Management's Discussion and Analysis

Year Ended – December 31, 2021

(Expressed in Canadian dollars, unless otherwise noted)

TABLE OF CONTENTS

Corporate Overview 1
Highlights – Fiscal 2021 2
Subsequent Events & Outlook 4
Prairie Creek Project 5
Annual Financial Information 10
Liquidity And Capital Resources 14
Related Party Transactions 17
Regulatory Disclosures 17
Additional Information And Cautionary Statements 22
Cautionary Note Regarding Forward-Looking Statements 22
Cautionary Note Regarding Non-IFRS Financial Measures 24

This Management's Discussion and Analysis ("**MD&A**"), dated March 23, 2022, 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 audited consolidated financial statements and notes thereto of the Company for the years ended December 31, 2021 and 2020 (together the "**Annual Financial Statements**") and other corporate filings, including the Company's annual information form for the year ended December 31, 2021 (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. "M" denotes millions of Canadian dollars.

CORPORATE OVERVIEW

The Company's activities are primarily focused on the advancement, development, and financing of the Prairie Creek high grade zinc-silver-lead project ("**Prairie Creek**", "**Prairie Creek Project**" or "**the Project**") located in traditional Dene territory in Canada's Northwest Territories ("**NWT**"). The Company is currently well advanced in updating the mining permit for recently expanded 2,400 tonnes per day ("tpd") mine design, up from the 1,600 tpd currently permitted for. The Company is also focused on finalizing the permit conditions required for the Water License ("**WL**") and Land Use Permit ("**LUP**") from the Mackenzie Valley Land & Water Board ("**MVLB**") and Parks Canada ("**Parks**") for construction of an All Season Road ("**ASR**") providing access to the Prairie Creek Project.

HIGHLIGHTS – FISCAL 2021

Financial and Corporate

- Strengthened leadership team with the appointment of experienced mining executive Rohan Hazelton as the Company's President, CEO and Director, as well as Claudine Lee as VP CSR.
- MOU signed with Parks Canada regarding the operation and development of Prairie Creek and the management of the Nahanni National Park Reserve.
- MOU signed with Boliden to significantly expand zinc concentrate offtake.
- Completed $1.0M non-brokered private placement of shares to RCF VI CAD LLC ("RCF")(May 2021)
- Completed a $7.2M prospectus offering and concurrent private placement (August 2021).
- Completed the sale of its Newfoundland mineral properties, strengthening the financial position and enabling the Company to solely focus on the development of the Prairie Creek Project (November 2021).
- Cash and short-term investments at December 31, 2021 – $3.8M (December 31, 2020 – $5.3M).
- Loss for year ended December 31, 2021 – $12.7M (December 31, 2020 – $13.4M).

Prairie Creek

- Completed the surface drill program for the 2021 season and announced drill results of 391 g/t (or 12.6 oz/ton) Ag, 21.3% Zn, 10.1% Pb, and 1.6% Cu, for a combined zinc.
  equivalent grade of 49.2% on August 31, 2021.
- On August 11, 2021, the Company signed the updated and final Impact Benefit Agreement with Łíídlįį Kųę First Nation ("LKFN").
- On October 21, 2021, the Company announce the results of a Preliminary Economic Assessment ("PEA") for the Prairie Creek Project with an NPV of US$299M and an after-tax IRR of 17.7%. The PEA base case used spot prices of $1.20/lb zinc, $1.05/lb lead, and $24/oz silver. The PEA incorporates an updated mineral resource estimate and an increased 2,400 tpd mine plan over a 20-year mine life.
- Initiated a detailed metallurgical microprobe study during the third quarter which is ongoing. The purpose of the study is to further the Company's understanding and gain additional insight into the variability of mercury that could be expected throughout the mine life. The additional information will assist the Company in advancing negotiations with smelters and offtakers as part of the Company's overall concentrate marketing strategy.

- Achievement of a major permitting milestone being the advancement of the expanded 2,400 tpd mine permit process without the need for an additional Environmental Assessment. The updated and amended mine permits are expected to be received in Q2 2022.
- Conditions of the WL an LUPs for the All-Season Road issued by Parks Canada ("Parks") and the Mackenzie Valley Land and Water Board ("MVLWB") include the submission, review and approval of Management Plans related to the authorized activities. NorZinc submitted these plans to the regulatory bodies in Q3 and Q4 of 2021 and these plans have been going through review. Due to the regulatory process and steps required, the approval of these plans was not completed by the targeted start of Phase 1 All-Season Road construction resulting in a delay of the project by 1 year. NorZinc continues to work with Parks and the MVLWB to complete the approval.

