# ANNUAL INFORMATION FORM

## FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016

**DATED AS OF NOVEMBER 21, 2016**

**CANADA ZINC METALS CORP.**
Suite 2050 - 1055 West Georgia Street
PO Box 11121, Royal Centre
Vancouver, BC V6E 3P3

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## PRELIMINARY NOTES

In this Annual Information Form (the "**AIF**") Canada Zinc Metals Corp. is referred to as the **Issuer**" or "**Canada Zinc Metals**" All information in this AIF is current as of June 30, 2016, unless otherwise indicated.

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Canada Zinc Metals cautions readers regarding forward-looking statements found in this document and in any other statement made by, or on the behalf of, the Issuer. Except for statements of historical fact, certain statements constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking statements are statements not based on historical information and which relate to future operations, strategies, financial results, or other developments. Forward-looking statements are necessarily based on estimates and assumptions, which are always subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond Canada Zinc Metals' control and many of which, regarding future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from results expressed in any forward-looking statements made by or on the Issuer's behalf. Although Canada Zinc Metals has tried to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, or results to differ from those anticipated, estimated, or intended. All factors should be considered carefully and readers should not place undue reliance on Canada Zinc Metals' forward-looking statements. Examples of such forward-looking statements within this AIF include statements relating to the following: the future price of metals and other commercial products or materials; future capital expenditures; success of exploration activities, mining, or processing issues; government regulation of mining operations; success in attracting sufficient project capital; and environmental risks, among others. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "expects," "estimates," "anticipates," or variations of such words and phrases or statements that certain actions, events, or results "may," "could," or "might" occur. Forward-looking statements are made based on management's beliefs, estimates, and opinions and are given only as of the date of this AIF. The Issuer undertakes no obligation to update forward-looking information if these beliefs, estimates, and opinions or other circumstances should change, except as may be required by applicable law.

Forward-looking statements reflect Canada Zinc Metals' current views with respect to expectations, beliefs, assumptions, estimates, and forecasts about the Issuer's business and the industry and markets in which the Issuer operates or expects to operate. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties, and assumptions that are difficult to predict. Assumptions underlying the Issuer's expectations regarding forward-looking statements or information contained in this AIF include, among others: the Issuer's ability to comply with applicable governmental regulations and standards; the Issuer's success in implementing its strategies; achieving the Issuer's business objectives; the Issuer's ability to raise sufficient funds from equity financings and debt instruments in the future to support its operations; and general business and economic conditions. The above list of assumptions is not exhaustive.

Persons reading this AIF are cautioned that forward-looking statements are only predictions, and that the Issuer's actual future results or performance are subject to certain risks and uncertainties. See "Risk Factors" below for further details.

## CAUTIONARY NOTE TO U.S. INVESTORS REGARDING MINERAL RESERVE AND RESOURCE ESTIMATES

The mineral estimates in this AIF have been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. The terms “mineral reserve”, “proven mineral reserve” and “probable mineral reserve” are Canadian mining terms as defined in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“**NI 43-101**”) and the Canadian Institute of Mining, Metallurgy and Petroleum (the “**CIM**”) - *CIM Definition Standards on Mineral Resources and Mineral Reserves*, adopted by the CIM Council, as amended. These definitions differ from the definitions in the SEC Industry Guide 7 under the United States Securities Act of 1933, as amended (the “**Securities Act**”). Under SEC Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms “mineral resource,” “measured mineral resource,” “indicated mineral resource” and “inferred mineral resource” are defined in, and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that all or any part of a mineral deposit in these categories will ever be converted into reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities laws and regulations, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Certain disclosures of the results of mining operations contained herein are permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC Industry Guide 7 standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this AIF and the documents incorporated by reference herein contain descriptions of our mineral deposits that may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

## DOCUMENTS INCORPORATED BY REFERENCE

This AIF should be read together with the following documents, which are incorporated by reference and form part of this AIF, which is prepared in accordance with Form 51-102F2 Annual Information Form. These documents may be accessed using the System for Electronic Documents Analysis and Retrieval (“SEDAR”) on the internet at www.sedar.com.

- Technical report dated effective May 16, 2016 entitled “Mineral Resource Estimate for the Akie Zinc-Lead-Silver Project, British Columbia, Canada” prepared for the Issuer in respect of the Akie Property by Robert C. Sim, P.Geo. of Sim Geological Inc., as required under National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, filed on SEDAR on June 28, 2016.

- Information circular of the Issuer dated March 9, 2016 in respect of the Issuer’s April 13, 2016 Annual General Meeting of Shareholders (the “**Circular**”) filed on SEDAR on March 17, 2016.

## GLOSSARY OF TERMS

In this AIF, unless otherwise stated, the following capitalized words and terms have the following meanings:

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| **"$"** | means Canadian dollars, unless otherwise specified. |
| **"Affiliate"** | means a Company that is affiliated with another Company as described below.<br>A Company is an "Affiliate" of another Company if:<br>(a) one of them is the subsidiary of the other, or<br>(b) each of them is controlled by the same Person.<br>A Company is "controlled" by a Person if:<br>(a) Voting Shares of the Issuer are held, other than by way of security only, by or for the benefit of that Person, and<br>(b) the Voting Shares, if voted, entitle the Person to elect a majority of the directors of the Issuer.<br>A Person beneficially owns securities that are beneficially owned by:<br>(a) a Company controlled by that Person, or<br>(b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person. |
| **"Akie Property"** | means Canada Zinc Metals' Akie property, located in northeast British Columbia. |
| **"Akie Report"** | Means the technical report dated effective May 16, 2016 entitled "Mineral Resource Estimate for the Akie Zinc-Lead-Silver Project, British Columbia, Canada" prepared for the Issuer in respect of the Akie Property by Robert C. Sim, P.Geo., of Sim Geological Inc. |
| **"Associate"** | when used to indicate a relationship with a Person, means:<br>(a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him or her to more than 10% of the voting rights attached to outstanding securities of the issuer,<br>(b) any partner of the Person,<br>(c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity,<br>(d) in the case of a Person, who is an individual:<br>(i) that Person's spouse or child, or<br>(ii) any relative of the Person or of his spouse who has the same residence as that Person; |

| | |
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| | but |
| | (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding Company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the TSX Venture Exchange Rule Book and Policies with respect to that Member firm, Member corporation, or holding Company. |
| **"BCBCA"** | means the *Business Corporations Act* (British Columbia), as amended from time to time and including any regulations promulgated thereunder. |
| **"Canada Zinc Metals" or "we" or the "Issuer"** | means Canada Zinc Metals Metals Corp. |
| **"Common Share"** | means a common share without par value in the capital of Canada Zinc Metals. |
| **"Company"** | unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual. |
| **"Ecstall"** | means Ecstall Mining Corp., a wholly-owned subsidiary of Canada Zinc Metals |
| **"Exchange" or "TSXV"** | means the TSX Venture Exchange. |
| **"Kechika Regional Project"** | Means the ten regional properties located in northeast British Columbia, including the Pie Option Properties. |
| **"Korea Zinc"** | means Korea Zinc Co Ltd. |
| **"Member"** | has the meaning given to it in Exchange Rule A.1.00. |
| **"NI 43-101"** | means the National Instrument 43-101 – *Standards of Disclosure for Mineral Projects.* |
| **"Person"** | means a Company or individual. |
| **"Pie Option Properties"** | Means the Issuer's Pie, Cirque East and Yuen properties located in northeast British Columbia, which are subject to the Teck Option Agreement. |
| **"Stock Option Plan"** | means Canada Zinc Metals' stock option plan, which is a "20% Fixed Plan" under the policies of the Exchange. |
| **"Teck"** | means Teck Resources Limited |
| **"Teck First Option"** | Means the option granted to Teck to acquire an undivided 51% interest in the Pie Option Properties. |
| **"Teck / Korea Zinc JV"** | Means the joint venture between Teck and Korea Zinc whose interest includes, among other things, the Teck Options. |

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|---|---|
| **"Teck Option Agreement"** | Means the option agreement dated September 6, 2013 between Canada Zinc Metals and Teck pursuant to which Canada Zinc Metals granted Teck the Teck Options, which agreement is subject to the Teck / Korea Zinc JV. |
| **"Teck Options"** | Means the Teck First Option and the Teck Second Option. |
| **"Teck Second Option"** | Means the option granted to Teck to acquire an additional undivided 19% interest, for a total 70% interest, in the Pie Option Properties. |
| **"Tongling"** | Means Tongling Nonferrous Metals Group Holdings Co. Ltd. |
| **"US$"** | means United States dollars. |
| **"Voting Shares"** | means a security of an issuer that:<br>(a) is not a debt security, and<br>(b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing. |

## CORPORATE STRUCTURE

### Name, Address, and Incorporation

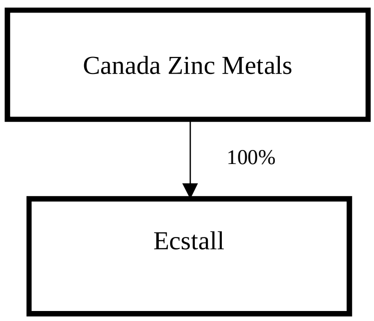
Canada Zinc Metals was incorporated under the laws of the Province of British Columbia under *Company Act* (British Columbia) on February 10, 1988 under the name “Intertech Minerals Corp.” On April 25, 2002, it changed its name to “Mantle Minerals Inc.”; on August 9, 2005, it changed its name to “Mantle Resources Inc.”; and on September 26, 2008, it changed its name to “Canada Zinc Metals Corp.”. The Issuer is now subject to the BCBCA.

Canada Zinc Metals is a reporting issuer in British Columbia and Alberta. The Common Shares of the Issuer are listed on the TSX Venture Exchange under the symbol ‘CZX’. Canada Zinc Metals is also listed on the Frankfurt Stock Exchange under the symbol ‘A0RAQJ’.

The Issuer’s registered and records office is located at Robson Court, 1000-840 Howe Street, Vancouver, British Columbia V6Z 2M1. The Issuer’s head office is located at Suite 2050-1055 West Georgia Street, Vancouver, British Columbia, V6E 3P3.

### Inter-corporate Relationships

The following depicts the material inter-corporate relationships of Canada Zinc Metals:




Ecstall is a wholly-owned subsidiary of the Issuer which was incorporated in British Columbia under the BCBCA. Ecstall holds certain of the mineral claims which comprise the Akie Property.

## GENERAL DEVELOPMENT OF THE BUSINESS

Over the past three years, the business of Canada Zinc Metals has focused on the financing, exploration, and development of our properties in northeast British Columbia.

Canada Zinc Metals’ material mineral property is the Akie Property. The Akie Property consists of 46 mineral claims totaling approximately 11,583.4 hectares and is located approximately 65 km from the local First Nation communities of Tsay Keh Dene, 100 km from Kwadacha (Fort Ware), and approximately 250 km north-northeast from the town of Mackenzie. The urban centre of Prince George is located 450 km south of the Akie Property.

Canada Zinc Metals also has 100% ownership of a large contiguous group of mineral claims that aggregate to a total of 10 properties that cover 68,000 hectares. These mineral claims, known as the Kechika Regional Project, stretch a distance of 140 kilometres from the northern boundary of the Akie Property to the northern reaches of the Gataga River. The properties cover the extent of the prospective Gunsteel Formation shale, the known host of SEDEX mineralization in the Kechika Trough. The Kechika Regional Project includes the Pie Option Properties.

## Three Year History of Mineral Development Activities

The following provides a summary of the Issuer's material mineral development activities undertaken during the last three years on the Akie Property, the Pie Option Properties and on the other properties in the Kechika Regional Project.

### Akie Property - 2016

In June 2016, Canada Zinc Metals announced the filing on SEDAR of an updated NI 43-101 Technical Summary report on the Akie Property. The Akie Report updates the work done at the Akie Property by the Issuer since 2012, the date of the previous mineral resource estimate and NI 43-101 technical report. The Issuer had previously announced the results of the reconfigured resource estimate for the Akie Property in May 2016. The Akie Report contains a mineral resource estimate for the Cardiac Creek deposit. This includes an indicated resource of 19.6 million tonnes grading 8.17% zinc, 1.58% lead, and 13.6 g/t silver (at a 5% zinc cut-off grade) and an inferred resource of 8.1 million tonnes grading 6.81% zinc, 1.16% lead and 11.2g/t silver (at a 5% zinc cut-off grade). See table below.

**ESTIMATE OF MINERAL RESOURCES – 2016 CARDIAC CREEK DEPOSIT**

| | | | | | Contained metal | | |
|---|---|---|---|---|---|---|---|
| **Category** | **Tonnes (million)** | **Zn (%)** | **Pb (%)** | **Ag (g/t)** | **Zn (Mlbs)** | **Pb (Mlbs)** | **Ag (Moz)** |
| Indicated | 19.6 | 8.17 | 1.58 | 13.6 | 3,540 | 685 | 8.6 |
| Inferred | 8.1 | 6.81 | 1.16 | 11.2 | 1,211 | 207 | 2.9 |

Note: Mineral resources are not mineral reserves because the economic viability has not been demonstrated.

