Management's Discussion and Analysis

For the Three and Six Months Ended – June 30, 2021

(Expressed in Canadian dollars, unless otherwise noted)

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This Management's Discussion and Analysis ("**MD&A**"), dated August 11, 2021, relates to the results of operations and financial condition of NorZinc Ltd., and its subsidiaries ("**NorZinc**" or the "**Company**" or "**NZC**") and is intended to be read in conjunction with the accompanying unaudited condensed consolidated financial statements and notes thereto of the Company for the interim period ended June 30, 2021 and the consolidated financial statements and notes thereto for the years ended December 31, 2020 and 2019 (the "**Annual Financial Statements**") and other corporate filings, including the Company's annual information form for the year ended December 31, 2020 (the "**AIF**") all of which are available under the Company's profile on SEDAR at www.sedar.com. Please see the section, "Cautionary Note Regarding Forward-Looking Statements" for a discussion of the risks, uncertainties and assumptions used to develop the Company's forward-looking information. The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. The Company reports its financial information in Canadian dollars and all monetary amounts set forth herein are expressed in Canadian dollars unless specifically stated otherwise.

CORPORATE OVERVIEW

The Company's activities are primarily focused on the completion of permitting for an expanded project design and ultimate development of the Prairie Creek silver-zinc-lead mine in Canada's Northwest Territories (the "**Prairie Creek Project**", 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.

Development of Mine Enhancement Program

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 focused on throughput enhancement and possible reserve enhancement due to the significant 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 February 2020 a new plan to optimize 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.

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[1].

As discussed below, the Company's 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 Q4 2021, 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 utilized to focus 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.

[1] Refer to the 2017 Prairie Creek Technical Report.

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 focused surface exploration targeting high grade silver zones.
- Completion of an updated feasibility study based on the new reserves and the increased throughput.
- Construction of 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 Company spending more in the local communities surrounding the Mine, which will have positive impacts on the communities from increased direct (and indirect) employment and business participation. 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

The Company continues to target finishing its exploration program within 18-months but Covid-19 protocols could result in delays. 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.

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. 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.

With 2021 site operations having commenced at Prairie Creek, the COVID-19 Plan has been fully reviewed and updated based on prior learnings, vaccination protocols, and new requirements. As an additional measure to protect workers and the 2021 work plan, COVID-19 testing will be conducted on inbound and outbound workers using a polymerase chain reaction ("PCR") test machine located at the Prairie Creek site. The policies and procedures are continually being reviewed by the Government of the NWT and may be updated creating uncertainty in the requirements for the 2021 site activities. The Company continues to work with the Government of the NWT to meet public health measures and to provide vaccinations to workers at Prairie Creek.

HIGHLIGHTS – SECOND QUARTER OF FISCAL 2021

Financial and Corporate

- Cash and short-term investments at June 30, 2021 - $1.3M (December 31, 2020 - $5.3M).
- Loss for six months ended June 30, 2021 - $5.2M (June 30, 2020 - $4.3M).
- Hired experienced mining executive Rohan Hazelton as the Company's President, CEO and Director.
- Completed $1.0M non-brokered private placement of shares to RCF VI CAD LLC ("RCF")
- Advanced discussions on the next stage of financing for the development of the Prairie Creek Mine, including a potential silver stream.
- Subsequent to June 30, 2021, the Company completed a $7.2M prospectus offering and concurrent private placement.

Prairie Creek

- The Company commenced the surface drill program for the 2021 season and began extensive planning on a comprehensive metallurgical drill program.
- Reviewed and updated the NorZinc Covid-19 Exposure Control Plan and Vaccination Policy in line with GNWT public health.
- Progressed the process to obtain amended operating permits for increased design throughput and reserve additions assumed at the end of the underground drill program.
- On August 11, 2021 the Company signed an Impact Benefit Agreement with Łíídlįį Kų́ę First Nation ("LKFN"). In, addition, Company signed a Road Benefit Agreement ("RBA") and a Letter of Agreement linking the RBA with the Impact Benefit Agreement signed in 2011 with the LKFN of Fort Simpson, NWT. Fort Simpson is the largest community within the Dehcho Region, located about 185 kilometres east of the Prairie Creek mine site. These two agreements are related to the construction and operation of the road to connect the Company's high grade zinc-lead-silver Prairie Creek Mine to the Liard Highway in the Northwest Territories of Canada.

