



NEWS RELEASE

**NZC-TSX
NORZF-OTCQB**

FOR IMMEDIATE RELEASE

NORZINC REPORTS RESULTS FOR 2020

March 30, 2021 – Vancouver, British Columbia – NorZinc Ltd. (TSX: NZC; OTCQB: NORZF) (the “Company” or “NorZinc”) reports its financial results and development activities for the year ended December 31, 2020. (All amounts are in Canadian dollars unless otherwise stated. M = million)

2020 HIGHLIGHTS

Prairie Creek 2020

- Recognizing the potential to improve project economics to mitigate lower commodity prices and anticipated increasing costs, NorZinc announced a mine enhancement study to optimize mining design and potential throughput opportunities. (Feb)
- Completed initial internal review of direction and goals for the Prairie Creek Mine, and announced preparation of a 2020/2021 workplan focussing on a possible significant increase in production throughput and reserves. (Apr)
- Completed NorZinc Covid-19 Exposure Control Plan working with GNWT regulators and local communities prior to site opening. (Mar-July)
- Launched silver-focussed surface drill program at Prairie Creek. (Oct)
- Mine-site opened July 2020 to commence water treatment operations. (Jul-Nov)
- Completed weather shortened surface drill program with multiple high-grade silver and zinc intercepts within and adjacent to the existing inferred resource. (Dec)
- Obtained renewed permits from MVLB for the mine. (Dec)
- Commenced the process of obtaining amended operating permits for increased design throughput and reserve additions assumed at the end of the underground drill program.

Financial and Corporate 2020

- Closed \$0.9M private placement. (Mar)
- Closed \$9.5M rights offering. (Dec)
- Closed \$1.6M flow-through private placement for 2021 surface exploration program. (Dec)
- Cash and short-term investments at December 31, 2020 - \$5.3M (2019 - \$2.5M).
- Loss for year ended December 31, 2020 - \$13.2M (2019 - \$7.9M) which includes a \$4.1M (2019 - \$nil) impairment of the Newfoundland Properties.

CORPORATE OVERVIEW

The Company’s activities are primarily focussed on the completion of permitting for an expanded project design and ultimate development of the Prairie Creek silver-zinc-lead mine in the Canada’s Northwest Territories (the “Prairie Creek Property”, the “Prairie Creek Mine” or the “Mine”). In Q4 2019, the Company received the final Water License (“WL”) and Land Use Permit (“LUP”) from the Mackenzie Valley Land & Water Board (“MVLB”) and Parks Canada (“Parks”) for construction of All Season Road (“ASR”) access to

the Prairie Creek project. In Q4 2020 the Company received renewed operating WL and LUP permits for the Mine from the MVLB and NWT ministerial approval Feb 2021. The Company is applying for amended operating permits for the new expanded project design discussed below.

In June 2019, the Company announced it had commenced a proof-of-concept study with its technical advisers on the possibility of operational enhancement. This study focussed on throughput enhancement and possible reserve enhancement due to the large potential for increased reserves at Prairie Creek. Also through the latter part of 2019 and into 2020, NorZinc analyzed the likely effect on capital costs and operating costs caused by new requirements and design changes resulting, directly or indirectly, from the permitting process, plus overall cost increases experienced in the Northwest Territories (“NWT”) and announced in Feb 2020 a new plan on optimizing economics, including a mine enhancement program (“MEP”). During 2020 the Company completed a detailed internal analysis of the various aspects of the MEP as discussed below.

New Objectives for Prairie Creek Mine - 2021 and Beyond (“New Objectives”)

The Company announced in April 2020 the results of a more detailed review of the optimization and MEP. The resulting new objectives for the Mine would focus, over the subsequent 18-24 months, on (a) a possible significant increase in production throughput, and (b) a potential significant increase in reserves at the Mine. The internal analyses had included the possible effect of various increases in underground mining rate and the potential upgrading of the existing Main Quartz Vein (“MQV”) inferred resources. Current MQV inferred resources at the Mine total 5.3 million tonnes at 12.9% Zinc, 8.7% Lead and 199 g/t Silver.