Continued Development of the Prairie Creek Project

Continuing the Mine Enhancement Program ("MEP") started in 2020, the Company explored in 2021 the economic implications of increasing mill throughput from 1,600 tpd to 2,400 tpd with additional internal studies exploring mining, scheduling, logistical and timing opportunities to further support reduced capital and operating costs. In addition, two drill programs, one in late 2020 and the other in 2021, have added to the geologic and assay database, and supported an updated Mineral Resource Estimate published in October 2021.

In September 2021, the Company announced that a PEA had been launched on a 2,400 tpd production plan, to formalize much of the internal work that had been done in the nine months prior as part of the MEP and replaces the previous 2017 Feasibility Study NI 43-101 report as the current technical report. Results of the PEA were announced on October 21, 2021 and are outlined below.

On December 20, 2021, the Company announced unexpected regulatory requirements in the All-Season Road ("ASR") permitting process, which delayed the commencement of construction on the Pioneer Winter Road ("PWR") by up to one year. The initial PWR constitutes Phase 1 of the ASR, providing the main point of access to the Prairie Creek Project. As a result of this permitting delay and subject to financing and Covid-19 effects, the Company plans to commence construction on the PWR in Q4 2022, followed by the main construction and development activities for the full ASR planned for 2023 and 2024, culminating in commencement of operations in Q4 2025.

Conditions of the WL and LUPs for the All-Season Road issued by Parks and MVLWB include the submission, review and approval of Management Plans related to the authorized activities. NorZinc submitted these plans to the regulatory bodies in Q3 and Q4 of 2021 and these are currently under review. Due to the regulatory process and steps required, the approval of these plans was not completed by the targeted start of Phase 1 All-Season Road construction in December 2021, resulting in the Company delaying the start of the construction. The delay to start of construction has delayed the overall project by one year. To ensure plans are completed and approved for the start of construction in 2022, NorZinc is continuing to move approvals forward with Parks and the MVLWB.

The Company continues to consider multiple development financing opportunities for the activities planned in 2022 subject to financing and permit readiness. NorZinc's primary objectives during 2022 will be as follows:

- Re-establish a baseline schedule, reflecting a 1-year delay in the Phase 1 construction of the ASR which is targeted for Q4 2022.
- Finalize all outstanding approvals from Parks and the MVLWB, related to the Phase 1 ASR Management Plans.
- Re-evaluate value-added initiatives within the project engineering scope to a higher level of detail and confidence, while also exploring the opportunities identified in the PEA.
- Support a 5,000 m drill program during the summer months aimed at obtaining additional geotechnical and metallurgical information.
- Continued discussions with Acho Dene Koe First Nations for benefit program with expected conclusion in Q3 2022.

Subsequent Events & Outlook

Following the events of 2021, NorZinc has been focused on working with the Government of Northwest Territories ("GNWT") and Parks to clarify and define the permitting process and required additional steps in order to finalize the WL and LUP for the construction and operation of the ASR.

The Prairie Creek Project is expected to bring significant social and economic benefit to local communities in the Northwest Territories. Community input and support is essential in creating a successful regulatory review and NorZinc is dedicated to ensuring that its activities fulfill local community expectations regarding reasonable benefits while protecting the environment. Overall, the economic development opportunity of the Project in terms of total expected gross revenue is over $6 billion and the potential for direct federal, territorial, and local government benefits is over $600 million. Benefits as outlined in the Socio-Economic agreement through Construction, Operation, and Closure employment targets of 30%, 60% and 75% respectively for northern employees, as well as business targets during Construction of 30% northern business, 60% during Operations, and 70% during Closure.

Management is currently considering multiple opportunities for near-term financing activities for ongoing operations and the FS aimed at the commencement of the construction of the ASR. Concurrently, management is working diligently towards advancing longer-term financing initiatives for the construction of the PWR later this year and the eventual construction of the expanded mine design envisioned in the recently announced PEA.