PRAIRIE CREEK PROJECT

Ownership, Reserves and Existing Infrastructure

The Mine is subject to net smelter returns royalties totaling 2.2%. The Mine contains a Proven and Probable Reserve of 8.1 million tonnes grading 8.6% Zinc, 8.1% Lead and 124 g/t Silver, which ranks Prairie Creek amongst the highest-grade undeveloped base metal deposits in the world.

Mineral Reserves	Classification	Tonnes (millions)	Silver (g/t)	Zinc (%)	Lead (%)	ZnEq (%)
TOTAL	Proven	1.7	155.6	10.36	8.45	26.2
	Probable	6.4	115.8	8.17	8.00	22.2
	Total	**8.1**	**124.2**	**8.64**	**8.10**	**23.1**

The Mineral Reserves are as of August 2, 2017, and based on a design cut-off grade of 11% ZnEq for longhole open stoping ("LHOS"), 11% ZnEq for mechanized drift-and-fill, an incremental stoping cut-off grade of 10% ZnEq, and 6% ZnEq cut-off grade for development ore. Cut-off grades are based on a zinc metal price of $1.00/lb, recovery of 75% and payable of 85%; a lead metal price of $1.00/lb, recovery of 88% and payable of 95%; and a silver metal price of $18/oz, recovery of 92% and payable of 81%. Exchange rate used is C$1.25= US$1.00. Average planned dilution, unplanned dilution and mining recovery factors of 13%, 11% and 95%, respectively, for LHOS; and 18%, 6% and 98%, respectively, for drift-and-fill are assumed. The August 2017 Prairie Creek Mineral Reserve estimate was prepared by H. A. Smith, P. Eng., Qualified Person ("QP"), as defined by NI 43-101 of AMC Mining Consultants (Canada) Ltd.

These reserves are based upon a Measured and Indicated Resource of 8.7 million tonnes grading 9.5% Zn, 8.9% Pb and 136 g/t Ag, and represent an initial mine life of 15 years at 1,600 tonnes per day mining ("**tpd**"). Prairie Creek also hosts an additional Inferred Mineral Resource of 7.0 million tonnes grading 11.3% Zinc, 7.7% Lead and 166g/t Silver, which has the potential, through further exploration and development, to be upgraded to the Reserve category.

Built originally as the Cadillac Silver Mine in the early 1980s, Prairie Creek has extensive infrastructure in place including five kilometres of underground workings, a 1,000 ton per day mill, heavy duty and light duty surface vehicles, three surface exploration diamond drill rigs, camp accommodation, maintenance and water treatment facilities and a 1,000 metre gravel airstrip.

NorZinc's primary objective is to bring the Mine into production at the earliest opportunity and, in pursuit of that objective, to secure the necessary senior financing to complete the development and construction of the Mine. As the Mine is the flagship property of the Company, its development is integrally linked to the financing and financial success of the Company.

ASR Access to the Mine

In 2014 the Company completed the application to the MVLB and Parks Canada for permits to construct, maintain and operate an all-season road from the Mine to the Liard Highway. The final Environmental Assessment of the ASR was completed in 2018. With the Company's submission of the requested Post-EA Information Package in February 2019 the ASR entered the final permitting stage jointly with the MVLB and Parks. The MVLB and the Parks draft ASR permits were made available to government agencies and other reviewers for review and comment in August 2019. The draft permits confirmed reclamation security deposits will be due in two phases, Phase 1 being the construction and operation of a winter road to transport equipment and materials to the Prairie Creek site and Phase 2 being the construction of the ASR. In November 2019, the MVLB and Parks issued their respective WLs and LUPs for the ASR access to the Mine.

In December 2019, NorZinc submitted all the required Management Plans to facilitate Phase 1 road construction in Q1 2020 and the regulators released the Management Plans for comment prior to December 31, 2019. On February 4, 2020, the Company announced that the review and issuance timeline for the approved Management Plans had extended to a point where the contractor believed the safety of the road construction in 2020 was compromised due to the anticipated spring break-up. This schedule change resulted in NorZinc working on a revised program for 2020 activities that focused on optimizing economics of the project, including a MEP. As of Q2 2021, NorZinc is aiming to commence construction of the Phase 1 road in Q4 2021. Planning activities are ongoing as we progress towards this construction window.

