

# NorZinc Closes \$1 Million Private Placement and Provides Update on Surface Drill Program

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VANCOUVER, May 28, 2021 - [NorZinc Ltd.](#) (TSX: NZC) (OTCQB: NORZF) (the "Company" or "NorZinc") is pleased to announce the closing of an equity financing agreement (the "Equity Financing") with RCF VI CAD LLC ("RCF") previously announced on May 3, 2021. Pursuant to the Equity Financing, the Company issued an aggregate of 14,713,455 common shares of the Company ("Common Shares") to RCF on a non-brokered private placement basis, at a price of \$0.067965 per share for gross proceeds of approximately \$1,000,000.

Rohan Hazelton, President & CEO of [NorZinc Ltd.](#) Stated "The financing highlights RCF's commitment to its longstanding partnership with NorZinc and their ongoing participation in advancing the Prairie Creek Project, to deliver a world-class mine.

We would also like to this opportunity to extend our support for the communities in Fort Simpson, Jean Marie, and Hay River in light of the disastrous flooding that has devastated the communities. NorZinc is working with local staff and government agencies to ensure appropriate aid and supplies are getting to those impacted."

The proceeds from the Equity Financing will be used for working capital purposes. Common Shares issued in the Equity Financing will be subject to a four-month hold period under applicable Canadian securities laws.

## Surface Drill Program

On Dec 23, 2020, the Company raised \$1.58M of flow-through funding to be used to fund a Surface Drill Program in 2021. The Company plans to complete hole PC-20-226 which was started late last year, as well as target additional exploration of Main Quartz Vein ("MQV")-style mineralization to the north of the existing mine plan, by way of four 700m+ diamond drill holes to be drilled from the same pad, using the Company-owned HTM-2500 hydraulic diamond drill rig.

Early on-site preparations are currently underway to start drilling operations in the coming weeks, and will include water-line setup, equipment maintenance, inventory and supplies ordering, and crew training.

## Early Warning Disclosure

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

RCF acquired 14,713,455 Common Shares for an aggregate purchase price of \$999,999.97, which increased RCF's aggregate shareholding percentage in the Common Shares (together with its affiliates) by approximately 1.34%.

Immediately prior to the closing of the Equity Financing, RCF (together with its affiliates) beneficially owned an aggregate of 267,328,995 Common Shares, representing approximately 47.79% of the issued and outstanding Common Shares. Immediately following closing of the Equity Financing, RCF (together with its affiliates) beneficially owns an aggregate of 282,042,450 Common Shares, representing approximately 49.13% of the 574,117,259 Common Shares that are issued and outstanding as of the closing date of the Equity Financing.

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).

#### MI 61-101 Disclosure

RCF is an insider of the Company. Accordingly, the Equity Financing 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](http://www.sedar.com). The Company did not file the material change report more than 21 days before the expected closing date of the Equity Financing as the details of the Equity Financing and the participation therein by the "related party" of the Company were not settled until shortly prior to the closing of the Equity Financing, and the Company wished to close the Equity Financing on an expedited basis for business reasons. 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". 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 use of proceeds from the Equity Financing and the Company's planned drilling and exploration activities. 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 Company will be able to use the proceeds of the Equity Financing and carry out its drilling and exploration programs as anticipated. 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. Such uncertainties and risks include, among others, risks related to the COVID-19 global health crisis, financing risks, delays in obtaining or inability to obtain required regulatory approvals, inability to use the proceeds from the Equity Financing or complete the drilling and exploration programs as anticipated, as well as all of the risk factors described in the Company's most recent Annual Information Form and Management's Discussion & Analysis available for review on the Company's profile at [www.sedar.com](http://www.sedar.com). 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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