As discussed below the Company site activities in 2020 in furtherance of the MEP were affected by the Covid-19 pandemic. Nevertheless, the Company’s target development schedule for the Prairie Creek Mine has remained unchanged from the May 2020 schedule. Subject to financing and Covid-19 effects the current MEP has NorZinc commencing with construction of Phase 1 of the all-season road (“ASR”) in Q1 2022, limited construction activities at the mine site during 2022, followed by the main construction and development activities planned for 2023 and 2024, and culminating in commencement of operations in Q4 2024.

The Company continues to consider multiple development financing opportunities for the activities in 2021 and into 2022. This funding was originally to be focussed on design enhancements for the increase in production throughput and exploration leading to a potential increase in reserves, but is now also targeted to potentially fund Phase 1 of the ASR.

From the 2020 MEP work NorZinc’s primary objective over the coming 18-month period is to complete work necessary to target a 50% increase in throughput and an underground drill program with the objective of increasing contained metal in reserves by up to 50%. In order to obtain the data to potentially increase the reserves, an extensive underground drill program is planned and will commence once the appropriate funding is secured. The development focus of NorZinc over the next 18 months will be as follows:

- Execution of an underground drill program targeting increased reserves.
- Continued silver focussed surface exploration targeting high grade silver zones.
- Completion of an updated feasibility study based on the new reserves and the increased throughput.
- Construction of the Phase 1 of the ASR.
- Continued discussions with the ultimate goal of finalizing agreements with respective Indigenous communities.

These stated objectives will result in the Mine spending more in the communities which will have positive impacts on the communities from increased direct (and indirect) employment and business participation. All of this additional planned work is not expected to result in any significant increases in environmental effects or the footprint at the mine site and ASR.

COVID-19 Effect on Schedule

In August 2020, the Company announced that its plan for an early commencement of the Stage 2 exploration program in 2020 was unlikely to proceed on the planned schedule, due to ongoing concerns with Covid-19, both with regard to safety and market concerns. Recognizing there had been no active Covid-19 cases in the NWT since April 2020, and zero incidence of cases in the local communities, the Company worked with both the Government of the NWT and the local communities on special measures to ensure they were satisfied with the strict protocols for the safety of staff and the local communities. The agreement and implementation of those measures with all parties delayed the safe opening of the site by over 2 months, with only limited staff getting to site by mid-July. Since July 2020, cases of Covid-19 had occurred in the region, but a vaccination program is well underway in the NWT due to Canada's priority on vaccinating remote indigenous communities. The Company will continue to work with the Government of the NWT to meet public health measures related to vaccination protocols and COVID-19 requirements for non-NWT workers. These are continually being reviewed by the Government of the NWT and may be updated creating uncertainty in the requirements for the 2021 site activities.

While there are no guarantees, the company still targets finishing its exploration program within 18-months, but Covid-19 protocols could delay that. As the pandemic persists, NorZinc will continue to follow the highest health and safety standards and update stakeholders on a regular basis. In addition to continuing discussions with the local community leaders, NorZinc will be working with all regulatory parties to ensure all environmental requirements continue to be met.

Timing of Development

In accordance with the MEP, NorZinc continues to plan, subject to Covid-19 restrictions and financing, to construct the ASR over parts of three calendar years, initially in Phase 1 (2022) as a winter road and in Phase 2 (2023-2024) installing bridges, culverts and final grading of the road. Prior to each phase of the construction activity, the Company plans to complete further field investigations and site plans and award construction contracts. During Phase 1 the Company plans to undertake geotechnical work on the ASR route to determine final ASR design and Phase 2 bidding parameters. Dependent on Covid-19, the permitting and financing timelines, construction of the ASR is planned to commence from a winter road in late 2022 and continue into 2024, in parallel with continuous and ongoing site construction and project development.