Indigenous Agreements

Naha Dehé Dene Band ("**NDDB**") of Nahanni Butte is the nearest community to the Mine, located approximately 90 kilometres southeast of the mine site. The mine site and route of the ASR are within NDDB's Traditional Territory. Łíídlįį Kų́ę́ First Nation ("**LKFN**") of Fort Simpson are the largest community within the Dehcho Region, located about 185 kilometres east of the mine site. In addition, the transportation route from the Mine also runs through the traditional territory of the Acho Dene Koe First Nation ("**ADK**").

In 2011, the Company signed an Impact Benefit Agreement with the NDDB (the "**Nahanni IBA**"), and subsequently signed a similar agreement with the LKFN (the "**LKFN IBA**") for the development of the Mine, which contemplated access to the mine via a winter road only. In both agreements, NDDB and LKFN agreed to support the Company in obtaining all necessary permits and other regulatory approvals required for the Mine. Recognizing the ASR may have additional potential impacts and effects on both groups as compared to a winter-only road, the Company initiated consultation discussions with both groups. In January 2019, the Company signed a Traditional Land Use Agreement ("**TLUA**") with the NDDB for the construction and operation of the ASR. The Company is also in the process of finalizing the Road Benefit Agreement with the LKFN.

As part of the Environmental Assessment ("EA") Report engagement, the NDDB and LKFN entered into an agreement with the Company which provides for the negotiation of an environmental management agreement later renamed as Environmental Cooperation Agreement ("**ECA**"). The ECA is intended to be a formal mechanism to provide for Indigenous participation in environmental management, and to ensure that the mitigative measures and environmental protection commitments in the EA Report are appropriately implemented.

The Company had been in discussion for several years with ADK who have signed letters of support for the Mine and ASR. In 2019 the Company commenced more advanced discussions particularly related to business opportunities related to the Mine operation. Those discussions continued in 2020 and 2021, and are expected to result in a long-term agreement related to the Mine.

Also, in 2011 the Company negotiated a Socio-Economic Agreement with the Government of the Northwest Territories ("**GNWT**"), covering social programs and support, commitments regarding hiring and travel, and participation on an advisory committee to ensure commitments are effective and are carried out. In 2019 under that agreement, the NorZinc Regional Committee ("**NRC**") was formed to plan, collaborate, and deliver business and employment objectives associated with the Mine and major projects in the Dehcho Region, and to promote a culture of high standards towards worker well-being, safety and environmental awareness. The communities served by the committee include Fort Simpson, Fort Liard, Trout Lake, Nahanni Butte, Wrigley, and Jean Marie.

These above agreements, both completed and near completion, provide evidence that the Mine has strong local Indigenous support.

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 and the permitting and financing timelines, construction of the ASR is planned to commence in late 2022 and continue into 2024, in parallel with continuous and ongoing site construction and project development.

In preparation for the scenario that NorZinc increases mill throughput from 1,600 tonnes per day to 2,400 tonnes per day, the Company has applied for amendments to the current Water Licence and Land Use

Permit to reflect an increased processing. Due to the requirements of the regulatory timeline, the application was filed in May 2021 and is currently in process to ensure that all permits and licences are in place in the case of an increased processing scenario.

Financing Initiatives

The Company has engaged Auramet International, LLC ("Auramet") as Financial Advisor in conjunction with project financing for the Prairie Creek Mine. Auramet' s role will be to work with the Company to provide advice and assistance regarding the solicitation, structuring, negotiating, and closing of a comprehensive financing package.

The Company continues to target the main development project financing 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.

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.

Newfoundland Projects

The Company holds four, high-grade zinc-lead-copper-gold-silver volcanogenic massive sulphide ("VMS") deposits consisting of Lemarchant, Boomerang-Domino, Long Lake and Tulks East ("Newfoundland Properties"). Three of these have resource estimates and Tulks East has a historical resource. Since acquiring the Newfoundland assets, the Company has completed 47,000 metres of drilling on its properties and increased indicated resources by almost 40%.

In 2020, the Company was authorized by the Board to formalize a potential sale for the Newfoundland Properties with an unrelated third party and through this process the Company determined that the potential sales price was lower than the Newfoundland Properties' carrying value and represented an impairment trigger. The Company obtained a fair value estimate of this property from their financial advisor and recorded an impairment of $4.1 million against the value of its mineral properties as at December 31, 2020 to best estimate its fair value less cost to sell. Management continues to explore options relating to maximizing value for the Newfoundland Properties.

