

BC FORM 51-102F3

Securities Act

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

Item 1. Reporting Issuer

Canada Zinc Metals Corp.
Suite 2050 – 1055 West Georgia Street
PO Box. 11121
Vancouver, BC V6E 3P3

Item 2. Date of Material Change

December 15, 2016

Item 3. News Release

Issued on December 15, 2016 at Vancouver, BC, Canada.

Item 4. Summary of Material Change

Canada Zinc Metals Corp. announces that it has completed its previously announced brokered private placement (the "Offering"). Pursuant to the Offering, led by Cormark Securities Inc. on behalf of a syndicate of agents including Echelon Wealth Partners Inc. (the "Agents"), the Company issued 3,676,000 units ("Units") of the Company at a price of \$0.40 per Unit for gross proceeds of \$1,470,400. Each Unit consisted of one common share of the Company ("Common Share") and one-half of one Common Share purchase warrant (each whole warrant a "Warrant"). Each Warrant is exercisable into one Common Share at a price of \$0.55 for 24 months following the closing of the Offering. The Agents received a cash commission equal to 6.0% of the proceeds of the Offering.

Item 5. Full Description of Material Change

See attached press release.

Item 6. Reliance on Section 85(2) of the Act

N/A

Item 7. Omitted Information

None

Item 8. Senior Officers

The following senior officers of the Issuer are knowledgeable about the material change and may be contacted by the Commission at the address and telephone number:

Peeyush Varshney
Director, President & CEO
(604) 684-2181

Praveen Varshney
Director & CFO
(604) 684-2181

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Dated this 15th Day of December, 2016

"Peeyush K. Varshney"

Peeyush K. Varshney
Name

President & CEO
Position / Title

Vancouver, B.C.
Place of Declaration



TSX-V:CZX

CANADA ZINC

METALS CORP.

CANADA ZINC METALS CORP. ANNOUNCES CLOSING OF \$2.8 MILLION FINANCING

Vancouver, British Columbia – December 15, 2016 – Canada Zinc Metals Corp. (TSXV: CZX) (“Canada Zinc Metals” or the “Company”) is pleased to announce that it has completed its previously announced brokered private placement (the “Offering”). Pursuant to the Offering, led by Cormark Securities Inc. on behalf of a syndicate of agents including Echelon Wealth Partners Inc. (the “Agents”), the Company issued 3,676,000 units (“Units”) of the Company at a price of \$0.40 per Unit for gross proceeds of \$1,470,400. Each Unit consisted of one common share of the Company (“Common Share”) and one-half of one Common Share purchase warrant (each whole warrant a “Warrant”). Each Warrant is exercisable into one Common Share at a price of \$0.55 for 24 months following the closing of the Offering. The Agents received a cash commission equal to 6.0% of the proceeds of the Offering.

In addition, the Company is pleased to announce that it has concurrently completed its previously announced non-brokered private placement (the “Non-Brokered Offering”). Pursuant to the Non-Brokered Offering, the Company issued 1,787,500 Units at a price of \$0.40 per Unit and 1,173,608 flow-through Common Shares (“FT Shares”) at a price of \$0.52 per FT Share for aggregate gross proceeds of \$1,325,276. Certain finders received cash fees equal to 6.0% of the proceeds of the Non-Brokered Offering raised by them.

The net proceeds from the sale of the Units will be used to fund the exploration and development of the Company’s mineral properties in British Columbia, Canada and for general corporate and working capital purposes. The gross proceeds received by the Company from the sale of the FT Shares will be used to incur Canadian Exploration Expenses that are “flow-through mining expenditures” (as such terms are defined in the *Income Tax Act* (Canada)) on the Company’s properties in British Columbia which will be renounced to the subscribers with an effective date no later than December 31, 2016, in the aggregate amount of not less than the total amount of the gross proceeds raised from the issue of FT Shares. All securities issued under the Offering and Non-Brokered Offering will be subject to a four-month hold period in accordance with applicable securities laws. The Offering and Non-Brokered Offering remain subject to final approval of the TSX Venture Exchange.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

The Akie Project and Kechika Regional Project

The Company owns 100% of eleven, large, contiguous property blocks that comprise the Akie and Kechika Regional projects. The Company’s flagship Akie Project is host to the Cardiac Creek deposit and remains the

primary corporate focus.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

**ON BEHALF OF THE BOARD OF DIRECTORS
CANADA ZINC METALS CORP.**

**“PEEYUSH VARSHNEY”
PEEYUSH VARSHNEY, LL.B
CEO & CHAIRMAN**

This news release includes certain forward-looking statements concerning the use of proceeds of the Offering, the future renunciation of Canadian Exploration Expenses that are flow-through mining expenditures, the tax treatment of the FT Shares, the future performance of our business, its operations and its financial performance and condition, as well as management’s objectives, strategies, beliefs and intentions. Forward-looking statements are frequently identified by such words as “may”, “will”, “plan”, “expect”, “anticipate”, “estimate”, “intend” and similar words referring to future events and results. Forward-looking statements are based on the current opinions and expectations of management. All forward-looking information is inherently uncertain and subject to a variety of assumptions, risks and uncertainties, including the speculative nature of mineral exploration and development, fluctuating commodity prices, the future tax treatment of the FT Shares, competitive risks and the availability of financing, as described in more detail in our recent securities filings available at www.sedar.com. Actual events or results may differ materially from those projected in the forward looking statements and we caution against placing undue reliance thereon. We assume no obligation to revise or update these forward looking statements.