The Company remains very positive for the future economic potential of the Prairie Creek Project. The results of the PEA highlight the robust potential of the project with multiple opportunities for cost improvements and operational optimization being investigated. With zinc prices recently hitting 14-year

highs, combined with the high-grade nature of the project, management remains optimistic for the ability to execute on its near-term goals.
In 2021, zinc was deemed a critical metal by both Canada and the United States based on the key role in plays in infrastructure development, given its primary use to coat and protect steel from corrosion, as well as its fundamental role in green energy development through its numerous applications. As Prairie Creek's primary metal is zinc, this further demonstrates the Project's significance and contribution, especially within Canada.

PRAIRIE CREEK PROJECT

Ownership and Existing Infrastructure

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, 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 Project 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. Prairie Creek is the flagship property of the Company, its development is integrally linked to the financing and financial success of the Company.

The Project is subject to net smelter returns royalties totaling 2.2%.

Preliminary Economic Assessment

On October 21, 2021, the Company announced the results of a PEA for its Prairie Creek Project including an after-tax $NPV_{8\%}$ of $299 million and an IRR of 17.7%. The PEA incorporates an updated Mineral Resource Estimate and provides an economic assessment for a 2,400 tpd mine plan with a life of mine of 20.3 years.

PEA Highlights Include:

- After-tax $NPV_{8\%}$ of $299 million using base case metal prices of $1.20/lb zinc, $1.05/lb lead and $24/oz silver (pre-tax $NPV_{8\%}$ of $505 million)
- After-tax IRR of 17.7% (pre-tax IRR of 21.4%) based on initial Capex of $368 million, including $35 million of contingency, with significant opportunity to improve initial costs through cost optimization
- At a zinc price of $1.50/lb zinc after-tax $NPV_{8\%}$ increases to US$479 and IRR increases to 22.8%,
- LOM C1 by-product costs of $0.19/lb Zn and C3 by-product costs of $0.60/lb Zn (C1 co-product costs of $0.73/lb ZnEq[1] and C3 co-product costs of $0.92/lb ZnEq), placing Prairie Creek in the lowest third of zinc mines once in operation

[1] ZnEq calculated as (grade of Zn in %) + [(grade of lead in % * price of lead in $/lb * 22.046 * recovery of lead in % * payable lead in %) + (grade of silver in g/t* (price of silver in $/Troy oz/ 31.10348) * recovery of silver in % * payable silver in %)]/(price of zinc in $/lb*22.046 * recovery of zinc in % * payable zinc in %), with average processing recovery factors of 81.5% , 84.3%, and 95.1% for zinc, lead and silver, respectively, and average payables of 85%, 95%, and 85%.

Q4 2021 MD&A (expressed in CAD Dollars) www.norzinc.com

- Average annual payable ZnEq production of 261 Mlbs, including 2.6 Moz of average annual silver production, over a 20-year life of mine, with a payback of 4.8 years
- Total cumulative LOM EBITDA of $2.5 billion; average annual EBITDA of $123 million
- Updated Mineral Resource Estimate includes 9.8 M tonnes of total Measured & Indicated ("M&I") Resources at 22.7% ZnEq, a 15% increase in total M&I tonnage from the September 2015 Mineral Resource Estimate and 6.4 M tonnes of total Inferred Resources at 24.1% ZnEq
- Updated definitive Feasibility Study to commence immediately and will incorporate the investigation of numerous identified opportunities to add value by optimizing capex and opex input costs
- Project represents a majorly de-risked project with world-class potential in one of the most favourable and stable jurisdictions in the world

Highlighted Results from PEA Include:

After-Tax Net Present Value ("NPV") (Discount Rate 8%)	$299M
After-Tax Internal Rate of Return ("IRR")	17.7%
After-Tax Payback Period	4.8 Years
Pre-Production Capex	$368M
Sustaining Capex and Closure Costs	$332M
Average Annual Payable Silver	2,551 koz
Average Annual Payable Zinc	122 Mlbs
Average Annual Payable Lead	101 Mlbs
Life of Mine ("LOM")	20.3 Years
Total Resource Mined	17.2 Mt
Average ZnEq Diluted Grade of Mineral Resources Mined	17.10%
Gross Revenue After Royalty (LOM)	$6,274M
After-Tax Free Cash Flow (LOM)	$1,121M
Average Annual EBITDA	$123M
C1 Costs over LOM (By-Product)	$0.19/lb Zn
C3 Costs over LOM (By-Product)	$0.60/lb Zn
C1 Costs over LOM (Co-Product)	$0.73/lb ZnEq
C3 Costs over LOM (Co-Product)	$0.92/lb ZnEq
Zinc Price - Flat (LOM)	$1.20/lb
Lead Price - Flat (LOM)	$1.05/lb
Silver Price - Flat (LOM)	$24.00/oz
FX Rate (CAD:USD)	1.25

Q4 2021 MD&A (expressed in CAD Dollars) www.norzinc.com

Updated Mineral Resource Estimate

The new Mineral Resource Estimate is an update of the previous estimate which was included in the Company's Feasibility Study Technical Report dated September 20, 2017 and includes assay data from 47 samples and lithological data collected from three drillholes, PC-20-225, 226, and PC-21-227, that have been acquired since the previous estimate.