While the Company's primary focus remains on the Prairie Creek Mine site in the Northwest Territories, the Newfoundland Properties will continue to be maintained in good standing for the foreseeable future. This will necessitate minor cash and labour commitments in order to keep these claims and leases current, while the Company continues evaluating the best path forward for the properties.

SELECTED FINANCIAL INFORMATION

In thousands '000	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Income				
Investment income	$ -	$ -	$ -	$ 9
Expenses				
Depreciation	19	18	37	37
Exploration and evaluation	1,771	540	2,542	2,137
General and administration (1)	1,532	581	2,107	1,753
Share-based compensation	162	203	504	406
	3,484	1,342	5,190	4,333
Other income (expenses)				
Finance costs	(2)	(51)	(5)	(62)
Gain on foreign currency translation	2	68	2	68
Change in decommissioning provision	(47)	(23)	11	-
	(47)	(6)	8	6
Net loss and comprehensive loss for the year	**$ (3,531)**	**$ (1,348)**	**$ (5,182)**	**$ (4,318)**

(1) General and administration consists of listing and regulatory, management and directors, office and general, professional, and shareholder and investor communications expenses.

In thousands '000		
As at	**June 30, 2021**	**June 30, 2020**
Non-current financial liabilities	2,232	2,010
Total assets	6,106	11,210
Dividends declared	-	-

Net loss

For the three and six months ended June 30, 2021, the Company incurred a net loss of $3.5M and $5.2M respectively, compared to a net loss of $1.3M and $4.3M for the respective comparative periods. The increase was driven by increased exploration and evaluation expense and increased general and administrative expense related to the termination and severance payable to a former senior executive of the Company.

Depreciation expense

Depreciation expense for the three and six months ended June 30, 2021 was consistent with the comparative periods in 2020 as there were no material acquisitions of capital assets.

Exploration and evaluation expense

Exploration and evaluation expense for the three and six months ended June 30, 2021 increased compared to the same periods last year due to increased seasonal camp operations and project development and mine planning related to the Prairie Creek Mine.

General and administration expenses

General and administration expense for the three and six months ended June 30, 2021 increased compared to the same periods last year due to the termination and severance payable to a former senior executive of the Company. This increase was partially offset by a decrease in corporate activities and general cost reduction initiatives.

Share-based compensation varies year to year dependent on the vesting period of RSUs, DSUs and stock options.

Other expenses

Finance costs for the three and six months ended June 30, 2021 were nominal as the Company settled all long-term debt in 2020.

Loss on change in decommissioning provision (non-cash) varies year to year and is dependent on the discount rate used for the specific fiscal year.

Non-current financial liabilities and assets

NorZinc's non-current financial liabilities as at June 30, 2021 were consistent when compared with December 31, 2020. The majority of the balance relates to the decommissioning provision.

NorZinc's total assets as at June 30, 2021 have decreased when compared with December 31, 2020 due to general expenditure in the Company's corporate and exploration activities as well as the timing of financing activities.

Consolidated quarterly loss – 8 quarters historic trend

(tabled amounts are expressed in thousands of CAD dollars)	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Investment income	$ -	$ -	$ 1	$ 1	$ -	$ 8	$ 9	$ 19
Depreciation	(19)	(18)	(19)	(17)	(18)	(19)	(19)	(19)
Exploration and evaluation	(1,771)	(771)	(1,486)	(1,045)	(540)	(1,597)	(3,429)	(4,413)
General and administration [(1)]	(1,532)	(575)	(1,347)	(545)	(581)	(1,171)	(1,155)	(577)
Share-based compensation	(162)	(342)	(124)	(178)	(203)	(203)	(95)	(122)
Gain on sale of NSR	-	-	-	-	-	-	7,744	-
Impairment of exploration and evaluation assets	-	-	-	(4,098)	-	-	-	-
Finance costs	(2)	(3)	(116)	(102)	(51)	(11)	(352)	(13)
Gain on foreign currency translation	2	-	(17)	87	68	-	302	-
Gain / (loss) on change in decommissioning provision	(47)	58	(34)	-	(23)	23	-	-
Net (loss) income	(3,531)	(1,651)	(3,143)	(5,896)	(1,348)	(2,970)	3,045	(5,125)
(Loss) earnings per share	(0.01)	(0.00)	(0.01)	(0.02)	(0.01)	(0.01)	0.01	(0.01)
Total liabilities	4,131	3,144	4,545	10,363	7,222	3,607	3,992	8,473
Total assets	**$ 6,106**	**$ 7,510**	**$ 10,300**	**$ 8,633**	**$ 11,210**	**$ 8,763**	**$ 11,185**	**$ 12,610**

(1) General and administration consists of listing and regulatory, management and directors, office and general, professional, and shareholder and investor communications expenses.