**SENSITIVITY OF MINERAL RESOURCES TO CUT-OFF GRADE**

| | | | | | Contained metal | | |
|---|---|---|---|---|---|---|---|
| **Cut-off Grade (Zn %)** | **Tonnes (000)** | **Zn (%)** | **Pb (%)** | **Ag (g/t)** | **Zn (Mlbs)** | **Pb (Mlbs)** | **Ag (Moz)** |
| **Indicated Resources** | | | | | | | |
| 2 | 37.1 | 5.93 | 1.14 | 10.4 | 4,852 | 931 | 12.4 |
| 3 | 30.5 | 6.68 | 1.29 | 11.5 | 4,489 | 869 | 11.3 |
| 4 | 24.9 | 7.40 | 1.44 | 12.6 | 4,057 | 787 | 10.0 |
| **5 (base case)** | **19.6** | **8.17** | **1.58** | **13.6** | **3,540** | **685** | **8.6** |
| 6 | 15.1 | 8.97 | 1.73 | 14.7 | 2,995 | 578 | 7.2 |
| 7 | 11.3 | 9.81 | 1.90 | 15.8 | 2,454 | 474 | 5.8 |
| **Inferred Resources** | | | | | | | |
| 2 | 32.7 | 4.07 | 0.68 | 7.4 | 2,932 | 489 | 7.7 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 3 | 20.7 | 5.01 | 0.85 | 8.7 | 2,291 | 388 | 5.8 |
| 4 | 13.2 | 5.89 | 1.00 | 9.9 | 1,714 | 292 | 4.2 |
| **5 (base case)** | **8.1** | **6.81** | **1.16** | **11.2** | **1,211** | **207** | **2.9** |
| 6 | 4.8 | 7.72 | 1.32 | 12.4 | 819 | 140 | 1.9 |
| 7 | 2.7 | 8.74 | 1.49 | 13.6 | 515 | 87 | 1.2 |

Note: Mineral resources are not mineral reserves as the economic viability has not been demonstrated

Highlights for the updated resource include:

- Indicated resources have increased by almost 7 million tonnes to 19.6 million tonnes; a 55% increase when compared to the previous 2012 indicated resource estimate, with little change in average grades (at 5% Zn base case cut-off);
- Current resource distribution consists of 71% in the Indicated category and 29% in the Inferred category. The previous 2012 estimate had 44% in the Indicated category and 56% in the Inferred category (at 5% Zn cut-off);
- Drilling completed since 2012 has increased the confidence in the estimate, extending the limits of resources in the Indicated category in all directions (up and down dip and along strike);
- Additional drilling in 2015 provides a continuous zone of 100 metre-spaced drill holes over the central part of the deposit and allows for the estimation of the majority of resources in the Indicated category;
- The 2015 drill holes primarily concentrated in the delineation of resources in the central and upper parts of the deposit, returned results that are similar to the surrounding drill holes, demonstrating the continuous nature of the thickness and grade of the mineralization.

In April 2016, the Issuer received approval from the Ministry of Energy and Mines extending the drill permit for the Akie Property to December 31, 2020. The amended permit provides multi-year approval for drill programs on a number of drill targets on the Akie Property, including the Cardiac Creek deposit which will continue to facilitate advanced exploration efforts.

**Akie Property - 2015**

In December 2015, the Issuer announced the final results of the 2015 diamond drilling program for the Akie Property. The program consisted of 8 HQ/NQ drill holes totaling 5,350 metres. Drilling focused on resource expansion down-dip of the current indicated resource with holes A-15-121, A-15-124, A-15-126, A-15-127 and A-15-130 and expansion of the robust and high-grade zinc-lead-silver system in the central core of the Cardiac Creek deposit with holes A-15-122, A-15-125 and A-15-131. All eight drill holes successfully intersected Zn-Pb-Ag mineralisation of the Cardiac Creek deposit. The program ran from early June until late September. A total of 1,120 core samples, including industry standard QA/QC samples, were submitted to Acme Labs in Vancouver BC, an ISO 9001 and 17025 certified assay and geochemical analytical lab. Check samples were analyzed by ALS Minerals of North Vancouver, BC; also an accredited lab under the Canadian Association for Laboratory Accreditation.

The Issuer had previously announced partial results of the 2015 diamond drilling program in November, October and September 2015. A brief summary of the final drill results is tabulated below.

| Drill Hole | From (m) | To (m) | True Width (m)* | Zn (%) | Pb (%) | Ag (g/t)ⱡ | Zn+Pb (%) |
|---|---|---|---|---|---|---|---|
| **A-15-121** | 419.16 | 531.00 | 64.29 | 6.06 | 1.28 | 14.24 | 7.34 |
| including | 419.16 | 483.32 | 36.89 | 8.03 | 1.82 | 16.38 | 9.85 |
| **including** | **433.80** | **483.32** | **28.51** | **10.22** | **2.34** | **20.45** | **12.56** |
| including | 445.90 | 482.07 | 20.84 | 12.76 | 2.93 | 25.01 | 15.69 |
| **including** | **459.55** | **482.07** | **12.98** | **13.83** | **3.23** | **28.98** | **17.06** |
| FW | 493.08 | 508.48 | 8.86 | 8.88 | 1.36 | 21.51 | 10.24 |
| MS | 523.06 | 535.52 | 7.14 | 1.98 | 0.17 | 11.09 | 2.15 |
| **A-15-122** | 474.45 | 519.30 | 39.16 | 5.75 | 1.12 | 11.16 | 6.87 |
| **including** | **489.00** | **515.70** | **23.36** | **8.63** | **1.68** | **14.64** | **10.31** |
| **including** | **498.00** | **512.10** | **12.35** | **11.40** | **2.22** | **17.92** | **13.62** |
| **A-15-124** | 577.63 | 662.30 | 58.53 | 4.57 | 0.90 | 9.20 | 5.47 |
| including | 601.13 | 656.41 | 38.43 | 6.41 | 1.32 | 12.30 | 7.72 |
| including | 607.00 | 656.41 | 34.41 | 7.00 | 1.46 | 13.33 | 8.46 |
| including | 617.00 | 656.41 | 27.51 | 8.19 | 1.77 | 15.69 | 9.96 |
| **including** | **625.80** | **656.41** | **21.41** | **9.47** | **2.11** | **18.22** | **11.58** |
| including | 632.07 | 656.41 | 17.04 | 10.74 | 2.46 | 20.18 | 13.20 |
| **including** | **640.60** | **656.41** | **11.09** | **13.99** | **3.21** | **26.43** | **17.20** |
| **A-15-125** | 414.85 | 441.62 | 23.37 | 7.25 | 1.28 | 12.28 | 8.53 |
| including | 416.05 | 439.91 | 20.83 | 7.97 | 1.41 | 12.99 | 9.38 |
| **including** | **421.87** | **439.91** | **15.76** | **9.71** | **1.74** | **15.75** | **11.45** |
| including | 425.50 | 439.91 | 12.59 | 10.78 | 2.02 | 17.71 | 12.80 |
| **including** | **429.98** | **439.91** | **8.68** | **12.98** | **2.47** | **21.76** | **15.45** |
| **A-15-126** | 651.22 | 747.00 | 52.46 | 2.34 | 0.40 | 5.02 | 2.74 |
| HW | 651.22 | 674.12 | 12.10 | 3.06 | 0.48 | 7.01 | 3.54 |
| **CCZ** | **695.40** | **716.51** | **11.72** | **4.61** | **0.84** | **9.79** | **5.45** |
| FW | 728.47 | 758.75 | 17.05 | 1.94 | 0.33 | 4.36 | 2.27 |
| including | 728.47 | 741.65 | 7.40 | 3.17 | 0.60 | 6.54 | 3.77 |
| **A-15-127** | 617.36 | 674.40 | 35.66 | 4.82 | 1.00 | 9.93 | 5.82 |
| CCZ | 617.36 | 648.68 | 19.49 | 5.15 | 1.05 | 10.54 | 6.20 |
| **including** | **623.57** | **648.22** | **15.36** | **6.21** | **1.28** | **12.12** | **7.49** |
| including | 630.81 | 648.22 | 10.86 | 6.97 | 1.56 | 14.45 | 8.53 |
| FW | 660.78 | 674.40 | 8.57 | 8.09 | 1.74 | 16.52 | 9.83 |
| **including** | **660.78** | **670.43** | **6.07** | **10.80** | **2.37** | **21.32** | **13.17** |
| **A-15-130** | 596.59 | 649.72 | 34.03 | 3.47 | 0.65 | 7.01 | 4.12 |
| including | 601.00 | 625.75 | 15.82 | 5.68 | 1.09 | 10.51 | 6.77 |
| **Including** | **606.75** | **625.75** | **12.15** | **6.97** | **1.38** | **12.84** | **8.35** |
| FW | 637.43 | 649.72 | 7.91 | 2.83 | 0.49 | 6.76 | 3.32 |
| including | 637.43 | 640.22 | 1.79 | 8.75 | 1.73 | 15.41 | 10.48 |
| **A-15-131** | 266.00 | 289.53 | 21.17 | 5.45 | 1.19 | 10.89 | 6.64 |
| including | 270.13 | 288.53 | 16.57 | 6.46 | 1.24 | 12.24 | 7.70 |
| including | 273.83 | 288.53 | 13.25 | 6.79 | 1.35 | 13.19 | 8.14 |
| **including** | **277.73** | **288.53** | **9.74** | **8.22** | **1.61** | **16.00** | **9.83** |
| **including** | **277.73** | **285.40** | **6.91** | **8.99** | **1.80** | **15.46** | **10.79** |

(*) The true width is calculated based on the orientation of the mineralised horizon which is estimated to have an azimuth of 130 degrees and a dip of -70 degrees. (FW) = Footwall Zone, (MS) = Massive Sulphide. (ƚ) Values below the detection limit have been given a value of half the detection limit for the purposes of weighted averages.

In December 2015, the Issuer received approval extending the expiry date on four separate exploration drill permits for the Kechika Region Project to December 31, 2019.

**Akie Property - 2014**

During the 2014 exploration season, Canada Zinc Metals completed eight HQ diamond drill holes on the Cardiac Creek deposit at the Akie Property, totaling 2,855 metres. The drilling focused on targets along the up-dip, northwest and southeast areas of the deposit with the objective of expanding the boundary of the internal high grade core as well as expanding the overall perimeter of the deposit. A total of 715 sawn core samples, including industry standard QA/QC samples, were submitted for lab analysis. A brief summary of the drill results is tabulated below.

| Hole-ID | From (m) | To (m) | True Width (m)* | Zn (%) | Pb (%) | Ag (g/t)ƚ | Zn+Pb (%) |
|---|---|---|---|---|---|---|---|
| **A-14-111** | 305.44 | 351.41 | 34.75 | 4.80 | 0.78 | 9.80 | 5.58 |
| including | 317.00 | 340.16 | 17.51 | 7.39 | 1.15 | 10.91 | 8.54 |
| including | 317.85 | 330.34 | 9.44 | 8.93 | 1.25 | 10.54 | 10.18 |
| including | 319.90 | 329.07 | 6.93 | 9.11 | 1.23 | 10.93 | 10.34 |
| **A-14-112** | 337.15 | 356.30 | 13.70 | 4.57 | 0.70 | 6.87 | 5.27 |
| including | 343.00 | 356.30 | 9.52 | 5.71 | 0.88 | 7.86 | 6.59 |
| including | 345.30 | 356.30 | 7.87 | 5.97 | 0.94 | 8.02 | 6.91 |
| including | 349.00 | 356.30 | 5.23 | 6.28 | 0.89 | 8.23 | 7.17 |
| **A-14-115** | 173.69 | 203.56 | 20.87 | 5.09 | 0.92 | 7.31 | 6.02 |
| including | 176.70 | 184.90 | 5.72 | 6.04 | 1.26 | 8.18 | 7.30 |
| including | 191.54 | 203.56 | 8.42 | 7.43 | 1.19 | 10.72 | 8.62 |
| including | 196.45 | 201.05 | 3.22 | 10.16 | 1.69 | 13.97 | 11.85 |
| **A-14-117** | 346.00 | 367.80 | 15.38 | 3.35 | 0.58 | 5.33 | 3.93 |
| including | 355.00 | 367.80 | 9.03 | 3.92 | 0.71 | 6.15 | 4.63 |
| including | 361.38 | 369.49 | 5.72 | 5.45 | 0.94 | 8.49 | 6.39 |
| including | 362.25 | 367.80 | 3.92 | 6.21 | 1.11 | 9.49 | 7.32 |

(*) The true width is calculated based on the orientation of the mineralised horizon which is estimated to have an azimuth of 130 degrees and a dip of -70 degrees. (ƚ) Values below the detection limit have been given a value of half the detection limit for the purposes of weighted averages

The Company completed a large helicopter-borne FALCON™ gravity gradiometry (AGG) survey over the Akie, Mt. Alcock and Yuen North properties, which started in late 2013 and concluded in the spring of 2014. The survey was flown over two large property blocks covering the Akie, Mt. Alcock and Yuen North properties. Flight lines were flown orthogonal to the dominant geological fabric of the area (NE–SW @50°) with a nominal spacing of 200 metres. The two survey blocks represent an approximate total of 940 line kilometres. Teck Resources undertook a similar survey over the Company's 100%-owned Pie, Cirque East and Yuen contiguous block of properties. That survey totaled approximately 840 line kilometres, for combined survey coverage of 1,780 line kilometres, covering a lineal distance of 45 kilometres of prospective Gunsteel Formation stratigraphy.

The Company and its geophysical consultants completed a review of the airborne gravity gradiometry data acquired on the Akie, Mt. Alcock and Yuen North properties. The data review identified a number of high priority targets that require further review and field evaluation which may lead to development of new drill targets.