Highlights Include:

- 9.8 M tonnes of total Measured & Indicated Resources at 22.7% ZnEq, a 15% increase in total M&I tonnage from the September 2015 Mineral Resource Estimate
- 6.4 M tonnes of total Inferred Resources at 24.1% ZnEq
- Conversion of Main Quartz Vein ("MQV") Inferred Resources into Indicated Resources with the addition of recent drill results and updated modeling and estimation parameters, resulting in an increase to MQV M&I tonnes by 11%, to 6.2 M tonnes grading 184 ppm Ag, 11.9% Pb, 10.7% Zn
- Stockwork ("STK") M&I Resources have increased by 36% to 2.9 Mt, grading 65 ppm Ag, 3.2% Pb, 7.7% Zn
- Metal content in total M&I Resources has increased by 15% for zinc, 11% by lead, and 15% for silver

A summary of the Mineral Resource Estimate is set out in the table below:

Updated Mineral Resource Estimate for the Prairie Creek Project
Effective October 15, 2021

Domain	Classification	Tonnes	ZnEq[i] %	Ag ppm	Pb %	Zn %
Main Quartz Zone (**MQV**)	Measured	903,000	30.3	206	11.2	12.9
	Indicated	5,248,000	27.7	181	12.0	10.3
	M & I	**6,152,000**	**28.0**	**184**	**11.9**	**10.7**
	Inferred	3,849,000	31.4	207	8.4	16.7
Stockwork (**STK**)	Measured	128,000	17.4	97	4.1	10.3
	Indicated	2,754,000	12.6	63	3.2	7.6
	M & I	**2,883,000**	**12.8**	**65**	**3.2**	**7.7**
	Inferred	2,187,000	12.7	67	4.0	6.7
Stratabound Massive Sulphides (**SMS**)	**Indicated**	**722,000**	**16.4**	**53**	**5.1**	**9.7**
	Inferred	367,000	15.4	47	4.4	9.6
TOTAL	Measured	1,031,000	28.7	193	10.3	12.6
	Indicated	8,724,000	22.0	133	8.6	9.4
	M & I	**9,755,000**	**22.7**	**139**	**8.8**	**9.7**
	Inferred	6,403,000	24.1	150	6.7	12.9

Notes to table:

1. Stated at a cut-off grade of 8% ZnEq based on prices of Zn = $1.15 USD/lb, Pb = $1.00 USD/lb, Ag = $20.00 USD/troy oz.

2. Average overall processing recovery factors for the purposes of the resource estimate for Zn, Pb and Ag are 81.5%, 84.3%, and 95.1% respectively, with payables similarly as 85.0%, 94.8%, and 85.0%. Numbers may not compute exactly due to rounding.

The PEA was prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and led by Ausenco, with contributions from Global Mineral Resource Services, Mining Plus and F. Wright Consulting.

The PEA replaces and supersedes the Company's previous 2017 Feasibility Study on the project.
The PEA was prepared for NorZinc by Ausenco Pty Ltd ("Ausenco") and other industry consultants, all defined as Qualified Person ("QP") under National Instrument 43-101. The QPs that have reviewed and approved the content of this press release are:

- Kevin Murray, P.Eng, Manager, Process Engineering, Ausenco
- Greg Mosher, P.Geo, Global Mineral Resource Services
- Maurice Mostert, P.Eng, Manager - Western Canada, Mining Plus.

The Technical Report for the Preliminary Economic Assessment for the Prairie Creek Project has been filed on SEDAR (www.sedar.com).