Three months ended June 30, 2021 vs historic quarters

The net loss for the quarter of $3.5M was higher than majority of the historic quarters in 2021, 2020 and 2019 due to the termination and severance payable to a former senior executive of the Company.

Depreciation for the quarter remained consistent from quarter to quarter as there were no material acquisitions of capital assets.

General and administration for the quarter was higher compared to historic quarters due to the termination and severance payable to a former senior executive of the Company.

Share-based compensation varies year to year dependent on the vesting period of RSUs, DSUs and stock options.

Finance costs are significantly lower in 2021 as the Company repaid its long-term debt in 2020.

Loss on change in decommissioning provision (non-cash) varies year to year and it is dependent on the discount rate used for the specific fiscal year.

Change in total liabilities and assets

Total liabilities have increased and decreased throughout 2019 to Q2 2021 dependent on the timing of loan payable withdrawal and settlement. In Q3 2020, the liabilities balance was at its highest due to a quarter end loan payable balance of $7.0M. This was settled through share issuances in Q4 2020, resulting in a lower total liabilities balance in subsequent periods. In Q2 2021, the increase in total liabilities was due to the termination and severance payable to a former senior executive of the Company.

Total assets have decreased from 2019 to 2021 due to depreciation and the use of cash for exploration and general corporate expenditure. The assets significantly decreased in Q3 2020 due to an impairment charge on exploration and evaluation assets of $4.1M. Total assets subsequently increased in Q4 2020 due to the receipt of cash upon closing of a rights offering in November 2020 (net $2.2M) and a flow-through share financing in December 2020 ($1.6M).

LIQUIDITY AND CAPITAL RESOURCES

	For the six months ended June 30,			
(tabled amounts are expressed in thousands of CAD dollars)		2021		2020
Cash (outflows) inflow from operating activities	$	(4,723)	$	(4,740)
Cash (outflow) inflow from financing activities		678		4,758
Cash (outflow) inflow from investing activities		(5)		(161)
Net cash flows		(4,050)		(143)
Cash and cash equivalents balance – beginning of the six-month period.	$	5,286	$	2,452
Cash and cash equivalents balance – end of the six-month period.	$	1,236	$	2,309

As at June 30, 2021, the Company had a negative working capital balance of $0.2M (December 31, 2020 – positive $3.2M) which included cash and cash equivalents of $1.2M (December 31, 2020 - $5.3M). The working capital balance has decreased from 2020 to 2021 due to exploration and corporate expenditures in the period.

For the six month period ended June 30, 2021, the cash outflow from operating activities of $4.7M was consistent with the same period in the prior year. The increase in exploration and evaluation expenditures was offset by decreases in general and administration expense.

For the six month period ended June 30, 2021, the cash inflow from financing activities was $0.7M, compared to an inflow of $4.8M in 2020. The change between periods was due to the closing of the loan financing in the six month period ending June 30, 2020 that did not occur in 2021.

For the six month period ended June 30, 2021, the cash outflow from investing activities was $5K, compared to $161K in 2020. The change between periods was due to the payment of reclamation security deposits in the six month period ended June 30, 2020 that were not required in 2021.

The Company has a history of losses with no operating revenue other than interest income and has negative working capital of $243K as at June 30, 2021 (December 31, 2020 – positive $3.2M). The ability of the Company to carry out its planned business objectives and meet its short-term working capital needs is dependent on its ability to raise adequate financing from lenders, shareholders and other investors. Additional financing will be required to continue the development of the Prairie Creek Project and to put the Prairie Creek Mine into production. There is no assurance that such financing will be available on a timely basis or on acceptable terms. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations, exploration and development activities. The Company is currently evaluating various opportunities and seeking additional sources of financing. These conditions indicate the existence of material uncertainties which cast significant doubt about the Company's ability to continue as a going concern. The associated condensed interim consolidated financial statements do not give effect to any adjustments, which could be material, and which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different than those reflected in the unaudited condensed interim consolidated financial statements.

