

# NorZinc Agrees New RCF VI CAD LLC US\$2.25M Bridge Loan Plans For C\$10M Rights Offering With C\$7.1M Support From RCF

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VANCOUVER, Sept. 28, 2020 - [NorZinc Ltd.](#) (TSX: NZC) (OTCQB: NORZF) (the "Company" or "NorZinc") announces that it has increased the amount of, and extended the maturity date applicable to, the unsecured bridge credit facility granted to the Company by RCF VI CAD LLC ("RCF"), the Company's largest shareholder, as described in the Company's news release dated April 22, 2020 (the "Initial News Release").

On April 21, 2020, the Company entered into a credit agreement (the "Credit Agreement") with RCF, pursuant to which, among other things: (1) RCF agreed to provide a US\$3M (C\$4.2M) unsecured bridge loan (the "Bridge Loan") to the Company; (2) the Company agreed to complete a rights offering ("RO"); and (3) RCF, who holds 40% of the issued and outstanding shares of the Company, agreed to backstop the RO through the purchase of RO shares of at least sufficient value to cover the Bridge Loan principal and interest.

The parties have entered into an amendment to the Credit Agreement to: (1) increase the amount of the Bridge Loan by US\$2.25M (the "Increased Amount") to bring the aggregate total Bridge Loan to US\$5.25M; (2) extend the maturity date of the Bridge Loan to the earlier of (i) December 15, 2020 and (ii) the date on which the Company completes the RO; (3) set the target size of the RO at C\$10M; and (4) set the backstop amount at C\$7.1M.

Under the terms of the amended Credit Agreement, the Increased Amount will be made available to the Company by way of a single advance (the "Advance"). The Advance is expected to occur by September 30, 2020. RCF's agreement to increase the amount of the Bridge Loan and backstop the RO at C\$7.1M are further testimony to RCF's significant ongoing support for the development of the Company's Prairie Creek Mine (the "Mine") and for the anticipated significant value creation of the new plans for the Mine's development.

For further details regarding the Credit Agreement and the transactions contemplated thereby, readers are referred to the Company's Initial News Release and the Credit Agreement itself, both of which are available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## Use of Proceeds

As previously released, the Company's primary focus is the creation of value for its shareholders through achieving a significant increase in production throughput and increased reserves. Consistent with management's stated goals, the primary use of proceeds will be to repay the RCF Bridge Loan (C\$7.2M), and to initiate a surface exploration drill program targeting high-grade silver-zinc zones. The balance of funds after the surface drill program and debt repayment, will be used for geological and engineering desktop studies, along with general and administrative expenses. NorZinc will provide a detailed update on its program and plans in the coming weeks.

The RO is part of a broader financial plan for the Company which will include various financing options for the development of the Mine. These financing options include silver streaming, alternative project financing, discussions with strategic investors, governmental supported funding, leases, and other financing mechanisms. NorZinc will provide an update on the financing process as well as a corporate update in the coming weeks.

## 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 silver-zinc-lead 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 &#8211; Forward-Looking Information

This press release contains forward-looking information, including, among other things, statements relating to the completion, timing and size of the Advance and the RO. 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 applicable regulatory approvals will be received. These statements also based on management's expectations regarding 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, as well as all of the risk factors described in the Company's Initial News Release and 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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