Indigenous Agreements

Naha Dehé Dene Band ("**NDDB**") of Nahanni Butte is the nearest community to the Project, located approximately 90 kilometres southeast of site. The Project site and route of the ASR are within NDDB's Traditional Territory. Łíídlįį Kųę́ First Nation 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 Project also runs through the traditional territory of the LKFN and 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 Project. Recognizing the ASR may have additional potential impacts and effects on both groups as compared to a winter-only road, the Company signed a Traditional Land Use Agreement ("**TLUA**") with the NDDB for the construction and operation of the ASR in 2019. In addition, in August 2021, the 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 Project site.

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.

In 2019 the Company commenced more advanced discussions with Acho Dene Koe (ADK) particularly related to business opportunities related to the proposed mining operation. Those discussions continued in 2020 and 2021 and are expected to result in a long-term agreement related to the Project.

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 Project 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.

Timing of Development

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 (2023) as a winter road and in Phase 2 (2024-2025) 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. Subject to permitting and financing, Phase 2 construction of the ASR is planned to commence in late 2023 and continue into 2025, in parallel with continuous and ongoing site construction and project development.

The Company has applied for amendments to the current Water Licence and Land Use Permit to reflect an increased mining rate from 1,600 tpd to 2,400 tpd. 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 with final permits expected in late Q1 2022.

Financing Initiatives

The Company has engaged Auramet International, LLC ("Auramet") as Financial Advisor in conjunction with project financing for the Prairie Creek Project. 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.

COVID-19 Effect on Schedule

The Company is committed to ensuring the health and safety of its workers at the Prairie Creek Project. Additional safety measures, coupled with new travel restrictions, mean that increased costs and logistical challenges remain a factor for any field programs.

As an additional measure to protect workers during the 2021 field season, a COVID-19 testing program was implemented for inbound and outbound workers using a polymerase chain reaction ("PCR") test machine located at the Prairie Creek site. There were no cases of COVID-19 at Prairie Creek in 2021.

In preparation for site operations commencing at Prairie Creek in 2022, the COVID-19 Plan will be reviewed and updated based on prior learnings, vaccination protocols, and new requirements. The policies and procedures are continually being reviewed by the Government of the NWT and WCSS and may be updated creating uncertainty in the requirements for future 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.

Newfoundland Projects

The Company formerly held 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").

On November 15, 2021, the Company completed the sale of the entirety of NorZinc's Newfoundland assets to Canterra Minerals Corporation ("Canterra") for $0.25M in cash and 6,625,000 common shares of Canterra.

ANNUAL FINANCIAL INFORMATION

In thousands '000	Year ended December 31,		
	2021	2020	2019
Income			
Investment income	$ -	$ 10	$ 95
Expenses			

Depreciation	70	73	81
Exploration and evaluation	8,546	4,668	11,300
General and administration(1)	3,914	3,644	3,650
Share-based compensation	876	708	694
	13,406	9,093	15,725
Other income (expenses)			
Gain on sale of NSR	-	-	7,744
(Impairment) / impairment reversal on E&E assets	415	(4,097)	-
Tax recovery	297	-	-
Finance costs	(7)	(280)	(325)
Gain on foreign currency translation	3	138	-
Loss on change in decommissioning provision	(24)	(34)	302
	684	(4,274)	7,694
Net loss and comprehensive loss for the year	**$ (12,722)**	**$ (13,357)**	**$ (7,936)**

(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 December 31,**	
	2021	**2020**	**2019**
Non-current financial liabilities	2,250	2,115	1,917
Total assets	9,603	10,300	11,185
Dividends declares	-	-	-

Net loss

The Company incurred a net loss of $12.7M in the year ended December 31, 2021. The net loss was lower than 2020 ($13.4M) primarily due to the $4.1M impairment loss recognized in 2020 that was not required in 2021, offset by increased exploration & evaluation expenses. The impairment was partially reversed in Q4 2021 ($0.4M) due to the sale of the Newfoundland Properties. Despite the highest expenses in 2019, its net loss was the lowest due to the $7.7M gain on the sale of a 1% NSR to RCF.

Depreciation expense

Depreciation expense decreased when compared with 2020 and 2019 as some of the assets have been fully depreciated and there were no material acquisitions of capital assets in 2021. The Company also sold its Newfoundland assets in late 2021.

Exploration and evaluation expense

Exploration and evaluation expense increased compared to 2020 due to a ramp up in all areas (site activities, mine planning, permitting, etc.) related to the Prairie Creek Mine as the Company completed an updated PEA in October 2021. Exploration and evaluation expenses were highest in 2019 due to significant costs incurred related to permitting and Indigenous engagement for the ASR.