The following table reflects the Company's aggregate contractual commitments as of June 30, 2021:

(thousands of Canadian dollars)		*Payment due by period*			
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	***More than 5 years***
Operating lease obligation (1)	$ 18	$ 11	$ 7	$ -	*$ -*
Decommissioning provision (2)	2,564	-	-	-	*2,564*
Annual fees and taxes (3)	750	75	150	225	*300*
Total Contractual Obligations	**$ 3,353**	**$ 107**	**$ 157**	**$ 225**	***$ 2,864***

(1) Represents obligations under operating leases for office space.

(2) The decommissioning liability obligation represents undiscounted costs which are anticipated to be predominantly incurred at the end of the life of the Prairie Creek Mine, which is estimated to be 2037. The liability is supported by a letter of credit deposited with the Government of the Northwest Territories secured by a pledge of restricted cash.

(3) Includes the annual fees related to the Company's mining leases, surface leases and mineral claims which total approximately $45,000 per annum and property taxes of approximately $30,000 per annum.

Q2 2021 MD&A (expressed in CAD Dollars) www.norzinc.com

Shareholders' Equity

Date	Common Shares	Options	RSU	DSU	Share purchase warrants
As at June 30, 2021	**574,117,259**	**23,788,062**	**4,500,956**	**6,452,807**	**1,125,000**
August 6, 2021 equity financing	110,399,823	-	-	-	55,199,911
Broker warrants	-	-	-	-	6,085,111
As at date of report	**684,517,082**	**23,788,062**	**4,500,956**	**6,452,807**	**62,410,022**

On August 6, 2021, the Company closed its short form prospectus offering (the "Offering") and Concurrent Private Placement (as hereinafter defined), raising gross proceeds of $7,176 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 to RCF pursuant to the private placement (the "Concurrent Private Placement"). The Offering and Concurrent Private Placement are subject to final approval by the Toronto Stock Exchange (the "TSX").

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 date at a price of $0.09 per Common Share. The Company issued 47,507,604 Warrants pursuant to the Offering and 7,692,307 Warrants to RCF pursuant to the Concurrent Private Placement. In addition, the Company issued 6,085,111 broker warrants to a syndicate of agents co-led by Paradigm Capital Inc. and Scotia Capital Inc. Each broker warrant is exercisable for a period of two years following the closing date at a price of $0.065 per Common Share.

The following table discloses the number of options and vested options outstanding as at date of this MD&A:

Number of options	Vested	Exercise price $	Expiry Date
2,750,000	2,750,000	$ 0.35	August 10, 2021
2,500,000	2,500,000	0.20	May 3, 2023
2,000,000	2,000,000	0.10	May 3, 2023
1,872,096	1,872,096	0.08	May 3, 2023
1,009,858	1,009,858	0.075	May 3, 2023
3,000,000	750,000	0.076	May 14, 2023
1,500,000	1,500,000	0.10	December 5, 2023
1,900,000	1,900,000	0.10	January 31, 2024
500,000	500,000	0.10	April 5, 2024
2,705,763	2,367,543	0.08	February 14, 2025
3,364,962	1,261,861	0.075	January 25, 2026
685,383	257,019	0.082	February 22, 2026
23,788,062	**18,668,377**	**$ 0.13**	

Q2 2021 MD&A (expressed in CAD Dollars) www.norzinc.com

REGULATORY DISCLOSURES

Off-Balance Sheet Arrangements

As at June 30, 2021 and the date of this MD&A, the Company did not have any off-balance sheet arrangements.

Proposed Transactions

As at June 30, 2021 and the date of this MD&A, the Company does not have any proposed transactions other than as disclosed elsewhere in this MD&A.

Financial Instruments

(a) Categories of financial instruments

		June 30, 2021	December 31, 2020
Cash and cash equivalents	Amortized cost	$ 1,236	$ 5,286
Short-term investments	Amortized cost	23	23
Other receivables	Amortized cost	397	289
Restricted cash	Amortized cost	2,422	2,422
Accounts payable	Amortized cost	(465)	(796)
Accrued and other liabilities	Amortized cost	(1,461)	(1,284)

The carrying value of the Company's financial assets and liabilities reasonably approximate their fair values.