**Akie Property - 2013**

During the 2013, Canada Zinc Metals completed 9 HQ/NQ diamond drill holes totaling 4,854 metres on the Akie Property. The drill program was designed to test for continuity of mineralization at the Cardiac Creek deposit and also test other SEDEX targets on the Akie Property. The drilling program progressed in a sequential manner with two holes targeting the West Akie GPS Zone; followed by one hole each on the North Lead Anomaly and the South Zinc Anomaly. The program then shifted to the Cardiac Creek deposit for 4 drill holes totaling 2,350 metres. The final hole of the season was completed on the SE Zone located approximately 2.5 kilometres to the southeast and along strike of the Cardiac Creek deposit. The results from the 2013 drilling on the Cardiac Creek deposit are tabulated below.

| Drill Hole | From (m) | To (m) | True Width (m)* | Zn (%) | Pb (%) | Ag (g/t)* | Zn+Pb (%) |
|---|---|---|---|---|---|---|---|
| **A-13-105** | 357.00 | 411.33 | 40.08 | 2.79 | 0.45 | 5.35 | 3.24 |
| including | 377.00 | 404.40 | 20.26 | 4.49 | 0.77 | 7.44 | 5.26 |
| including | 392.85 | 404.40 | 8.56 | 6.42 | 1.21 | 9.51 | 7.63 |
| including | 395.15 | 403.25 | 6.01 | 7.46 | 1.43 | 11.09 | 8.89 |
| **A-13-106** | 476.00 | 488.06 | 10.56 | 6.47 | 1.06 | 10.70 | 7.53 |
| including | 476.76 | 486.50 | 8.53 | 7.96 | 1.30 | 13.00 | 9.26 |
| including | 477.21 | 484.78 | 6.63 | 9.03 | 1.50 | 13.69 | 10.53 |
| **A-13-107** | 541.53 | 568.14 | 20.28 | 5.55 | 1.02 | 10.15 | 6.57 |
| including | 544.70 | 566.13 | 16.33 | 6.59 | 1.22 | 11.50 | 7.81 |
| including | 552.34 | 561.83 | 7.24 | 12.08 | 1.80 | 14.39 | 13.88 |
| and | 568.14 | 577.26 | 6.98 | 2.71 | 0.39 | 4.93 | 3.09 |
| including | 572.47 | 577.26 | 3.67 | 4.89 | 0.71 | 8.87 | 5.60 |
| **A-13-109** | 615.56 | 655.58 | 27.09 | 1.50 | 0.20 | 3.69 | 1.70 |
| including | 634.07 | 655.58 | 14.58 | 2.47 | 0.33 | 5.31 | 2.80 |
| including | 639.00 | 655.58 | 11.24 | 2.95 | 0.41 | 5.98 | 3.37 |
| including | 646.06 | 655.58 | 6.45 | 3.31 | 0.57 | 7.66 | 3.88 |
| and | 667.66 | 677.45 | 6.63 | 1.00 | 0.16 | 3.13 | 1.17 |
| including | 673.40 | 677.45 | 2.74 | 1.53 | 0.25 | 4.00 | 1.77 |
| and | 684.12 | 685.30 | 0.80 | 3.64 | 0.08 | 12.07 | 3.72 |

(*) The true width is calculated based on the orientation of the mineralised horizon which is estimated to have an azimuth of 130 degrees and a dip of -70 degrees. (ƚ) Values below the detection limit have been given a value of half the detection limit for the purposes of weighted averages

During 2013 Canada Zinc Metals also concluded a multi-phase airborne geophysical survey that commenced in 2012 and was completed in 2013. The Versatile Time Domain Electromagnetic (VTEM) survey was conducted by Geotech Ltd. of Aurora Ontario. The Company had successfully completed 1,526 line kilometres of VTEM coverage over the Akie, Pie and Mt. Alcock properties in 2012. A total of 2,795 line kilometres were flown in 2013. The combined 2012 and 2013 surveys provided complete airborne VTEM coverage over the Company's entire Kechika Trough mineral tenure holdings. This represents a total of 4,321 line kilometres of survey at a nominal line spacing of 200 metres or better, spanning over 140 kilometres of strike length of prospective Gunsteel Formation stratigraphy, the known host to SEDEX Zn-Pb-Ag deposits in the Kechika Trough district. The primary goal of the survey was to obtain lithological and structural information both near surface and at depth across the three properties, as well as define a geophysical response directly from the Cardiac Creek deposit and other known occurrences of mineralisation.

Additional work in 2013 included extensive soil sampling on the Akie and Mt. Alcock properties designed to evaluate geophysical anomalies detected in the VTEM Airborne geophysical survey completed in 2012 as well as expand upon known soil anomalies. A total of 2,390 soil samples were taken from four separate soil grids on the Akie property (covering an aggregate of 24 $km^2$) and from two soil grids on the Mt. Alcock property (covering an aggregate of 5 $km^2$). The sampling program also included three orientation lines over the Cardiac Creek deposit designed to evaluate the effectiveness of different soil horizons and lab techniques for differentiating known SEDEX type mineralization. Several significant new soil anomaly trends were identified, including a prominent linear silver anomaly downslope of the newly discovered Sitka showing on the Silver Creek grid, and a large multi-element Pb-Ag-Zn-Tl anomaly on the West Akie Grid.

Channel and grab sampling on and along-strike of the Sitka Showing produced significant grade zinc-lead-silver-barite results indicative of a new SEDEX horizon on the eastern Akie panel. Significant channel assay results from Sitka sampling include 5.1% Zn over 0.7 metres from Channel 1, 1.9% Zn over 0.8 metres from Channel 5, and 0.9% Zn, 1.6% Pb & 4014 ppb Ag over 2.4 metres from Channel 3. Grab samples taken along strike of the main showing returned high grade zinc-lead values including 43.55% Zn and 48.95% Pb. The true width, strike extent and depth dimension of the Sitka showing is unknown due to poor bedrock exposure at the location.

In addition to the soil sampling program, a comprehensive hydrogeochemistry barium sulphate survey was completed on the underexplored area northwest of the Mt. Alcock property including the Weiss and the Kwad properties. Nearly 200 samples were collected from selected primary, secondary and tertiary streams. Colourimetry and trace metal analysis were conducted and have identified several prominent anomalous trends from the Kwad and Weiss properties.

Geological mapping and prospecting continued on several select targets on the Akie property, as well as several promising areas on the Weiss, Kwad and Mt. Alcock properties. A total of approximately 24 $km^2$ of area has been systematically evaluated in the West GPS area and on the Eastern Akie panel.

In August 2013, the Issuer received a three-year extension to its Akie Underground Exploration Permit to December, 2017.

**Pie Option Properties**

In September 2016, Teck mobilized a drill crew to the Pie Option Properties and drilling commenced. An initial drill test was completed on the Pie Main target with additional drilling contingent upon results and schedule. The 2016 drill target is located approximately 1 kilometre to the west of the historical drilling and trenching and tested the down-dip extension of the prospective Gunsteel Formation shale. This target is situated within the same thrust panel of rocks that host the nearby Cardiac Creek deposit, located approximately 15 kilometres to the southeast. The recent airborne gravity gradiometer (**"AGG"**) survey defined a 1,000 metre by 500 metre AGG anomaly over the target area with confirmation provided by ground gravity survey.

In addition to the planned drilling, Teck conducted a field program designed to improve the definition of key targets, building on the results and work from the previous two field seasons. The Pie Option Properties field program included: a total of 22 line-km of geological mapping and prospecting over the highest ranked targets, soil sampling over targets developed in 2016 as well as in-fill areas of previously un-sampled Earn Group stratigraphy and a total of 9.7 line-km of ground gravity survey over Pie Main, West Yuen and Cirque East to focus drill testing.

In February 2016, Canada Zinc Metals announced the results of the 2015 exploration program undertaken by Teck on the Pie Option Properties. Results of the field and geophysical program included geological mapping, geochemistry sampling including 227 whole-rock lithogeochemistry samples, re-logging and analysis of drill core from three historical diamond drill holes, initial analysis and interpretation of AGG survey data and correlation of AGG results with historical and current geological, geochemical and geophysical data sets. Ground gravity surveys were also conducted along 5 survey lines over 4 AGG target anomalies at Del Creek, Pie West, Noel Creek, and Yuen North.

Between July and August, 2014 Teck completed an exploration program on the Pie Option Properties which included geological mapping and rock sampling and re-logging and sampling of historic drill core representing 8 Pie drill holes for a total of 3,350 meters. Core re-logging allowed for confirmation of stratigraphy to ensure accuracy and consistency of geological interpretation at the property and regional scale. Geochemical data collection from drill core included 3,006 portable XRF analyses and 456 whole rock lithogeochemical results. The 2014 field program also included 15 geological traverses covering key areas of interest on the three properties. As well, 118 whole rock lithogeochemistry samples were taken to assist with recognition of the distribution of the Kechika Group, Road River Group and the Earn Group rocks on the regional scale and to help understand the regional structural architecture including fold and thrust style and distribution of the panel bounding regional thrusts across the properties.

On September 6, 2013, the Company entered into the Teck Option Agreement with Teck. In October 2013, the Issuer received notice of participation in the Teck Option Agreement from Korea Zinc. The Teck Option Agreement became subject to the Teck / Korea Zinc JV. The Teck Option Agreement grants the Teck / Korea Zinc JV the option to acquire up to a 70% interest in the Pie Option Properties. Teck and Korea Zinc each hold a 50% interest in the Teck / Korea Zinc JV and, as a result, will share any interest which may be acquired under the Teck Option Agreement.

The Teck Option Agreement outlines two Teck Options that are subject to certain expenditure requirements as outlined below:

- Under the Teck First Option, the Teck / Korea Zinc JV can earn an undivided 51% interest in and to the Pie Option Properties by incurring a cumulative aggregate of $3,500,000 in exploration expenditures on the Pie Option Properties on or before December 31, 2017 (extended from September 30, 2017), with $500,000 in exploration expenditures to be completed on or before September 30, 2014 (incurred) and $1,295,000 (amended from $1,500,000 and incurred) in cumulative exploration expenditures to be completed on or before December 31, 2015 (extended from September 30, 2015).

- Under the Teck Second Option, the Teck / Korea Zinc may elect to acquire an additional 19% interest in the Pie Option Properties for a total of 70% by incurring an additional $5,000,000 in exploration expenditures (for a total aggregate of $8,500,000 in exploration expenditures) on the Pie Option Properties on or before September 30, 2019.

Subject to one or more of the Teck Options being exercised, the Teck/Korea Zinc JV and the Issuer will form a joint venture to continue with exploration and, if warranted, development of the Pie Option Properties.

Thereafter each party will fund its pro-rated share of exploration expenditures on the Property or incur dilution. If a party's joint venture interest is reduced below 10% then that party's interest will be converted to a 5% net profits royalty interest in the Pie Option Properties.

**Three Year History of Corporate Activities**

In August 2016, the Issuer announced an agreement with Paradox Public Relations Inc. to provide investor relations services.

In August 2016, the Issuer also announced that it had renewed its normal course issuer bid and that the TSXV had provided approval for it to purchase up to 7,609,971 Common Shares, being approximately 5% of the Issuer's then issued and outstanding common shares. The bid commenced on August 2, 2016 and will stay open for 12 months. The bid was previously renewed in 2015 and 2014.

In September 2015, Canada Zinc Metals extended the expiry date for 1,250,000 Common Share purchase warrants for a period of two years to September 16, 2017. The warrants were originally issued pursuant to a private placement which closed on September 16, 2013 and were due to expire on September 16, 2015. The remaining terms of the warrant were unchanged.

In September and October 2014, the Issuer completed a non-brokered private placement consisting of 2,943,310 flow-through Common Shares at a price of $0.55 per flow-through Common Share and 580,750 units were issued at a price of $0.50 per Unit for total gross proceeds of $1,909,196. Each unit consisted of one common share and one-half Common Share purchase warrant. Each whole warrant entitled the holder to purchase one additional Common Share at a price of $0.75 for a period of 12 months from closing.

In February 2014, Canada Zinc Metals completed a non-brokered private placement of 1,739,630 flow-through Common Shares at a price of $0.575 per flow-through Common Share and of 200,000 units at a price of $0.50 per unit, for total gross proceeds of $1,100,287. Each unit consisted of one Common Share and one-half Common Share purchase warrant. Each whole warrant entitled the holder to purchase one additional Common Share at a price of $0.75 for a period of 18 months from closing.

In December 2013, the Issuer completed a non-brokered private placement of 2,112,600 flow-through Common Shares of the Company at a price of $0.40 per flow-through Common Share for total gross proceeds of $845,040.

In September 2013, Canada Zinc Metals completed a private placement with Teck, whereby Teck acquired 1,250,000 units of Canada Zinc Metals at a price per unit of $0.40 for total gross proceeds of $500,000. Each unit consists of one Common Share and one Common Share purchase warrant that will entitle Teck to purchase one additional Common Share within 24 months at a price of $0.40 per share. Pursuant to the notice of participation in the Teck Option Agreement, Korea Zinc subsequently acquired 50% of the securities issued to Teck in this private placement.

In August 2013, the Issuer signed a tripartite exploration cooperation and benefit agreement with the Kwadacha First Nation and the Tsay Keh Dene First Nation. The agreement covers all exploration and related activities on the Akie Property which is a shared area within the respective traditional lands of the Tsay Keh Dene and Kwadacha First Nations, the two communities closest to the Akie property. The agreement sets out a framework for employment and training, contracting and business opportunities for members of the two First Nations, and funding for community development and participation and engagement. In return, Canada Zinc Metals has a greater measure of certainty with respect to ongoing exploration on the Akie Property and the support of both communities as the project advances.

## Significant Acquisitions

Canada Zinc Metals made no significant acquisitions or dispositions during the financial year ended June 30, 2016 for which disclosure is required under Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations*.

# BUSINESS DESCRIPTION

## General

Canada Zinc Metals is a mineral exploration and development company engaged in the acquisition, exploration, and development of mineral properties. We are in the exploration and development stage as our properties have not yet reached commercial production and none of our properties is beyond the exploration stage at this time. All work presently planned by us is directed at defining mineralization and increasing understanding of the characteristics of, and economics of, that mineralization.

### *Akie Property*

Our primary business strategy is to advance our Akie Property to commercial production. The following description of the Akie Property is derived from the Akie Report. The entire Akie Report is incorporated by reference into this AIF except to the extent that its contents are modified, updated or superseded by a statement contained in this AIF (which does not need to state that such statement has modified, updated or superseded such contents). For readers to fully understand the information in this AIF, they should read the Akie Report (available for review under the Corporation's profile on SEDAR at www.sedar.com) in its entirety, including all qualifications, assumptions and exclusions that relate to the information set out in this document which qualifies the technical information set out in the Akie Report. The Akie Report is intended to be read as a whole, and summaries or sections should not be read or relied upon out of context. The technical information in the Akie Report is subject to the assumptions and qualifications contained therein.

The Akie property is located in north-central British Columbia situated within the western ranges of the northern Rocky Mountains (Figure 4-1). The property is divided by Silver Creek which drains into the prominent Akie River that runs along the southeastern boundary of the property. The Akie River feeds into the Finlay River which in turn drains into the Williston Lake reservoir. The property is located approximately 65 km from the local First Nation communities of Tsay Keh Dene, 100 km from Kwadacha (Fort Ware), and approximately 250 km north-northeast from the town of Mackenzie. The urban centre of Prince George is located 450 km south of the Akie property.