General and administration expenses

General and administration expenses remain largely consistent throughout 2019 to 2021.

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

Other expenses

Finance costs varies from year to year dependent on the Company's debt level. The Company had no long-term debt outstanding throughout 2021 as it repaid loan principal of $7.1M and $8.0M in 2020 and 2019, respectively. As a result, the finance cost was the highest in 2019 and nominal in 2021.

Gain in foreign exchange varies from year to year and was dependent on the strength of Canadian Dollar vs. US Dollar as the loans were denominated in USD.

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

Non-current financial liabilities and assets

Non-current financial liabilities increased from 2019 to 2021 due to increase in decommissioning obligation as a result of a change in estimate and the impact of accretion.

Total assets have decreased from 2019 to 2021 due to depreciation and impairment of assets and the use of cash for exploration and general corporate expenditure. The assets significantly decreased in 2020 due to impairment of exploration and evaluation assets of $4.1M. This impairment was partially reversed in Q4 2021 ($0.4M) due to the sale of the Newfoundland Properties.

Consolidated quarterly loss – 8 quarters historic trend

(tabled amounts are expressed in thousands of CAD dollars)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	*Q1 2020*
Investment income	$ -	$ -	$ -	$ -	$ 1	$ 1	$ -	*$ 8*
Depreciation	(16)	(17)	(19)	(18)	(19)	(17)	(18)	*(19)*
Exploration and evaluation	(2,942)	(3,062)	(1,771)	(771)	(1,486)	(1,045)	(540)	*(1,597)*
General and administration (1)	(1,102)	(705)	(1,532)	(575)	(1,347)	(545)	(581)	*(1,171)*
Share-based compensation	(177)	(195)	(162)	(342)	(124)	(178)	(203)	*(203)*
Gain on sale of NSR	-	-	-	-	-	-	-	-
(Impairment) / impairment reversal on E&E assets	415	-	-	-	-	(4,098)	-	-
Tax recovery	297	-	-	-	-	-	-	-
Finance costs	(3)	1	(2)	(3)	(116)	(102)	(51)	*(11)*
Gain on foreign currency translation	(1)	2	2	-	(17)	87	68	-
Gain / (loss) on change in decommissioning provision	(76)	41	(47)	58	(34)	-	(23)	*23*

Q4 2021 MD&A (expressed in CAD Dollars) www.norzinc.com

Net (loss) income	(3,605)	(3,935)	(3,531)	(1,651)	(3,143)	(5,896)	(1,348)	*(2,970)*
(Loss) earnings per share	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.02)	(0.01)	*(0.01)*
Total liabilities	5,197	4,234	4,131	3,144	4,545	10,363	7,222	*3,607*
Total assets	**$ 9,603**	**$ 8,746**	**$ 6,106**	**$ 7,510**	**$ 10,300**	**$ 8,633**	**$ 11,210**	***$ 8,763***

(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 December 31, 2021 vs historic quarters

The net loss for the fourth quarter of 2021 was $3.6M which is largely consistent with the prior quarters given the project is in the development stage. Notable exceptions are Q1 2021 where the loss was significantly lower due to seasonal shut down of site activities at Prairie Creek and Q3 2020 where the loss was significantly larger due to the $4.1M impairment of the Newfoundland Assets.

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

General and administration expenditures were $1.1M for the quarter. This is higher than previous quarters due to increased professional fees offset by decreased office expenses. Q2 2021 was higher than other quarters due to executive management changes and the associated costs.

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 2020 to 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 a rights offering 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. In Q3 2021, total liabilities remained consistent with Q2 2021. In Q4 2021, total liabilities increased due to the timing of payments for accounts payable and accrued liabilities.

Total assets have increased and decreased throughout 2020 to 2021 dependent on the timing of financings 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). Total assets increased in

Q3 2021 due to the receipt of cash upon closing of a prospectus offering and concurrent private placement in August 2021 (net $6.3M). Total assets further increased in Q4 2021 due to the $3.3M private placement with RCF and the sale of the Newfoundland assets resulting in a gain of $0.4M.