(b) Interest rate risk

In respect of financial assets, the Company's policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash equivalents in order to maintain liquidity. Fluctuations in interest rates impact the value of cash equivalents. Included in net loss for the period ended June 30, 2021 is investment income on the Company's cash and cash equivalents and short-term investments. As at June 30, 2021, with other variables unchanged, a 1% increase or decrease in the Prime rate would have resulted in a decrease or increase, respectively, to net loss of $nil. The Company does not have any debt obligations which expose it to interest rate risk.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not currently generate any revenues from sales to customers nor does it hold derivative type instruments that would require a counterparty to fulfil a contractual obligation resulting in credit risk. The Company seeks to hold its cash and cash equivalents, short-term investments and restricted cash with reputable financial institutions. The Company considers the following financial assets to be exposed to credit risk: cash and cash equivalents, short-term investments, and restricted cash. The carrying value of these financial assets at June 30, 2021 is $3.7M (December 31, 2020 - $7.7M). At June 30, 2021, the Company's cash and cash equivalents, short-term investments and restricted cash were invested with two Canadian financial institutions.

(d) Liquidity risk

Liquidity risk encompasses the risk that the Company cannot meet its financial obligations as they fall due. The Company ensures that it has sufficient capital in order to meet short-term business requirements. The Company's policy is to invest cash at floating rates of interest, while cash reserves are maintained in cash equivalents in order to maintain liquidity after taking into account the Company's holdings of cash equivalents, money market investments, and receivables. As at June 30, 2021, the Company had negative working capital of $243K (December 31, 2020 – positive $3.2M). Please see *Liquidity and Capital Resources* section for more details.

Significant Accounting Policies

Please refer to the Company's unaudited condensed consolidated interim financial statements for the periods ended June 30, 2021 and Annual Financial Statements for the year ended December 31, 2020 which have been filed on SEDAR.

IFRS Standards Issued But Not Yet Effective

There are a number of new standards, amendments to standards and interpretations, which are not yet effective for the period ended June 30, 2021 and have not been applied in preparing the Company's consolidated financial statements. The Company does not expect that the adoption of these new standards will have a material impact on the consolidated results, financial position or accounting policies of the Company.

Critical Accounting Estimates and Judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Management uses its best estimates for these purposes, based on assumptions that it believes reflect the most probable set of economic conditions and planned courses of action. Actual results may differ from these estimates. Please refer to the Company's unaudited condensed consolidated financial statements for the periods ended June 30, 2021 and the Annual Financial Statements for the year ended December 31, 2020, which have been filed on SEDAR.

Internal Controls and Procedures

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that material items requiring disclosure by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislations are recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filing, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate to allow timely decisions regarding required disclosure.

As required under National Instrument 52-109, management advises that there have been no changes in the Company's disclosure controls and procedures that occurred during the period ended June 30, 2021, that have materially affected, or are reasonably likely to materially affect, the Company's disclosure controls and procedures.

It should be noted that, while the Company's CEO and CFO believe that the Company's disclosure controls and procedures provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and procedures can prevent all errors or mistakes. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Internal Control over Financial Reporting

Management is responsible for designing, establishing and maintaining a system of internal controls over financial reporting to provide reasonable assurance that the financial information prepared by the Company for external purposes is reliable and has been recorded, processed and reported in an accurate and timely manner in accordance with IFRS.

As required under National Instrument 52-109 and based on current securities legislation in Canada, the CEO and the CFO of the Company have evaluated the design of the Company's internal controls and procedures over financial reporting as of June 30, 2021 and have concluded that such internal controls and procedures were properly designed at that date.

Risk and uncertainties

This MD&A contains forward-looking statements. Readers are cautioned as to the risks and uncertainties related to the forward-looking statements and are directed to those risks and uncertainties discussed in the Annual Information Form ("AIF") dated March 30, 2021, which was filed on SEDAR. Also, please refer to the "Cautionary Statement on Forward-Looking Information" at the end of the MD&A.

Other technical information

All scientific and technical information in this MD&A has been reviewed and approved by Kerry Cupit, P.Geo., a qualified person for the purposes of National Instrument 43-101 *Standards of Disclosure for Mineral Projects*. For additional information regarding the Company's Prairie Creek Mine, please see the technical report entitled "*Technical Report – Prairie Creek Property Feasibility Study NI 43-101 Technical Report*" dated effective September 28, 2017, by H.A. Smith, L.P. Staples, S. Elfen, G.Z. Mosher, F. Wright and D. Williams on the Company's profile at www.sedar.com. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that all or any part of an inferred mineral resource will ever be upgraded to a measured or indicated mineral resource or to a mineral reserve.