The property is centred on UTM coordinate 388550E and 6360660N, and is located within NTS map sheet 94F/7 and TRIM map sheets 094F036, 094F037 and 094F046. The discovery outcrop of the Cardiac Creek deposit is situated within Cardiac Creek, located at UTM coordinates 389074E and 63600045N. The Cardiac Creek deposit is assigned Minfile #094F 031 in the provincial BC Mineral Database System.

The Akie property consists of 46 mineral claims totaling approximately 11,583.4 ha (Figure 4-2). The Cardiac Creek deposit is situated on claims 324823 and 324825. All of the claims are in good standing until December 8, 2025. The claims comprising the Akie property are shown in Table 4.1. Currently, the Akie property is controlled by Canada Zinc Metals who maintains 100% ownership.

The property is not subject to any royalties, back-in-rights, or other payments and encumbrances and the property is not subject to any known environmental liabilities. Some of the claims in Table 4.1 are listed under Ecstall Mining Corp. (Ecstall Mining) which is a wholly owned subsidiary of Canada Zinc Metals.

**TABLE 4.1: AKIE PROPERTY TENURE LISTING**

| Tenure Number | Claim Name | Owner (%) | Expiry Date | Area (ha) |
|---|---|---|---|---|
| 240791 | AKIE 1 | Ecstall Mining Corp. | 8 Dec 2025 | 75.00 |
| 240792 | AKIE 2 | Ecstall Mining Corp. | 8 Dec 2025 | 150.00 |
| 240793 | AKIE 3 | Ecstall Mining Corp. | 8 Dec 2025 | 75.00 |
| 324822 | AKIE 4 | Ecstall Mining Corp. | 8 Dec 2025 | 100.00 |
| 324823 | AKIE 5 | Ecstall Mining Corp. | 8 Dec 2025 | 400.00 |
| 324824 | AKIE 6 | Ecstall Mining Corp. | 8 Dec 2025 | 150.00 |
| 324825 | AKIE 7 | Ecstall Mining Corp. | 8 Dec 2025 | 500.00 |
| 327931 | AKIE 8 | Ecstall Mining Corp. | 8 Dec 2025 | 150.00 |
| 327932 | AKIE 9 | Ecstall Mining Corp. | 8 Dec 2025 | 300.00 |
| 327933 | AKIE 10 | Ecstall Mining Corp. | 8 Dec 2025 | 100.00 |
| 329534 | AKIE 11 | Ecstall Mining Corp. | 8 Dec 2025 | 400.00 |
| 329535 | AKIE 12 | Ecstall Mining Corp. | 8 Dec 2025 | 500.00 |
| 329536 | AKIE 13 | Ecstall Mining Corp. | 8 Dec 2025 | 500.00 |
| 329537 | AKIE 14 | Ecstall Mining Corp. | 8 Dec 2025 | 375.00 |
| 329538 | AKIE 15 | Ecstall Mining Corp. | 8 Dec 2025 | 150.00 |
| 329539 | AKIE 16 | Ecstall Mining Corp. | 8 Dec 2025 | 200.00 |
| 330626 | AKIE 17 | Ecstall Mining Corp. | 8 Dec 2025 | 400.00 |
| 549885 | AKIE 20 | Ecstall Mining Corp. | 8 Dec 2025 | 87.25 |
| 333352 | AKIE 21 | Ecstall Mining Corp. | 8 Dec 2025 | 450.00 |
| 333353 | AKIE 22 | Ecstall Mining Corp. | 8 Dec 2025 | 225.00 |
| 552382 | AKIE 23 | Ecstall Mining Corp. | 8 Dec 2025 | 17.44 |
| 333356 | AKIE 25 | Ecstall Mining Corp. | 8 Dec 2025 | 500.00 |
| 338283 | AKIE 18 | Ecstall Mining Corp. | 8 Dec 2025 | 400.00 |
| 338284 | AKIE 19 | Ecstall Mining Corp. | 8 Dec 2025 | 300.00 |
| 517839 | CURE | Ecstall Mining Corp. | 8 Dec 2025 | 34.88 |
| 520476 | AKIE 30 | Ecstall Mining Corp. | 8 Dec 2025 | 436.14 |
| 523916 | AKIE FR. | Ecstall Mining Corp. | 8 Dec 2025 | 87.18 |
| 523920 | AKIE FR 2 | Ecstall Mining Corp. | 8 Dec 2025 | 17.44 |
| 526549 | AKIE AX 1 | Ecstall Mining Corp. | 8 Dec 2025 | 436.57 |
| 526550 | AKIE AX 2 | Ecstall Mining Corp. | 8 Dec 2025 | 436.75 |

| Tenure Number | Claim Name | Owner (%) | Expiry Date | Area (ha) |
|---|---|---|---|---|
| 526551 | AKIE AX 3 | Ecstall Mining Corp. | 8 Dec 2025 | 436.98 |
| 529015 | AKIE 31 | Ecstall Mining Corp. | 8 Dec 2025 | 366.10 |
| 529025 | AKIE 31A | Ecstall Mining Corp. | 8 Dec 2025 | 17.44 |
| 529026 | AKIE 31B | Ecstall Mining Corp. | 8 Dec 2025 | 17.43 |
| 546692 | AKIE 41 | Ecstall Mining Corp. | 8 Dec 2025 | 436.54 |
| 546693 | AKIE 40 | Ecstall Mining Corp. | 8 Dec 2025 | 348.69 |
| 549880 | | Ecstall Mining Corp. | 8 Dec 2025 | 366.47 |
| 549884 | | Ecstall Mining Corp. | 8 Dec 2025 | 52.33 |
| 549887 | IN | Canada Zinc Metals Corp. | 8 Dec 2025 | 17.46 |
| 549888 | AK | Canada Zinc Metals Corp. | 8 Dec 2025 | 17.45 |
| 553647 | | Canada Zinc Metals Corp. | 8 Dec 2025 | 226.76 |
| 553649 | | Canada Zinc Metals Corp. | 8 Dec 2025 | 122.21 |
| 553654 | 1.1 | Canada Zinc Metals Corp. | 8 Dec 2025 | 52.35 |
| 555813 | HSH | Ecstall Mining Corp. | 8 Dec 2025 | 192.36 |
| 557781 | ROME | Ecstall Mining Corp. | 8 Dec 2025 | 17.47 |
| 1021745 | SITKA | Canada Zinc Metals Corp. | 8 Dec 2025 | 942.00 |

**FIGURE 4-1: AKIE PROPERTY LOCATION MAP**
**(CANADA ZINC METALS)**

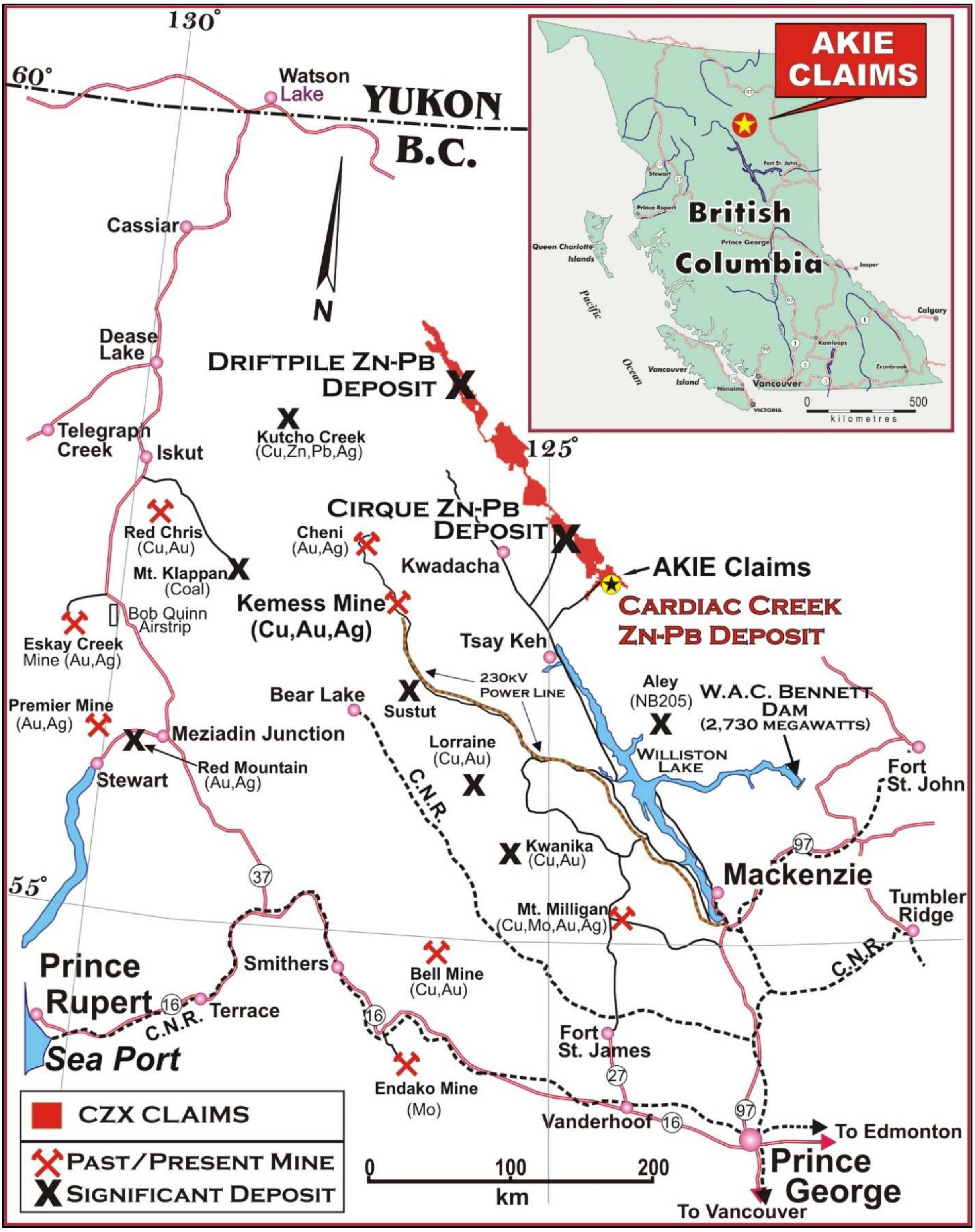
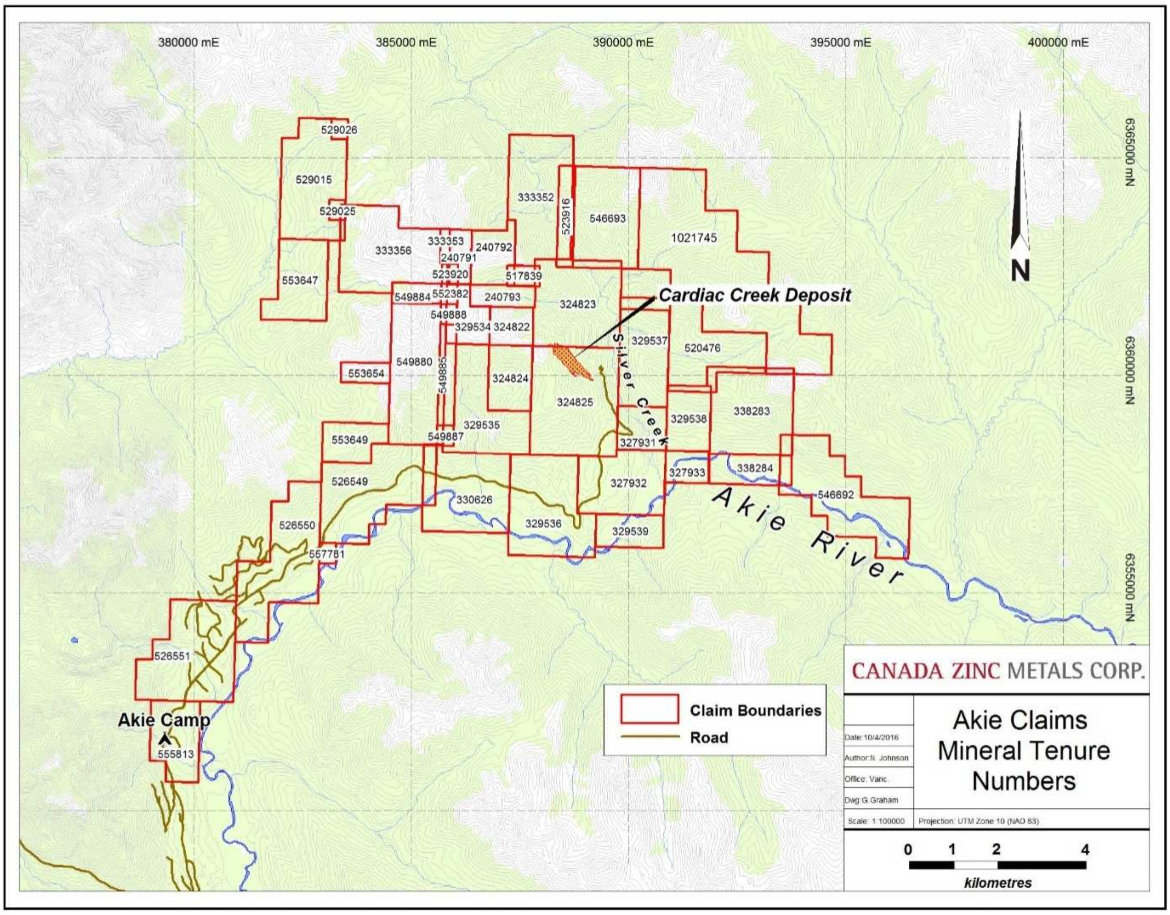


**FIGURE 4-2: AKIE PROPERTY CLAIM MAP**
**(CANADA ZINC METALS)**




(a) Accessibility

The Akie property and exploration camp are directly accessible via an extensive network of forestry service roads originating near Mackenzie. The camp, at the southwestern edge of the property, is situated at the 24.5 km mark on the Akie Mainline Forestry Service Road (FSR). In 2008, Canada Zinc Metals extended the Akie Mainline FSR to the 41.5 km mark into the south-central area of the property. Partially developed seasonal trails extend out from the 41.5 km mark and provide direct access to Cardiac Creek with the trail-end located just below the Cardiac Creek showing. The gravel airstrip at Tsay Keh Dene and Kwadacha provide access by fixed-wing aircraft, and the camp and property can be accessed using chartered helicopter services based in either Mackenzie or Prince George.