LIQUIDITY AND CAPITAL RESOURCES

	Year ended December 31,		
(tabled amounts are expressed in thousands of CAD dollars)	2021	2020	2019
Cash (outflow) inflow from operating activities	$ (11,614)	$ (8,173)	$ (14,452)
Cash (outflow) inflow from financing activities	10,196	11,358	(173)
Cash (outflow) inflow from investing activities	(32)	(351)	7,824
Net cash flows	$ (1,450)	$ 2,834	$ (6,801)
Cash and cash equivalents balance – beginning of the period	$ 5,286	$ 2,452	$ 9,253
Cash and cash equivalents balance – end of the period	$ 3,836	$ 5,286	$ 2,452

As at December 31, 2021, the Company had working capital balance of $3.1M (December 31, 2020 – $3.2M) which included cash and cash equivalents of $3.8M (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 year ended December 31, 2021, the cash outflow from operating activities was $11.6M, compared to $8.2M in 2020 and $14.5M in 2019. The increase compared to 2020 was due to an increase in exploration and evaluation expenditures. The Company lowered its overall expenditure level in 2020 until it was recapitalized in late 2020.

For the year ended December 31, 2021, the cash inflow from financing activities was $10.2M, compared to $11.4M in 2020 and an outflow of $0.2M in 2019. In 2021, the Company raised $10.4M in equity financing while in 2020, the Company raised $7.1M in debt and $4.5M in equity financing. These financings did not occur in fiscal 2019.

For the year ended December 31, 2021, the cash outflow from investing activities was $0.03M compared to an outflow of $0.4M in 2020 and an inflow of $7.8M in 2019. The decrease was due to the larger payments of reclamation security deposits in 2020 that were not required in 2021. In 2019, there was an $8.0M NSR sale which did not occur in 2020 and 2021.

The Company has a history of losses with no operating revenue other than interest income and has working capital of $3.1M as at December 31, 2021 (December 31, 2020 – $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 Project 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 audited 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 audited consolidated financial statements.

The following table reflects the Company's aggregate contractual commitments as of December 31, 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)	$ 50	$ 46	$ 4	$ -	*$ -*
Decommissioning provision (2)	3,186	-	-	-	*3,186*
Annual fees and taxes (3)	750	75	150	225	*300*
Total Contractual Obligations	**$ 3,986**	**$ 121**	**$ 154**	**$ 225**	***$ 3,486***

(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 Project, which is estimated to be 2046. 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.

Q4 2021 MD&A (expressed in CAD Dollars) www.norzinc.com

Shareholders' Equity

Date	Common Shares	Options	RSU	DSU	Warrants
As at December 31, 2021	**753,893,790**	**21,038,062**	**4,432,956**	**8,228,261**	**62,410,022**
Vesting of RSUs	3,422,020	-	(4,432,956)	-	-
Granting of RSUs	-	-	13,304,325	-	-
Granting of Options	-	12,328,020	-	-	-
As at date of report	**757,315,810**	**33,366,082**	**13,304,325**	**8,228,261**	**62,410,022**

On February 3, 2022, the Company granted 13,304,325 RSUs to certain employees and consultants of the Company. The RSU will fully vest one year from the date of grant.

On February 3, 2022, the Company granted 12,328,020 stock options to certain employees and consultants of the Company. The stock options have an exercise price of $0.04 and expire five years from the date of grant. 1/8th of the stock options will be vested at grant and 1/8th every 3 months thereafter.

On February 16, 2022 the Company issued 3,213,484 shares to certain employees and consultants in exchange for 4,071,040 vested RSUs. The difference between the shares issued compared to the vested RSUs was valued at $34K and was paid to Canada Revenue Agency for mandatory tax withholdings.

On February 22, 2022 the Company issued 208,536 shares to an employees in exchange for 361,916 vested RSUs. The difference between the shares issued compared to the vested RSUs was valued at $5K and was paid to Canada Revenue Agency for mandatory tax withholdings.

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

Number of options	Exercise price $	Vested	Expiry Date
2,500,000	0.20	2,500,000	May 3, 2023
2,000,000	0.10	2,000,000	May 3, 2023
1,872,096	0.08	1,872,096	May 3, 2023
1,009,858	0.075	1,009,858	May 3, 2023
3,000,000	0.076	1,500,000	May 14, 2023
1,500,000	0.10	1,500,000	December 5, 2023
1,900,000	0.10	1,900,000	January 31, 2024
500,000	0.10	500,000	April 5, 2024
2,705,763	0.08	2,705,763	February 14, 2025
3,364,962	0.075	2,103,101	January 25, 2026
685,383	0.082	428,364	February 22, 2026
12,328,020	0.04	1,541,003	February 3, 2027
33,366,082	**$ 0.08**	**19,560,185**	

Q4 2021 MD&A (expressed in CAD Dollars) www.norzinc.com

RELATED PARTY TRANSACTIONS

During the year ended December 31, 2021, the Company incurred professional fees of $197 (December 31, 2020 – $241) with RCF. The Company also incurred interest costs of $nil (December 31, 2020 – $182) from loan payable with RCF which was settled in 2020.