Financing Initiatives

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\$3 million (C\$4.2 million) unsecured bridge loan (the "**Bridge Loan**") to the Company; (2) the Company agreed to complete a rights offering ("RO"); and (3) RCF agreed to backstop the RO through the purchase of RO shares of at least sufficient value to cover the Bridge Loan principal and interest.

On September 28, 2020 the Company and RCF entered into an amendment to the Credit Agreement ("**Loan Amendment**") to: (1) increase the amount of the Bridge Loan by US\$2.25 million (the "Increased Amount") to bring the aggregate total Bridge Loan to US\$5.25 million (C\$7.2 million); (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\$10 million; and (4) set the backstop amount at C\$7.1 million. The funds were received on September 30, 2020.

On November 20, 2020 the Company announced it had closed its previously announced RO raising total aggregate gross proceeds of approximately \$9.5M and representing 94.5% of the total rights offered. Upon closing, the Company issued a total of 146,028,424 of the Company under the RO at a price of \$0.065 per Common Share. RCF exercised its basic subscription privilege under the Standby Purchase agreement to purchase a total of 110,302,267 Common shares bringing their total ownership in the company to 47.8%. RCF's participation in the RO are further testimony to the significant ongoing support for the development of the Mine, and for the anticipated significant value creation of the new plans for the Mine's development.

It was the Company's target to complete the main development project financing by the end of 2021. This is now targeted for mid-2022, with funding of the construction of the initial Phase 1 ASR (an early winter road) prior to the overall project financing, planned to be from non-bank sources as discussed below. As previously announced, the main development project funding is expected to be sourced largely from the debt and silver streaming markets.

NorZinc continues to work with Scotia Capital to explore financing opportunities for the Prairie Creek Mine with an emphasis on the substantial potential of a silver stream. The initial stream process in early 2020 helped management focus on key areas for potential investors which the Company believes have been addressed in the MEP. The primary objective of the streaming process was to focus on long term financing, but in view of the current bullish silver market, the Company may also consider this as a source of intermediate financing as well.

Management continues to explore additional financing alternatives including flow-through financing, convertible notes, bridge loans and private placements as alternatives to a potential silver stream financing.

FINANCIAL RESULTS FOR THE YEAR ENDED FOURTH QUARTER OF 2020

The Company incurred a net loss of \$13.4M in the year end December 31, 2020. The net loss was higher than 2019 (\$7.9M) and 2018 (\$11.6M) due largely to the \$4.1M impairment expense recorded for the Newfoundland exploration asset. Despite the highest expenses in 2019, its net loss was the lowest due to the \$7.7M gain on sale of a 1% Royalty ("NSR") to RCF.

Liquidity

At December 31, 2020, the Company had a positive working capital balance of \$3.5M which included cash and cash equivalents of \$5.3M and short-term investments of \$23,000. At December 31, 2019, the Company had a positive working capital balance of \$0.8M which included cash and cash equivalents of \$2.5M and short-term investments of \$32,000.

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 Mine, located in the Northwest Territories. NorZinc also owns projects in Newfoundland that host several zinc-lead-copper-gold-silver deposits.

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Cautionary Statement – Forward-Looking Information

This press release contains forward-looking information, including, among other things, statements regarding the long-term development and financings goals, the Company's objectives for increases in mine throughput and reserves, the economic and environmental effects of achieving such increases, and the timing for completing an updated feasibility study and the pioneer winter road. These statements reflect the Company's objectives generated for planning purposes only and are disclosed in order to explain the direction the Company intends to take in 2021. The analyses that lead to the objectives for increased mine throughput and reserves are internal studies only and the conclusions and recommendations of such studies have not and will not be publicly disseminated. There is no assurance that production rates will ultimately increase from the rates contemplated in the Company's current feasibility study or that the production on the property will be achieved at all. There is also no assurance that further exploration on the property will result in increased reserves and the reader should not read these objectives as reflecting an economic analysis of the project based on inferred resources. 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.