(b) Infrastructure

(i) Roads

The region is well-connected by an extensive network of all-weather forestry service roads originating near Mackenzie. The Akie Mainline FSR provides direct access into the central area of the property. It has recently been extended to the Cardiac Creek deposit and provides access to the planned point of entry for underground access. The paved, provincial highway system can be accessed in Mackenzie.

(ii) Air

Several gravel airstrips are located along the shores of the Williston Lake reservoir and Finley River basin; the closest is located at the village of Tsay Keh Dene, approximately 65 km southwest of the property. Regularly scheduled charter flights provide service to the communities of Tsay Keh Dene and Kwadacha during the work week.

(iii) Electricity

The hydroelectric W.A.C. Bennett Dam located on the Peace Reach of the Williston Lake reservoir supplies power to the nearby Kemess copper-gold mine via the Kennedy substation located near Mackenzie, BC. On-site, diesel-fueled generators provide electricity to local communities and the Akie camp.

(iv) Water

Barge services operating out of Mackenzie on the Williston Lake reservoir provide intermittent water services to the local communities and the forestry industry.

(v) Rail

Mackenzie provides the closest access to rail service.

(c) Climate

The region has a variable climate with temperatures ranging from 15°C to 30°C in the summer and -10° to -30°C in the winter. Precipitation can be variable from year to year with moderate rainfall in summer, with temporary snow accumulations at higher elevations and moderate snow accumulations in the winter months.

(d) Physiography

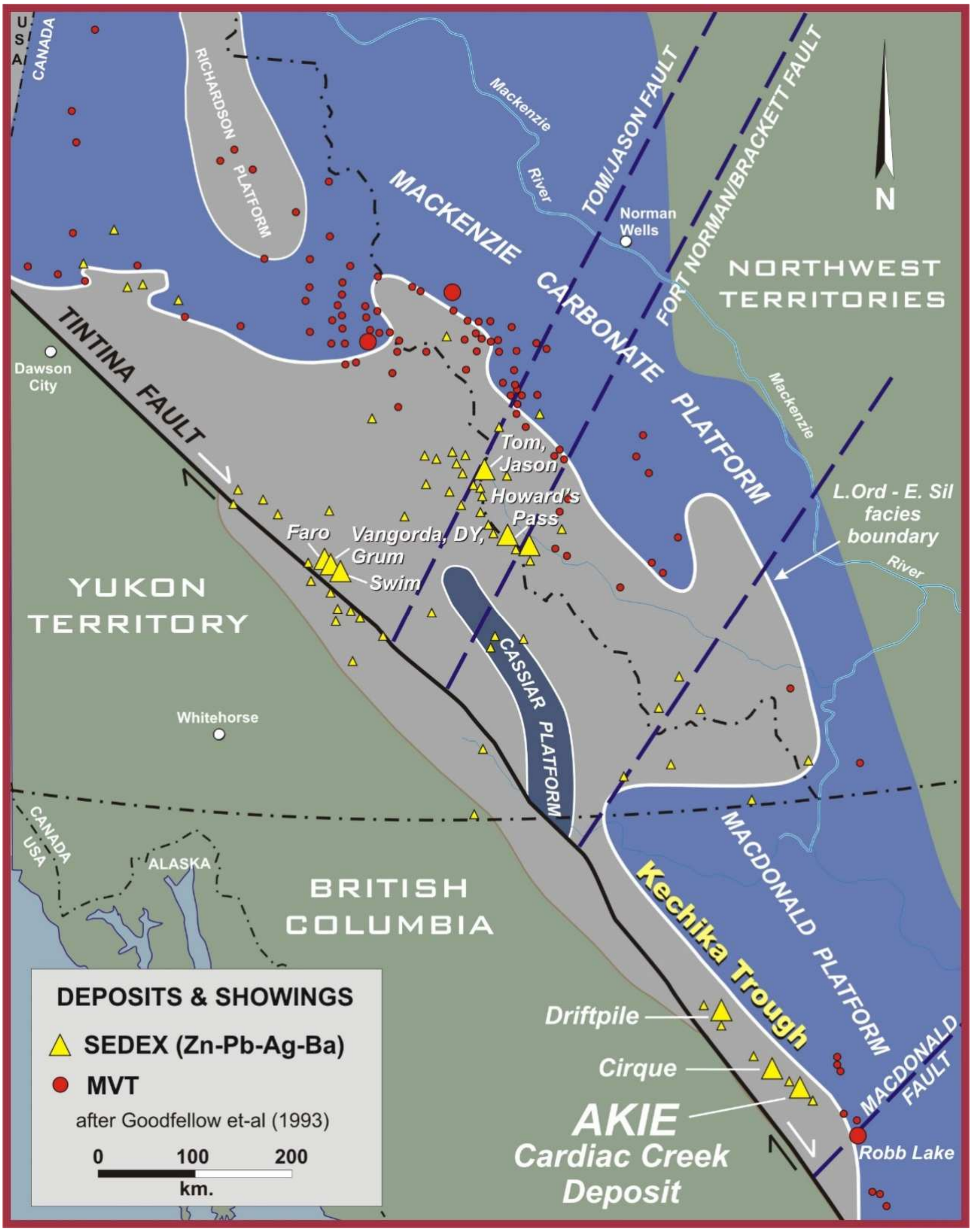
The Akie property is characterized by northwest-southeast-oriented ridgelines bounded by the east-west running Akie River valley to the southeast. Elevation ranges from 850 m within the valley to 2,200 m at the peaks. Ridges and mountain tops above the tree line have either no vegetation or are covered by alpine meadows. The remainder of the property is thickly forested, characterized by lodgepole pine and black spruce covering the mountain slopes, and alder, willows and birch bordering creeks and rivers.

Abundant unnamed mountain streams and creeks feed into the larger Silver Creek which runs parallel to the ridgelines, divides the property, and ultimately drains into the Akie River.

The regional geology present in the vicinity of the Akie property has been described in detail by Don MacIntyre in the NI 43-101 report entitled *Geological Report on the Akie Property* prepared for Mantle Resources (now Canada Zinc Metals) in 2005. For a comprehensive review of the geology of the Akie River district, the reader is referred to the 1998 BC Ministry of Energy and Mines Bulletin 103 entitled *Geology, Geochemistry and Mineral Deposits of the Akie River Area, Northeast British Columbia* by Don G. MacIntyre. The following summarizes the information contained within these reports.

The Akie property is situated within the Rocky Mountain fold and thrust belt of northeastern British Columbia and hosted in the central portion of the Kechika Trough. The trough is interpreted to be the southeastern extension of the expansive sedimentary Selwyn Basin bounded by shallow water sedimentary rocks characteristic of the Cassiar (west) and MacDonald platforms (east) (MacIntyre, 1998). The trough is situated along the ancestral continental margin of North America and is host to clastic and carbonate rocks ranging in age from the late Cambrian to late Triassic (MacIntyre, 2005) (Figure 7-1).

**FIGURE 7-1: GEOLOGICAL SETTING OF SELWYN BASIN AND KECHIKA TROUGH**
**(AFTER GOODFELLOW ET AL, 1993)**



The updated mineral resource estimate was prepared by Robert Sim, P.Geo with the assistance of Bruce Davis, FAusIMM. Mr. Sim is an independent Qualified Person within the meaning of NI 43-101 for the purposes of mineral resource estimates and was responsible for the 2008 maiden resource and the 2012 updated resource estimate.

The estimate of mineral resources incorporates all drilling conducted by CZX on the Cardiac Creek deposit since 2005 plus 29 holes drilled by Inmet Mining Corporation between 1994 to 1996. In total, there are now 139 drill holes on the Akie property with a total core length of 59,260 metres. Of these, 104 drill holes totaling 46,886 metres are within close enough proximity of the block model to contribute to the estimation of the mineral resource. The remaining 35 drill holes test the Cardiac Creek mineralized horizon over a total strike length of almost 7 kilometres, or other exploration targets on the property.

The spacing of drill hole pierce points into the mineralized horizon is variable, ranging from 40 metres to over 500 metres, with an average of approximately 100 metres in the central core of the resource area. The eight holes completed in 2015 provided additional, closer-spaced, definition of the central part of the deposit.

The Cardiac Creek mineralized horizon occurs as a planar, sheet-like zone of semi-massive to massive sulphides comprised of varying amounts of pyrite, sphalerite and galena (+/- barite) hosted in a black shale sequence which has been traced over a strike length of 7 kilometres and to a depth of 1,300 metres below surface. The mineralized zone ranges in thickness from less than 1 metre (where the deposit outcrops at surface) to as much as 40 metres, with an average true thickness of about 20 metres in the area of potential economic interest.

**Methodology**

Resource estimations were made from 3D block models based on geostatistical applications using commercial mine planning software (MineSight® v10.50-2). A nominal block size measuring 5 m x 10 m x 5 m was utilised with the longer axis parallel to the 315º azimuth strike of the deposit. The primary orientation of the drilling, at 050º azimuth, is designed to intersect the steeply dipping mineralized zone (-70º SW) at roughly normal angles from the hanging wall side of the deposit.

The resource estimate was generated using drill hole sample assay results and the interpretation of a geologic model which relates to the spatial distribution of zinc, lead and silver. Interpolation characteristics were defined based on the geology, drill hole spacing, and geostatistical analysis of the data. The effects of potentially anomalous high-grade sample data was controlled by limiting the maximum distance of influence during block grade interpolation. Grade estimates in the block model were validated using a combination of visual and statistical methods to ensure that the models are an appropriate representation of the underlying sample data. The resources were classified according to their proximity to the sample data locations and are reported, as required by NI 43-101, according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014). Resources in the Indicated category are delineated from multiple drill holes located on a nominal 100-metre grid pattern and must exhibit a high degree of continuity of mineralization between drill holes. Resources in the Inferred category include blocks in mineralized areas showing reasonable continuity and within a maximum distance of 150 metres from a drill hole.

The “base case” cut-off grade of 5% Zn is considered reasonable based on assumptions derived from operations with similar characteristics, scale and location. The distribution of Indicated and Inferred mineral resources, above a cut-off grade of 5% Zn, occurs as a continuous zone, which is favourable with respect to selectivity and other factors when considering possible mining options. The orientation, dimensions and location of the deposit indicates that it is potentially amenable to underground mining methods, and, as a result, the stated resource is considered to exhibit reasonable prospects for eventual economic extraction.

It is important to note that mineral resources are not mineral reserves because the actual economic viability has not been demonstrated. There are no known factors related to environmental, permitting, legal, title, taxation, socio-economic, marketing or political issues which could materially affect the mineral resource.

The sample database used to generate the mineral resource estimate has been monitored using an industry standard Quality Assurance / Quality Control (QAQC) program including the blind insertion of standard reference material, blanks and duplicate samples run at umpire labs. The database also contains an extensive suite of density measurements conducted at a certified laboratory using the weight-in-air versus weight-in-water method.

The following recommendations are proposed for the Akie project:

(e) Drilling

Further drilling is recommended to expand and delineate the mineral resource on the Cardiac Creek deposit.

A total of 10 drill holes representing approximately 6,000 m of drilling are recommended to expand the overall limits of the deposit and to expand the base case resource (> 5% Zn) in both the Inferred and Indicated categories. Expansion targets should be planned with sufficient spacing to provide maximum benefit to future resource calculations with approximate step-outs of 200 m to 300 m. Select infill targets on approximate 100 m spaced centres (Figure 26-1) are recommended to continue to provide infill information within the base case resource. These holes will provide additional data to guide the planned underground exploration and determine the deposit's characteristics, future development, and underground exploration targets.

To achieve these stated objectives, the following specific target areas are recommended for future drilling:

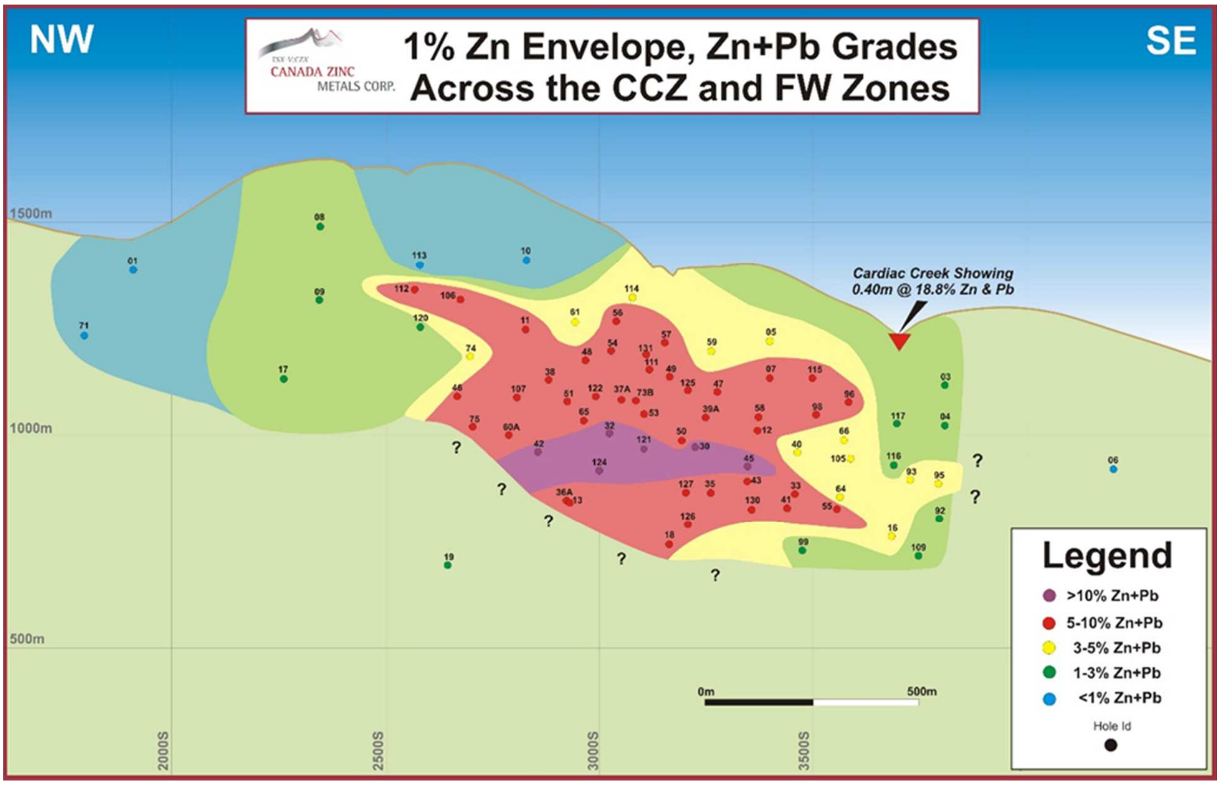
- Northwest strike extent of the deposit along strike of the intercepts in holes A-07-46 and A-10-75.

