrent Private Placement are subject to a statutory hold period. The Agents did not act in connection with the Concurrent Private Placement, and no commission or other fee was paid in respect of the securities issued under the Concurrent Private Placement.

Rohan Hazelton, President and CEO commented: "I am extremely pleased with the strong interest in this financing and the ongoing support shown by RCF. The financing will help position the Company to keep advancing the Prairie Creek Mine and generating value for all stakeholders."

In connection with the Prospectus Offering, the Company paid the Agents a cash fee equal to 6.5% of the gross proceeds of the Offering (subject to reduction to 3.25% in respect of proceeds raised from purchasers on a president's list designated by the Company (the "President's List")). The Company also issued that number of compensation warrants of the Company ("Compensation Warrants") to the Agents equal to 6.5% of the aggregate number of Units issued pursuant to the Prospectus Offering (subject to reduction to 3.25% with respect of Units sold to purchasers on the President's List). Each Compensation Warrant is exercisable to purchase one Common Share at a price of \$0.065 for a period of 2 years from the date of issuance.

The net proceeds from the sale of Units will be used for exploration and development activities, and increasing the Company's working capital, as further disclosed in the final prospectus filed on July 30, 2021 (the "Prospectus").

The Offering and Concurrent Private Placement are subject to final approval by the Toronto Stock Exchange (the "TSX").

The Units were offered for sale in each of the provinces of Canada, except Québec pursuant to the Prospectus. The Units were also offered for sale in the United States on a private placement basis pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended

(the "U.S. Securities Act") and applicable state securities laws, as well as other jurisdictions outside of Canada and the United States as the Company and Agent agreed, on an exempt basis in accordance with applicable securities laws.

This press release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent registration under United States federal and state securities laws or an applicable exemption from such United States registration requirements.

Early Warning Disclosure

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

Pursuant to the Concurrent Private Placement, RCF acquired 15,384,615 Units for an aggregate purchase price of approximately \$1,000,000. As a result of closing of the Offering and the Concurrent Private Placement, RCF's aggregate shareholding percentage in the Common Shares (together with its affiliates) decreased by approximately 5.68%.

Immediately prior to the closing of the Concurrent Private Placement, RCF (together with its affiliates) beneficially owned an aggregate of 282,042,450 Common Shares, representing approximately 49.13% of the issued and outstanding Common Shares. Immediately following closing of the Concurrent Private Placement, RCF (together with its affiliates) beneficially owns an aggregate of 297,427,065 Common Shares (305,119,372 on a partially diluted basis assuming exercise of the Warrants), representing approximately 43.45% of the 684,517,082 Common Shares that are issued and outstanding as of the closing date of the Offering and the Concurrent Private Placement (44.08% on a partially diluted basis assuming exercise of the Warrants).

The Units 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).

RCF's head office is located at 1400 Sixteenth Street, Suite 200, Denver CO, 80202. NorZinc's address is Suite 1710, 650 West Georgia Street, Vancouver, British Columbia, V6B 4N9. A copy of RCF's early warning report in respect of the Concurrent Private Placement may be obtained by contacting Molly Campbell at +1 720 946 1444.

MI 61-101 Disclosure

RCF is an insider of the Company. Accordingly, the Concurrent Private Placement is considered to be a "related party transaction" for purposes of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Pursuant to MI 61-101, the Company will file a material change report providing disclosure in relation to each "related party transaction" on SEDAR under NorZinc's issuer profile at www.sedar.com. The Company did not file the material change report more than 21 days before the expected closing date of the Concurrent Private Placement as the details of the Concurrent Private Placement and the participation therein by the "related party" of the Company were not settled until shortly prior to the closing of the Concurrent Private Placement. The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements available under MI 61-101. The Company is exempt from the formal valuation requirement in section 5.4 of MI 61-101 in reliance on section 5.5(a) of MI 61-101 as the fair market value of the transaction, insofar as it involves interested parties, is not more than the 25% of the Company's market capitalization. Additionally, the Company is exempt from minority shareholder approval requirement in section 5.6 of MI 61-101 in reliance on section 5.7(1)(b) as the fair market value of the transaction, insofar as it involves interested parties, is not more than the 25% of the Company's market capitalization.

About NorZinc

NorZinc is a TSX-listed mine development Company trading under the symbol "NZC" and on the OTCQB under the symbol "NORZF". NorZinc is developing its key project, the 100%-owned high grade silver-zinc-lead Prairie Creek Project, 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 news release may contain forward-looking statements or "forward-looking information" within the meaning of applicable Canadian securities laws ("forward-looking statements"). Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements in this news release include, but are not limited to, information and statements regarding: the conduct of the Offering; obtaining required approvals from the TSX; advancement of the Prairie Creek Mine and generating value for all stakeholders; and the anticipated use of proceeds from the Offering.

All forward-looking statements reflect the Company's beliefs and assumptions based on information available at the time the statements were made. Actual results or events may differ from those predicted in these forward-looking statements. All of the Company's forward-looking statements are qualified by the assumptions that are stated or inherent in such forward-looking statements, including the assumptions listed below. Although the Company believes that these assumptions are reasonable, this list is not exhaustive of factors that may affect any of the forward-looking statements. The key assumptions that have been made in connection with the forward-looking statements include the following: the Company's assessment of the impact of COVID-19 on the business of the Company; the regulatory regime governing the business of the Company; the operations of the Company, including bringing the Company's Prairie Creek Mine into production; and the anticipated size and/or revenue associated with the mineral reserve estimate of the Company's Prairie Creek Mine.

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; the Company's ability to satisfy certain TSX listing requirements; the failure of the Company to use any of the proceeds received from the Offering in a manner consistent with current expectations; the 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. If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

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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