During the year ended December 31, 2021, the Company incurred engineering and exploration costs of $678 (December 31, 2020 – $206) with Ausenco Engineering Canada ("Ausenco"). RCF is the controlling shareholder of Ausenco.

During the year ended December 31, 2021, the Company incurred short-term employee remuneration and benefits to officers and directors in the amount of $2,325 (December 31, 2020 – $1,421) and recognized share-based compensation for officers and directors in the amount of $735 (December 31, 2020 – $648).

At December 31, 2021, $406 (December 31, 2020 – $184) was owed to RCF and Ausenco and included in accounts payable and accrued and other liabilities.

REGULATORY DISCLOSURES

Off-Balance Sheet Arrangements

As at December 31, 2021, and the date of this MD&A, the Company did not have any off-balance sheet arrangements.

Proposed Transactions

As at December 31, 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

		December 31, 2021	December 31, 2020
Cash and cash equivalents	Amortized cost	$ 3,836	$ 5,286
Short-term investments	Amortized cost	52	23
Marketable securities	FVTPL	1,581	-
Other receivables	Amortized cost	624	289
Restricted cash	Amortized cost	2,508	2,422
Accounts payable	Amortized cost	(1,910)	(796)
Accrued and other liabilities	Amortized cost	(943)	(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 December 31, 2021, is investment income on the Company's cash and cash equivalents and short-term investments. As at December 31, 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 December 31, 2021, is $6.4M (December 31, 2020 - $7.7M). At December 31, 2021, the Company's cash and cash equivalents, short-term investments and restricted cash were held by 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 December 31, 2021, the Company had working capital of $3.1M (December 31, 2020 – $3.2M). Please see *Liquidity and Capital Resources* section for more details.

Significant Accounting Policies

Please refer to the audited annual financial statements for the year ended December 31, 2021 which was 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 year ended December 31, 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.

i. The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for the development of the Prairie Creek mine and for working capital requirements. In concluding the Company is a going concern, management considers funds on hand at year end, planned expenditures for at least 12 months from the balance sheet date and strategic objectives in its assessment. Due to the nature of its business, management increases or decreases administrative and exploration expenditures based on available working capital. Judgments must also be made with regard to events or conditions which might give rise to significant uncertainty.

ii. Valuation of exploration and evaluation assets: Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. Significant judgment must be exercised in determining when a project of the Company moves from the exploration and evaluation phase and into the development phase. The existence and extent of proven or probable mineral reserves; retention of regulatory permits and licenses; the availability of development financing; current and future metal prices; and market sentiment are all factors considered by the Company. Accordingly, the Company having not secured development financing has deemed all projects to be in the exploration and evaluation phase.

    For the year ended December 31, 2021, the Company recorded a $415 impairment reversal (2020 - $4,098 impairment expense) on its Newfoundland Properties. The determination of the fair value of the Newfoundland properties involved estimates for the amount of share-based consideration that was received on disposition of the Newfoundland Properties.

iii. Decommissioning provision: Decommissioning provisions are recognized in the period in which they arise and are stated at the best estimate of the present value of estimated future costs. These estimates require significant judgment about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws, regulations and remediation practices and the expected timing of remediation work.

iv. Share-based compensation: The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value of share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Please refer to the Company's audited Annual Financial Statements for the year ended December 31, 2021, 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 year ended December 31, 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 Company's internal controls over financial reporting as of December 31, 2021, and have concluded that such internal controls were properly designed and operating effectively 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 23, 2022, 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 Project, please refer to the news release of the Company dated October 21, 2021, detailing results of the PEA prepared for the Prairie Creek Project. A Technical Report for the PEA dated effective October 15, 2021, by Ausenco with contributions from Global Mineral Resource Services, Mining Plus and F. Wright Consulting, will be available on the Company's profile at www.sedar.com within 45 days of the date of the news release. Please also 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, 2021, 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 Project 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 Project capital and operating cost estimates and long-term environmental reclamation obligations; exploration plans at the Prairie Creek Project 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 Project; 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 Project 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.