- Down-dip extents of the deposit in two distinct areas: down-dip of holes A-07-42, A-08-60A and A-10-75 to test the high-grade mineralization encountered in the footwall zone of these holes, and the down-dip extent of the high-grade mineralization encountered in holes A-15-121, A-15-124, and A-95-18 and A-15-126.

- Southeast strike extent of the deposit along strike of the intercepts in holes A-11-92 and A-11-95.

Additional exploration drilling is recommended on the North Lead Anomaly target present on the Akie property. Approximately 1,000 m of drilling in two drill holes is recommended to continue to test the down-dip and northwest strike extension of the mineralization present there.

**FIGURE 26-1: VERTICAL LONG-SECTION ACROSS THE CARDIAC CREEK DEPOSIT WITH TARGET AREAS FOR FUTURE DRILLING**
**(MODIFIED FROM JOHNSON, 2016B)**




## Specialized Skill and Knowledge

The Issuer’s ability to continue to progress the Akie property will rely on its ability to attract and retain individuals with (among other) financial, administrative, engineering, geological, and mining skills and knowledge. Much of the necessary specialized skills and knowledge required by the Issuer as a mineral exploration/development company are available from the Issuer’s management team and Board of Directors. The Issuer retains outside consultants if additional specialized skills and knowledge are required.

## Competitive Conditions

Canada Zinc Metals competes against other companies to identify suitable mining properties and enter into agreements to obtain return on its investment. Canada Zinc Metals also competes with other companies in the junior resource market for investment capital. Competition in the mineral and development business is intense, and there is a high degree of competition for desirable mineral claims, suitable prospects for drilling operations and necessary mining equipment, as well as for access to funds and expertise. The Issuer is competing with many other exploration and development companies possessing greater financial resources and technical facilities than those currently held by the Issuer.

## Cycles

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. At the present time, the weak demand for minerals in many countries are suppressing commodity prices, but it is difficult to assess how long such trend may continue. Fluctuations in supply and demand in various regions throughout the world are common.

As Canada Zinc Metals' mining and exploration business is in the exploration and development stage, and Canada Zinc Metals has not yet generated any revenue from the operation of the Akie Property, it is not currently significantly affected by changes in commodity demand and prices, except to the extent that same impact the availability of capital for mineral exploration and development projects. As it does not carry on production activities, Canada Zinc Metals' ability to fund ongoing exploration is affected by the availability of financing which is, in turn, affected by the strength of the economy and other general economic factors.

**Economic Dependence**

Canada Zinc Metals' business is not substantially dependent on any contract such as a contract to sell the major part of its product or services or to purchase the major part of its requirements for goods, services or its raw materials, or any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends.

**Changes to Contracts**

Canada Zinc Metals does not anticipate that it will be affected in the current financial year by renegotiation or termination of contracts that could materially affect the Issuer's business plan.

**Foreign Operations**

The Issuer's primary property, the Akie Property, is in northeast British Columbia. The Issuer does not have any foreign operations.

**Environmental Protection**

The exploration and development of a mining prospect is subject to regulation by a number of federal and provincial authorities. The regulations address many environmental issues relating to air, soil, and water contamination, and apply to many mining related activities including exploration, mine construction, mineral extraction, milling, water use, waste disposal, and use of toxic substances. In addition, we are subject to regulations relating to labour standards, occupational health and safety, mine safety, general land use, export of minerals, and taxation. Many of the regulations require permits or licenses to be obtained, the absence of which and/or inability to obtain such permits or licenses will adversely affect our ability to conduct our exploration, development, and operation activities. The failure to comply with the regulations and terms of permits and licenses may result in fines or other penalties or in revocation of a permit or license or loss of a prospect.

**Employees**

As of June 30, 2016, Canada Zinc Metals had 5 employees, and as of the date of this AIF, it has 4 employees.

**Reorganization**

The Issuer has not undergone any material reorganizations in its three most recently completed financial years.

## RISK FACTORS

*Investing in the Common Shares involves a high degree of risk. Prospective investors in a particular offering of Common Shares should carefully consider the following risks and uncertainties, as well as the other information contained in this AIF and the documents incorporated by reference herein before investing in the Common Shares. If any of the following risks actually occurs, our business, financial condition, results of operation and future prospects will likely be materially and adversely affected. In that event, the market price of the Common Shares could decline and you could lose all or part of your investment. Additional risks and uncertainties, including those of which we are currently unaware or that we deem immaterial, may also adversely affect our business.*

### Risks Relating to Our Company

***We will require significant additional capital to fund our business plan.***

We will be required to expend significant funds to determine if measured, indicated and inferred mineral resources exist at our properties, to continue exploration and, if warranted, to develop our existing properties. We anticipate that we will be required to make substantial capital expenditures for the continued exploration and, if warranted, development of our Akie Property. We have spent and will be required to continue to expend significant amounts of capital for drilling, geologic and geochemical analysis, assaying, metallurgical development and studies with regard to the results of our exploration and development activities at our Akie Property. We may not benefit from some of these investments if we are unable to identify commercially exploitable Mineral Reserves.

As of June 30, 2016, we had cash of $2.55 million and working capital of $6.59 million. The Issuer's current planned operation needs are anticipated to be within its working capital until June 30, 2017. We currently have sufficient cash on hand to meet our planned expenditures for approximately the next 12 months (November 2016 – 2017). We will be able to continue planned operations for the next twelve months or longer without seeking additional funding. We are actively pursuing additional sources of debt and equity financing, and while we have been successful in doing so in the past, there can be no assurance we will be able to do so in the future.

Our ability to obtain necessary funding for these purposes, in turn, depends upon a number of factors, including the status of the national and worldwide economy and the price of metals. We may not be successful in obtaining the required financing or, if we can obtain such financing, such financing may not be on terms that are favorable to us.

Our inability to access sufficient capital for our operations could have a material adverse effect on our financial condition, results of operations, or prospects. Sales of substantial amounts of securities may have a highly dilutive effect on our ownership or share structure. Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair our ability to raise capital through future sales of Common Shares. We have not yet commenced commercial production at any of our properties and, as such, have not generated positive cash flows to date and have no reasonable prospects of doing so unless successful commercial production can be achieved at our Akie Property. We expect to continue to incur negative investing and operating cash flows until such time as we enter into successful commercial production. This will require us to deploy our working capital to fund such negative cash flow and to seek additional sources of financing. There is no assurance that any such financing sources will be available or sufficient to meet our requirements. There is no assurance that we will be able to continue to raise equity capital or to secure additional debt financing, or that we will not continue to incur losses.

***We have a limited operating history on which to base an evaluation of our business and prospects.***

Since our inception we have had no revenue from operations. We have no history of producing products from any of our properties. Our Akie Property is in the exploration/development stage. Advancing our Akie Property fully into the development stage will require significant capital and time, and successful commercial production from the Akie Property will be subject to completing feasibility studies, permitting and construction of the mine, processing plants, roads, and other related works and infrastructure. As a result, we are subject to all of the risks associated with developing and establishing new mining operations and business enterprises including:

- completion of feasibility studies to verify reserves and commercial viability, including the ability to find sufficient reserves to support a commercial mining operation;

- the timing and cost, which can be considerable, of further exploration, preparing feasibility studies, permitting and construction of infrastructure, mining and processing facilities;

- the availability and costs of drill equipment, exploration personnel, skilled labour, and mining and processing equipment, if required;

- the availability and cost of appropriate processing and/or refining arrangements, if required;

- compliance with environmental and other governmental approval and permit requirements;

- the availability of funds to finance exploration, development, and construction activities, as warranted;

- potential opposition from non-governmental organizations, local groups, first nations or local inhabitants that may delay or prevent development activities;

- potential increases in exploration, construction, and operating costs due to changes in the cost of fuel, power, materials, and supplies; and

- potential shortages of mineral processing, construction, and other facilities related supplies.

The costs, timing, and complexities of exploration, development, and construction activities may be increased by the location of our properties and demand by other mineral exploration and mining companies. It is common in exploration programs to experience unexpected problems and delays during drill programs and, if commenced, during mine development, construction, and start-up. Accordingly, our activities may not result in profitable mining operations and we may not succeed in establishing mining operations or profitably producing metals at any of our current or future properties, including our Akie Property.

***We have a history of losses and expect to continue to incur losses in the future.***

We have incurred losses since inception, have negative cash flow from operating activities, and expect to continue to incur losses in the future. We incurred the following losses before income taxes during each of the following periods:

- $2,998,941 for the year ended June 30, 2016; and
- $2,337,398 for the year ended June 30, 2015.

We expect to continue to incur losses unless and until such time as one of our properties enters into commercial production and generates sufficient revenues to fund continuing operations. We recognize that if we are unable to generate significant revenues from mining operations and dispositions of our properties, we will not be able to earn profits or continue operations. At this early stage of our operation, we also expect to face the risks, uncertainties, expenses, and difficulties frequently encountered by companies at the start-up stage of their business development. We cannot be sure that we will be successful in addressing these risks and uncertainties and our failure to do so could have a materially adverse effect on our financial condition.

***Increased costs could affect our financial condition.***

We anticipate that costs at our projects that we may explore or develop will frequently be subject to variation from one year to the next due to a number of factors, such as changing material grade, metallurgy, and revisions to mine plans, if any, in response to the physical shape and location of the material. In addition, costs are affected by the price of commodities such as fuel, steel, rubber, chemicals, and electricity. Such commodities are at times subject to volatile price movements, including increases that could make production at certain operations less profitable or not profitable at all. A material increase in costs at any significant location could have a significant effect on our profitability.

**Risks Related to Mining and Exploration**

***The Akie Property is in the exploration and development stage. There is no assurance that we can establish the existence of any mineral reserve on the Akie Property or any of our properties in commercially exploitable quantities. Unless and until we do so, we cannot earn any revenues from these properties and if we do not do so we will lose all of the funds that we expend on exploration and development. If we do not discover any mineral reserve in a commercially exploitable quantity, the exploration component of our business could fail.***

We have not established that any of our mineral properties contain any Mineral Reserve according to recognized reserve guidelines, nor can there be any assurance that we will be able to do so.

The commercial viability of an established mineral deposit will depend on a number of factors including, by way of example, the size, grade, and other attributes of the mineral deposit, the proximity of the mineral deposit to infrastructure such as processing facilities, roads, rail, power, and a point for shipping, government regulation, and market prices. Most of these factors will be beyond our control, and any of them could increase costs and make extraction of any identified mineral deposit unprofitable.

***The nature of mineral exploration and production activities involves a high degree of risk and the possibility of uninsured losses***.

Exploration for and the production of minerals is highly speculative and involves much greater risk than many other businesses. Most exploration programs do not result in the discovery of mineralization, and any mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Our operations are, and any future development or mining operations we may conduct will be, subject to all of the operating hazards and risks normally incident to exploring for and development of mineral properties, such as, but not limited to:

- economically insufficient mineralized material;
- fluctuation in production costs that make mining uneconomical;

- labour disputes;
- unanticipated variations in grade and other geologic problems;
- environmental hazards;
- water conditions;
- difficult surface or underground conditions;
- industrial accidents;
- metallurgic and other processing problems;
- mechanical and equipment performance problems;
- failure of dams, stockpiles, wastewater transportation systems, or impoundments;
- unusual or unexpected rock formations; and
- personal injury, fire, flooding, cave-ins and landslides.

Any of these risks can materially and adversely affect, among other things, the development of properties, production quantities and rates, costs and expenditures, potential revenues, and production dates. We currently have very limited insurance to guard against some of these risks. If we determine that capitalized costs associated with any of our mineral interests are not likely to be recovered, we would incur a write-down of our investment in these interests. All of these factors may result in losses in relation to amounts spent that are not recoverable, or that result in additional expenses.

***We have no history of producing commercial products from our current mineral properties and there can be no assurance that we will successfully establish mining operations or profitably produce minerals.***

We have no history of producing commercial products from our current mineral properties. We do not produce commercial products and do not currently generate operating earnings. While we seek to move our Akie Property out of exploration/development and into production, such efforts will be subject to all of the risks associated with establishing new mining operations and business enterprises, including:

- the timing and cost, which are considerable, of the construction of mining and processing facilities;
- the availability and costs of skilled labour and mining and processing equipment;
- compliance with environmental and other governmental approval and permit requirements;
- the availability of funds to finance construction and development activities;
- potential opposition from non-governmental organizations, local groups or local inhabitants that may delay or prevent development activities; and

- potential increases in construction and operating costs due to changes in the cost of labour, fuel, power, materials and supplies.

It is common in new mining operations to experience unexpected problems and delays during construction, development and start-up. In addition, our management and workforce will need to be expanded, and sufficient housing and other support systems for our workforce will have to be established. This could result in delays in the commencement of mineral production and increased costs of production. Accordingly, we cannot assure you that our activities will result in profitable mining operations or that we will successfully establish mining operations.

***Results of metallurgical testing by us may not be favorable or as expected by us.***

We have only completed preliminary metallurgical testing on material from the Akie Property. We will need to complete necessary metallurgical testing as the exploration and, if warranted, development of the Akie Property progresses. There can be no assurance that the results of such metallurgical testing will be favorable or will be as expected by us. Furthermore, there can be no certainty that metallurgical recoveries obtained in bench or pilot scale tests will be achieved in either subsequent testing or commercial operations. The development of a complete metallurgical process to produce a saleable final product from the Akie Property is a complex and resource intensive undertaking that may result in overall schedule delays and increased project costs for us.