ADDITIONAL INFORMATION AND CAUTIONARY STATEMENTS

Additional information relating to the Company is contained in the Company's AIF in respect of the financial year ended December 31, 2020, available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.norzinc.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" with the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"), such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to the Company's planned or proposed Prairie Creek Mine operations including; future mine grades and recoveries; the estimation of mineral reserves and mineral resources; the realization of mineral reserve and mineral resource estimates; cost estimates for further construction and development of the Prairie Creek Mine capital and operating cost estimates and long-term environmental reclamation obligations; exploration plans at the Prairie Creek Mine and other exploration properties and the expected results thereof; the timing and process for obtaining operating permits; projected earnings before interest, taxes, depreciation and amortization on the Prairie Creek Mine; the timing of and amount of potential revenue; requirements for additional capital; and the outlook for future prices of zinc, lead and silver; the impact to the Company of future accounting standards; and the risks and uncertainties around the Company's business.

Forward-looking statements by their very nature, involve inherent risks and uncertainties which could cause actual results or events to differ materially from those reflected in the forward-looking statements, including risks relating to, among other things: mineral reserves, mineral resources (including with respect to the size, grade and recoverability of mineral resources), results of exploration, reclamation and other post-closure costs, capital and construction costs, mine production costs, the timing of exploration, development and mining activities, and the Company's financial condition and prospects not being consistent with the Company's expectations, changes in general economic conditions and conditions in the financial markets; changes in demand and prices for the minerals the Company is exploring for or expects to produce; inability to obtain and/or maintain permits or approvals; litigation; legislative, environmental and other judicial, regulatory, political and competitive developments in areas in which the Company operates; technological and operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations) encountered in connection with the Company's activities; unavailability of materials and equipment, and the sources of such items; labour relations matters, industrial disturbances or other job action; inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; changing interest and foreign exchange rates; unanticipated events related to health, safety and environmental matters, political risk, social unrest, and changes in general economic conditions or conditions in the financial markets.

These forward-looking statements are also based on certain assumptions which the Company believes are reasonable, including that market fundamentals will result in sustained zinc, lead, silver and other commodity demand and prices, and such prices will be materially consistent with those anticipated; the proposed development of the Company's mineral projects will be viable operationally and economically and proceed as planned; the actual nature, size and grade of the Company's mineral resources and reserves are materially consistent with such estimates; any additional financing required by the Company will be available on reasonable terms and when required; that general business and economic conditions will not change in a materially adverse manner; that all necessary governmental approvals for the planned exploration on the Prairie Creek Mine will be obtained on acceptable terms and in a timely fashion; and the Company will not experience any material accident, labour dispute or failure of plant or equipment.

The material assumptions used to develop EBITDA projections for the Prairie Creek Mine are contained in the Prairie Creek Technical Report.

The above list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the filings by the Company with securities regulatory authorities, including under "Risk Factors" in the Company's AIF and in this MD&A under "Liquidity, Financial Condition and Capital Resources" and "Review of Financial Results”. The Company does not undertake to update any forward-looking statements that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws. Readers should be aware that historical results are not necessarily indicative of future performance; actual results will vary from estimates and variances may be significant. For the reasons set forth above, the reader should not place undue reliance on forward-looking statements.

CAUTIONARY NOTE REGARDING NON-IFRS FINANCIAL MEASURES

The EBITDA projections for the Prairie Creek Property summarized herein and contained in the Prairie Creek Technical Report (the “Company's Non-IFRS Financial Measures”) are not measures recognized under International Financial Reporting Standards (“IFRS”) and do not have any standardized meanings prescribed by IFRS. The Company's Non-IFRS Financial Measures are presented herein because management of the Company believes that such measures represent a reasonable approximation of projected operating income and are relevant for evaluating projected returns on the Prairie Creek Property. The Company's Non-IFRS Financial Measures may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to similar Non-IFRS Financial Measures as reported by such organizations. There is no measure contained in the Company's financial statements that provides a direct comparison to the Company's Non-IFRS Financial Measures, as cash flows from operating activities would be the most directly comparable measure, but the Company does not currently have any operations and does not present operating income in its financial statements. The Company's Non-IFRS Financial Measures should not be construed as alternatives to net income, cash flows related to operating activities, or other financial measures determined in accordance with IFRS, as an indicator of the Company's projected performance.