***Price volatility could have dramatic effects on the results of operations and our ability to execute our business plan.***

The Issuer's ability to arrange funding to conduct its planned exploration projects is dependent on, among other things, the price of zinc, and other potential by-products. Depending on the price to be received for any minerals produced, Canada Zinc Metals may determine that it is impractical to commence or continue commercial production. A reduction in the price of zinc or other potential by-products may prevent the Akie Property from being economically mined or result in the write-off of assets whose value is impaired as a result of low precious metals prices. The price of zinc or other potential by-products fluctuate and are affected by numerous factors beyond the Issuer's control, including, among others:

- international economic and political conditions,
- expectations of inflation or deflation,
- international currency exchange rates,
- interest rates,
- global or regional consumptive patterns,
- speculative activities,
- levels of supply and demand,
- increased production due to new mine developments,
- decreased production due to mine closures,
- improved mining and production methods,
- availability and costs of metal substitutes,
- metal stock levels maintained by producers and others, and
- inventory carrying costs.

The effect of these factors on the price of zinc and other potential by-products cannot be accurately predicted. If the price of zinc and other potential by-products decreases, the value of Canada Zinc Metals' assets would be materially and adversely affected, thereby materially and adversely impacting the value and price of Canada Zinc Metals' Common Shares.

***Estimates of mineralized material and resources are subject to evaluation uncertainties that could result in project failure.***

Our exploration and future mining operations, if any, are and would be faced with risks associated with being able to accurately predict the quantity and quality of mineralized material and resources/reserves within the earth using statistical sampling techniques. Estimates of any mineralized material or resource/reserve on any of our properties would be made using samples obtained from appropriately placed trenches, test pits, underground workings, and intelligently designed drilling. There is an inherent variability of assays between check and duplicate samples taken adjacent to each other and between sampling points that cannot be reasonably eliminated. Additionally, there also may be unknown geologic details that have not been identified or correctly appreciated at the current level of accumulated knowledge about our properties. This could result in uncertainties that cannot be reasonably eliminated from the process of estimating mineralized material and resources/reserves. If these estimates were to prove to be unreliable, we could implement an exploitation plan that may not lead to commercially viable operations in the future.

***Any material changes in mineral resource/reserve estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital.***

As we have not completed feasibility studies on any of our properties and have not commenced actual production, mineralization resource estimates may require adjustments or downward revisions. In addition, the grade of material ultimately mined, if any, may differ from that indicated by our feasibility studies and drill results. Minerals recovered in small scale tests may not be duplicated in large scale tests under on-site conditions or in production scale.

The Issuer's current resource estimates have been determined based on assumed future prices and cut-off grades that may prove to be inaccurate. Extended declines in market prices for our products may render portions of our mineralization and resource estimates uneconomic and may result in reduced reported mineralization or may adversely affect any commercial viability determinations we may reach. Any material reductions in estimates of mineralization, or of our ability to extract this mineralization, could have a material adverse effect on our share price and on the value of our properties.

***Our exploration activities on our properties may not be commercially successful, which could lead us to abandon our plans to develop our properties and our investments in exploration.***

Our long-term success depends on our ability to identify mineral deposits on our existing properties and other properties we may acquire, if any, that we can then develop into commercially viable mining operations. Mineral exploration is highly speculative in nature, involves many risks, and is frequently non-productive. These risks include unusual or unexpected geologic formations, and the inability to obtain suitable or adequate machinery, equipment, or labour. The success of commodity exploration is determined in part by the following factors:

- the identification of potential mineralization based on surficial analysis;
- availability of government-granted exploration permits;
- the quality of our management and our geological and technical expertise; and
- the capital available for exploration and development work.

Substantial expenditures are required to establish proven and probable reserves through drilling and analysis, to develop metallurgical processes to extract metal, and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Whether a mineral deposit will be commercially viable depends on a number of factors that include, without limitation, the particular attributes of the deposit, such as size, grade, and proximity to infrastructure; commodity prices, which can fluctuate widely; and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. We may invest significant capital and resources in exploration activities and may abandon such investments if we are unable to identify commercially exploitable Mineral Reserves. The decision to abandon a project may have an adverse effect on the market value of our Common Shares and the ability to raise future financing.

***Our properties may become subject to aboriginal title claims***

On June 26, 2014, the Supreme Court of Canada (the "**SCC**") released a decision in Tsilhqot'in Nation v. British Columbia (the "**William Decision**"), pursuant to which the SCC upheld the First Nations' claim to Aboriginal title and rights over a large area of land in central British Columbia, including rights to decide how the land will be used, occupancy and economic benefits. The court ruling held that while the provincial government had the constitutional authority to regulate certain activity on aboriginal title lands, it had not adequately consulted with the Tsilhqot'in. The SCC also held that provincial laws of general application apply to land held under Aboriginal title if the laws are not unreasonable, impose no undue hardship, and do not deny the Aboriginal tile holders their preferred means of exercising their rights. The Issuer currently does not hold any properties in the area involved in the William Decision. The Issuer will continue to manage its operations within the existing legal framework while paying close attention to the direction provided by the Province of British Columbia and First Nations regarding the application of this ruling. Therefore, risks and uncertainties remain consistent with those referenced herein.

***We may not be able to obtain all required permits and licenses to place any of our properties into production.***

Our current and future operations, including development activities and commencement of production, if warranted, on the Akie Property, require permits from governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, and other matters. Companies engaged in mineral property exploration and the development or operation of mines and related facilities generally experience increased costs, as well as delays in production and other schedules as a result of the need to comply with applicable laws, regulations, and permits. We cannot predict if all permits that we may require for continued exploration, development, or construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms, if at all. Costs related to applying for and obtaining permits and licenses may be prohibitive and could delay our planned exploration and development activities. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations, and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on our operations and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

***We are subject to significant governmental regulations that affect our operations and costs of conducting our business.***

Our current and future operations, including exploration and, if warranted, development of the Akie Property, are and will be governed by laws and regulations, including:

- laws and regulations governing mineral concession acquisition, prospecting, development, mining, and production;
- laws and regulations related to exports, taxes, and fees;
- labour standards and regulations related to occupational health and mine safety; and
- environmental standards and regulations related to waste disposal, toxic substances, land use reclamation, water use, and environmental protection.

Companies engaged in exploration activities often experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations, and permits. Failure to comply with applicable laws, regulations, and permits may result in enforcement actions, including the forfeiture of mineral claims or other mineral tenures, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or costly remedial actions. We may be required to compensate those suffering loss or damage by reason of our mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations, and permits.

Existing and possible future laws, regulations, and permits governing operations and activities of exploration companies, or more stringent implementation, could have a material adverse impact on our business and cause increases in capital expenditures or require abandonment or delays in exploration.

***Our activities are subject to environmental laws and regulations that may increase our costs of doing business and restrict our operations.***

All phases of our operations are subject to environmental regulation in the jurisdictions in which we operate. Environmental legislation is evolving in a manner that may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors, and employees. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species, and reclamation of lands disturbed by mining operations. Compliance with environmental laws and regulations, and future changes in these laws and regulations, may require significant capital outlays and may cause material changes or delays in our operations and future activities. It is possible that future changes in these laws or regulations could have a significant adverse impact on our properties or some portion of our business, causing us to re-evaluate those activities at that time.

***Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on our business.***

A number of governments or governmental bodies have introduced or are contemplating legislative and/or regulatory changes in response to concerns about the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on us, on our future venture partners, if any, and on our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting, and other costs necessary to comply with such regulations. Any adopted future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. Given the emotion, political significance, and uncertainty surrounding the impact of climate change and how it should be dealt with, we cannot predict how legislation and regulation will affect our financial condition, operating performance, and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could harm our reputation. The potential physical impacts of climate change on our operations are highly uncertain, and could be particular to the geographic circumstances in areas in which we operate and may include changes in rainfall and storm patterns and intensities, water shortages, and changing temperatures. These impacts may adversely impact the cost, production, and financial performance of our operations.

***Land reclamation requirements for our properties may be burdensome and expensive.***

Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance. Reclamation may include requirements to:

- control dispersion of potentially deleterious effluents;
- treat ground and surface water to drinking water standards; and
- reasonably re-establish pre-disturbance land forms and vegetation.

In order to carry out reclamation obligations imposed on us in connection with our potential development activities, we must allocate financial resources that might otherwise be spent on further exploration and development programs. We plan to set up a provision for our reclamation obligations on our properties, as appropriate, but this provision may not be adequate. If we are required to carry out unanticipated reclamation work, our financial position could be adversely affected.

***We face intense competition in the mining industry.***

The mining industry is intensely competitive in all of its phases. As a result of this competition, some of which is with large established mining companies with substantial capabilities and with greater financial and technical resources than ours, we may be unable to acquire additional properties, if any, or financing on terms we consider acceptable. We also compete with other mining companies in the recruitment and retention of qualified managerial and technical employees. If we are unable to successfully compete for qualified employees, our exploration and development programs may be slowed down or suspended. We compete with other companies that produce our planned commercial products for capital. If we are unable to raise sufficient capital, our exploration and development programs may be jeopardized or we may not be able to acquire, develop, or operate additional mining projects.

***A shortage of equipment and supplies could adversely affect our ability to operate our business.***

We are dependent on various supplies and equipment to carry out our mining exploration, metallurgical development and, if warranted, Project development operations. The shortage of such supplies, equipment, and parts could have a material adverse effect on our ability to carry out our operations and could therefore limit, or increase the cost of, production.

***Joint ventures and other partnerships, may expose us to risks.***

We have entered into the Teck Option Agreement related to the Pie Option Properties, and may enter into joint ventures or partnership arrangements, including offtake agreements, with other parties in relation to the exploration, development, and production of certain of the properties in which we have an interest. Any failure of such other companies to meet their obligations to us or to third parties, or any disputes with respect to the parties' respective rights and obligations, could have a material adverse effect on us, the development and production at our properties, the joint ventures, if any, or their properties and therefore could have a material adverse effect on our results of operations, financial performance, cash flows and the price of the Common Shares.

***We may experience difficulty attracting and retaining qualified management to meet the needs of our anticipated growth, and the failure to manage our growth effectively could have a material adverse effect on our business and financial condition.***

We are dependent on a relatively small number of key employees, including our Chief Executive Officer. The loss of any officer could have an adverse effect on us. We have no life insurance on any individual, and we may be unable to hire a suitable replacement for them on favorable terms, should that become necessary.

***Title to our properties may be subject to other claims that could affect our property rights and claims. Certain of our current leases with options to purchase need to be renewed and we cannot guarantee that we will be successful in renewing those leases.***

There are risks that title to our properties may be challenged or impugned. The Akie Property may be subject to prior unrecorded agreements or transfers or native land claims, and title may be affected by undetected defects. We have investigated our rights to explore and exploit the Akie Property and, to the best of our knowledge, our rights in relation to lands covering the Akie Property are in good standing. However, there may be valid challenges to the title of our properties that, if successful, could impair development and/or operations.

***We may be unable to secure surface access or purchase required surface rights.***

Although the Issuer acquires the rights to some or all of the minerals in the ground subject to the mineral tenures that it acquires, or has a right to acquire, in some cases it may not thereby acquire any rights to, or ownership of, the surface to the areas covered by such mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities; however, the enforcement of such rights through the courts can be costly and time consuming. It may be necessary to negotiate surface access or to purchase the surface rights if long-term access is required. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, we will be able to negotiate satisfactory agreements with any such existing landowners/occupiers for such access or purchase of such surface rights, and therefore we may be unable to carry out planned mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, we may need to rely on the assistance of local officials or the courts in such jurisdiction the outcomes of which cannot be predicted with any certainty. Our inability to secure surface access or purchase required surface rights could materially and adversely affect our timing, cost, or overall ability to develop any mineral deposits we may locate.

***Our properties and operations may be subject to litigation or other claims.***

From time to time our properties or operations may be subject to disputes that may result in litigation or other legal claims. We may be required to assert or defend against these claims, which will divert resources and management time from operations. The costs of these claims or adverse filings may have a material effect on our business and results of operations.

***We do not currently insure against all the risks and hazards of mineral exploration, development, and mining operations.***

Exploration, development, and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities, or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses, and possible legal liability. We may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. We may elect not to insure where premium costs are disproportionate to our perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

**Risks Related to the Common Shares**

***Our Common Share price may be volatile and as a result our shareholders could lose all or part of their investment.***

In addition to volatility associated with equity securities in general, the value of your investment could decline due to the impact of any of the following factors upon the market price of the Common Shares:

- Disappointing results from our exploration/development efforts;
- Disappointing results of any feasibility study;
- Decline in demand for Common Shares;
- Downward revisions in securities analysts' estimates or changes in general market conditions;
- Investor perception of our industry or our prospects; and
- General economic trends.

In the last 12 months, the price of our stock on the TSXV has ranged from a low of $0.095 to a high of $0.44. In addition, stock markets in general have experienced extreme price and volume fluctuations, and the market prices of securities have been highly volatile. These fluctuations are often unrelated to operating performance and may adversely affect the market price of the Common Shares. As a result, you may be unable to sell any Common Shares you acquire at a desired price.

***We have never paid dividends on the Common Shares.***

We have not paid dividends on the Common Shares to date, and we may not be in a position to pay dividends for the foreseeable future. Our ability to pay dividends with respect to the Common Shares will depend on our ability to successfully develop one or more properties and generate earnings from operations. Further, our initial earnings, if any, will likely be retained to finance our operations. Any future dividends on Common Shares will depend upon our earnings, our then-existing financial requirements, and other factors, and will be at the discretion of the Board.

***Investors' interests in our Company will be diluted and investors may suffer dilution in their net book value per Common Share if we issue additional employee/Director/consultant options or if we sell additional Common Shares to finance our operations.***

In order to further expand the Issuer's operations and meet our objectives, any additional growth and/or expanded exploration and development activities will likely need to be financed through sale of and issuance of additional Common Shares or convertible securities, including, but not limited to, raising funds to explore and develop the Akie Property. Furthermore, to finance any acquisition activity, should that activity be properly approved, and depending on the outcome of our exploration/development programs, we may also need to issue additional Common Shares or convertible securities to finance future acquisitions, growth, and/or additional exploration/development programs of any or all of our projects or to acquire additional properties. We will also in the future grant to some or all of our Directors, officers, and key employees and/or consultants options to purchase Common Shares as non-cash incentives. The issuance of any equity securities could, and the issuance of any additional Common Shares will, cause our existing shareholders to experience dilution of their ownership interests.

If we issue additional Common Shares or convertible securities or decide to enter into joint ventures with other parties in order to raise financing through the sale of equity securities, investors' interests in the Issuer will be diluted and investors may suffer dilution in their net book value per Common Share depending on the price at which such securities are sold.

***We are subject to the continued listing criteria of the TSXV and our failure to satisfy these criteria may result in delisting of the Common Shares.***

The Common Shares are currently listed on the TSXV. In order to maintain the listing, we must maintain certain financial and share distribution targets, including maintaining a minimum number of public shareholders. In addition to objective standards, the TSXV may delist the securities of any issuer if, in the TSXV's opinion, the issuer's financial condition and/or operating results appear unsatisfactory; if it appears that the extent of public distribution or the aggregate market value of the security has become so reduced as to make continued listing on the TSXV inadvisable; if the issuer sells or disposes of principal operating assets or ceases to be an operating company; if an issuer fails to comply with the listing requirements of TSXV; or if any other event occurs or any condition exists which makes continued listing on the TSXV, in the opinion of the TSXV, inadvisable.

If the TSXV delists the Common Shares, investors may face material adverse consequences, including, but not limited to, a lack of trading market for the Common Shares, reduced liquidity, decreased analyst coverage of the Issuer, and an inability for us to obtain additional financing to fund our operations.

***The issuance of additional Common Shares may negatively impact the trading price of our securities.***

We have issued Common Shares and other convertible securities in the past and will continue to issue same to finance our activities in the future. In addition, outstanding options, warrants, and broker warrants to purchase Common Shares may be exercised, resulting in the issuance of additional securities. The issuance by us of additional Common Shares would result in dilution to our shareholders, and even the perception that such an issuance may occur could have a negative impact on the trading price of the Common Shares.

## MINERAL PROJECTS

### Mineral Properties

As at June 30, 2016, and as of the date of this AIF, the Issuer's material mineral property is the Akie Property. As at June 30, 2016, and as of the date hereof, the most recent technical report on the Akie Property was the Akie Report. Readers are encouraged to review the Akie Report, which is available under the Issuer's profile on SEDAR. See "General Development of the Business".

## DIVIDENDS

Canada Zinc Metals has no fixed dividend policy and has not declared any dividends on its Common Shares since its incorporation. Canada Zinc Metals intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future. Subject to the BCBCA, the actual timing, payment and amount of any dividends declared and paid by the Issuer will be determined by and at the sole discretion of Canada Zinc Metals' Board of Directors from time to time based upon, among other factors, the Issuer's cash flow, results of operations and financial condition, the need for funds to finance ongoing operations and exploration, and such other considerations as the Board of Directors in its discretion may consider or deem relevant.

## DESCRIPTION OF CAPITAL STRUCTURE

### Common Shares

Canada Zinc Metals' authorized capital consists of an unlimited number of Common Shares without par value. As at June 30, 2016, there were 152,414,428 Common Shares issued and outstanding. As of the date hereof there are 152,244,428 Common Shares issued and outstanding.

### Voting rights, payment of dividends and distribution of assets upon winding-up

Each Common Share entitles the holder to one vote at all meetings of the Issuer's shareholders. The holders of the Issuer's Common Shares are entitled to receive during each year, as and when declared by the Board of Directors, dividends payable in money, property or by the issue of fully-paid Common Shares of Canada Zinc Metals. If the Issuer is dissolved, wound-up, whether voluntary or involuntary, or there is a distribution of Canada Zinc Metals' assets among shareholders for the purpose of winding-up its affairs, the holders of the Issuer's Common Shares are entitled to receive Canada Zinc Metals' remaining property.

### Stock Options

The Issuer has in place its Stock Option Plan pursuant to which the directors of the Issuer are authorized to grant options to directors, officers, employees and consultants of the Issuer to purchase up to 20,557,283 Common Shares of the Issuer. As of the date hereof, there are options outstanding to acquire 8,782,500 Common Shares at a weighted average exercise price of $0.34.

### Warrants

The Issuer has outstanding 1,250,000 Common Share purchase warrants, each exercisable by the holder to acquire one Common Share at an exercise price of $0.40 until September 16, 2017.

## MARKET FOR SECURITIES

### Trading Price and Volume

The Common Shares are listed on the Exchange under the symbol "CZX".

The following table shows the monthly high and low daily closing prices and total trading volume of Common Shares from July 1, 2015, being the first day of the financial year ended June 30, 2016, to June 30, 2016. The source of the pricing and volume information is from www.finance.yahoo.com.

| Date | High ($) | Low ($) | Monthly Volume (no. of Common Shares) |
|---|---|---|---|
| July 2015 | 0.24 | 0.20 | 619,800 |
| August 2015 | 0.24 | 0.18 | 401,800 |
| September 2015 | 0.23 | 0.17 | 825,600 |
| October 2015 | 0.20 | 0.15 | 1,560,400 |
| November 2015 | 0.17 | 0.12 | 663,900 |
| December 2015 | 0.14 | 0.11 | 1,121,500 |
| January 2016 | 0.14 | 0.10 | 431,900 |
| February 2016 | 0.14 | 0.10 | 4,707,600 |
| March 2016 | 0.12 | 0.10 | 7,147,900 |
| April 2016 | 0.19 | 0.10 | 3,352,000 |
| May 2016 | 0.19 | 0.14 | 1,096,200 |
| June 2016 | 0.22 | 0.14 | 2,738,300 |

### Prior Sales

No securities of the Issuer that are outstanding but not listed or quoted on a marketplace have been issued by the Issuer during the most recently completed financial year.

## ESCROWED SECURITIES

To the Issuer's knowledge, as of June 30, 2016 and as of the date hereof, none of the Issuer's Common Shares were held in escrow.

## DIRECTORS AND EXECUTIVE OFFICERS

### Name, Occupation and Security Holding

The following table sets out the names, city, province or state and country of residence, positions with or offices held with the Issuer, and principal occupation of each of Canada Zinc Metals' directors and executive officers, as well as the period during which each has been a director of the Issuer.

As of the date hereof, the directors and officers of the Issuer owned and control, directly and indirectly, Common Shares, representing 0.51% of the Issuer's currently issued and outstanding Common Shares. The Issuer notes that the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by its directors and officers, is based upon information provided to the Issuer by individual directors and officers, and is not within the Issuer's knowledge.

The term of office of each Director of Canada Zinc Metals expires at the annual general meeting of shareholders each year.

The following information is as of June 30, 2016:

| Name, Position and Province and Country of Residence (1) | Principal Occupation During the Past Five Years (1) | Director/Officer Since | Ownership or Control Over Voting Shares Held(2) |
|---|---|---|---|
| **Peeyush Varshney, LL.B.**(3)<br>**President, Chief Executive Officer, Chairman and Director**<br>British Columbia, Canada | Barrister and Solicitor; Principal of Varshney Capital Corp. ("**VCC**") from December 1999 to present; director or officer of several public companies listed on the Toronto Stock Exchange ("**TSX**") and the TSXV | October 2004 | 305,375 |
| **Marco Strub**(3)<br>**Director**<br>Zurich, Switzerland | Principal of Sircon AG, a consulting company based in Zurich, Switzerland; director of various public and private companies | November 2004 | 380,000 |
| **John A. Thomas**(3)<br>**Director**<br>British Columbia, Canada | Director of various public companies. | November 2007 | Nil |
| **Praveen Varshney, FCPA, FCA**<br>**Chief Financial Officer and Director**<br>British Columbia, Canada | Chartered Accountant; Principal of VCC of VCC from December 1999 to Present; director and/or officer of several public companies listed on the TSX and TSXV. | June 2005 | 86,000 |
| **Ken MacDonald, P.Geo**<br>**VP Exploration**<br>British Columbia, Canada | Geologist. | November 2010 | 5,000 |

(1) The information in this column is not within the knowledge of the Issuer, and has been individually provided by the respective directors and officers or from publicly available information.

(2) The information number of shares beneficially owned by the director and officers of the Issuer (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Issuer and has been furnished directors and officers or from publicly available information

(3) Member of the Audit Committee as of the date hereof.

## Biographies of Directors and Executive Officers

***Peeyush Varshney, LL.B. – Director, Chairman, President, and Chief Executive Officer***

Mr. Varshney is a principal and a director of Varshney Capital Corp., a venture capital firm. He is currently a director or officer of several public companies listed on the TSXV and the TSX including Mountain Province Diamonds Inc. Mr. Varshney obtained a Bachelor of Commerce degree (1989) and a Bachelor of Laws degree (1993) from the University of British Columbia.

***Mr. Ken MacDonald, P.Geo. - VP Exploration***

Mr. MacDonald has over 29 years of experience in the mining sector, including work as a consulting exploration geologist, as a senior project manager for a Canadian engineering company, and as a senior permitting official with the Mines Branch of the B.C. government. He is a Qualified Person under NI 43-101.

Mr. MacDonald has managed and participated in a wide range of exploration projects in varied terrain, principally in Western Canada, with international experience in South America. He has been responsible for design and implementation of exploration programs from grass-roots to advanced drill definition. He has also managed mine scoping, pre-feasibility and feasibility projects, bulk sample projects, environmental assessments and was recently responsible for all mine permitting for the Mt. Milligan open pit copper-gold mine.

***Dr. John Thomas, Ph.D - Director***

Mr. Thomas has 34 years of experience in the mining industry -- in both base and precious metals -- and has worked in Brazil, Venezuela, Costa Rica, Kazakhstan, Russia, Canada and Zambia. His extensive experience covers a wide range of activities in the mining industry, from process development, the management of feasibility studies, engineering, and the management of construction and operation of mines. Dr. Thomas is a graduate of the University of Manchester Institute of Science and Technology where he received a Bachelor of Science (honours), as well as an MSc and Ph.D in chemical engineering.

***Mr. Marco Strub - Director***

From 1997 to 2003 was a partner of Exulta AG and is currently a principal of Sircon AG, both are portfolio management companies based in Zurich, Switzerland. Marco is currently a director of various private and public companies.

***Mr. Praveen Varshney, FCPA, FCA - Director and Chief Financial Officer***

Mr. Varshney is a principal and a director of Varshney Capital Corp., a venture capital firm. He currently is or has been a director or officer of several public companies listed on the TSXV and the TSX including Mogo Finance Technology Inc. and Hempco Food and Fiber Inc.

## Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Issuer is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, Chief Executive Officer or Chief Financial Officer of any company (including the Issuer), that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer, or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer,

No director or executive officer of the Issuer, or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer:

(a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Issuer) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder,

No director or executive officer of the Issuer, or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision,

## Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of Canada Zinc Metals also holding positions as directors or officers of other companies. Some of the Issuer's directors and officers have been and will continue to be engaged in the identification and evaluation of assets, businesses, and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with Canada Zinc Metals. Conflicts, if any, will be subject to the procedures and remedies provided under the BCBCA.

# PROMOTERS

No person will be, or has been within the two most recently completed financial years or during the current financial year, a promoter of Canada Zinc Metals.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the best knowledge of Canada Zinc Metals' management, no (a) director or executive officer of the Issuer; (b) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Issuer's outstanding voting securities; or (c) an Associate or Affiliate of any of the persons or companies referred to in paragraphs (a) or (b), had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Issuer.

In connection with the closing of a private placement in November 2010 with Tongling, the parties entered into an agreement which permitted Tongling to appoint up to two nominees as members of the board of directors so long as Tongling continues to own an interest of at least 20% of the outstanding common shares. To date, no Tongling nominees have been appointed to the board.

## TRANSFER AGENT AND REGISTRAR

Canada Zinc Metals' registrar and transfer agent for its Common Shares is Computershare Investor Services Inc., of 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

## MATERIAL CONTRACTS

The Issuer has not entered into any material contacts during the financial year ended June 30, 2016, and the Issuer has does not have any material contracts entered into prior to June 30, 2015 which remain in effect except for the following.

a) Farm-out Agreement dated September 6, 2013 with Teck
b) Definitive Agreement dated October 29, 2010 with Tongling

## INTERESTS OF EXPERTS

The following persons or companies whose profession or business gives authority to a statement made by the person or company are named in the AIF as having prepared or certified a part of that document or a report of valuation described in the AIF:

1. Robert C. Sim, P.Geo, of Sim Geological Inc., the independent and "qualified person" as defined in NI 43-101, is the author responsible for the preparation of the Akie Report; and

2. The audited consolidated financial statements of the Corporation for the years ended June 30, 2016 and June 30, 2015 have been subject to audit by Davidson & Company LLP, Chartered Professional Accountants.

To Canada Zinc Metals' knowledge, none of these entities (or designated professionals of the entities) or individuals holds, directly or indirectly, more than 1% of the Issuer's issued and outstanding Common Shares. Based on information provided by the experts, none of the experts named above, when or after they prepared the statement, report or valuation, has received any registered or beneficial interests, direct or indirect, in any securities or other property of Canada Zinc Metals or of one of Canada Zinc Metals' Associates or Affiliates or is or is expected to be elected, appointed or employed as a director, officer or employee of Canada Zinc Metals or of any Associate or Affiliate of Canada Zinc Metals.

## ADDITIONAL INFORMATION

Additional financial information relating to the Issuer may be found on SEDAR at www.sedar.com.

Additional information relating to the Issuer, including directors' and officers' remuneration and indebtedness, principal holders of Canada Zinc Metals' securities, and securities authorized for issuance under equity compensation plans is contained in the Issuer's Circular, available on SEDAR at www.sedar.com. Additional financial information is provided in Canada Zinc Metals' financial statements and related MD&A for its financial year ended June 30, 2016.

Ken MacDonald, a Qualified Person as defined by NI 43-101, is responsible for and has read and approved the technical information contained in this AIF.