



TSX-V:CZX

CANADA ZINC METALS CORP.

FOR IMMEDIATE RELEASE

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Canada Zinc Metals Announces Expanded Mineral Resource Estimate for the Cardiac Creek Deposit

Vancouver, British Columbia, Canada –Monday, January 29, 2017 – Canada Zinc Metals Corp. (TSX Venture Exchange: CZX) is pleased to announce that the Company has received an updated mineral resource estimate for the Cardiac Creek Zn-Pb-Ag deposit on its 100% owned Akie Project.

The new mineral resource estimate incorporated the results of 8 new drill intercepts from the successful 2017 drill program which totaled 4,700 metres. All drill results were previously announced (see website for details).

Highlights of the updated resource include:

- **Indicated resources** have **increased** by **3 million tonnes to 22.7 million tonnes**; a **15% increase** when compared to the previous 2016 indicated resource estimate, with **increases** in the **average grades for zinc, lead and silver** (at 5% Zn base case cut-off grade)
- Current resource distribution consists of **75% in the Indicated and 25% in the Inferred** categories. The previous, 2016 estimate had 71% in Indicated and 29% in Inferred categories (at 5% Zn cut-off grade)
- Drilling completed in 2017 **extended the limit** of the mineral resource up- and down-dip and along strike to the north.
- Drilling has now delineated **a continuous zone** of 100 metres spaced drill holes over an area measuring roughly 1,200 metres along strike by about 500 metres along the dip plane of the deposit, resulting in the estimation of the majority of the resource in the Indicated category.

- The 2017 drill holes intersected similar or slightly **thicker intervals** of mineralization with similar or slightly higher grades compared to the previous drilling results, **demonstrating the continuous nature** of the thickness and grade of the mineralization

Updated Mineral Resource Estimate: Cardiac Creek Deposit

TABLE 1: ESTIMATE OF MINERAL RESOURCES (5% ZINC CUT-OFF)

					Contained metal:		
Category	Tonnes (million)	Zn (%)	Pb (%)	Ag (g/t)	Zn (Mlbs)	Pb (Mlbs)	Ag (Moz)
Indicated	22.7	8.32	1.61	14.1	4,162	804	10.3
Inferred	7.5	7.04	1.24	12.0	1,169	205	2.9

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

Table 2 shows the sensitivity of mineral resources at a variety of zinc cut-off grades.

TABLE 2: SENSITIVITY OF MINERAL RESOURCES

					Contained metal:		
Cut-off Grade (Zn %)	Tonnes (million)	Zn (%)	Pb (%)	Ag (g/t)	Zn (Mlbs)	Pb (Mlbs)	Ag (Moz)
Indicated Resources							
2	41.5	6.08	1.16	10.7	5,563	1,062	14.3
3	34.1	6.86	1.32	11.9	5,161	994	13.0
4	28.1	7.58	1.46	13.0	4,700	908	11.7
5 (base case)	22.7	8.32	1.61	14.1	4,162	804	10.3
6	17.9	9.08	1.75	15.2	3,584	691	8.7
7	13.5	9.93	1.91	16.4	2,949	567	7.1
Inferred Resources							
2	30.0	4.11	0.69	7.5	2,715	455	7.3
3	18.5	5.15	0.89	9.1	2,098	361	5.4
4	11.8	6.11	1.07	10.5	1,591	278	4.0
5 (base case)	7.5	7.04	1.24	12.0	1,169	205	2.9
6	4.8	7.97	1.40	13.6	835	147	2.1
7	2.8	8.99	1.59	15.4	561	99	1.4

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

Comparison to Previous Resource

The current mineral resource estimate (November 2017) is compared to the previous mineral resource estimate (effective date May 16, 2016, presented in a technical report dated June 28, 2016).

TABLE 3: COMPARISON OF NOVEMBER 2017 AND MAY 2016 MINERAL RESOURCES (5% ZN CUT-OFF)

Class	November 2017				May 2016			
	Tonnes (million)	Zn (%)	Pb (%)	Ag (g/t)	Tonnes (million)	Zn (%)	Pb (%)	Ag (g/t)
Indicated	22.7	8.32	1.61	14.1	19.6	8.17	1.58	13.6
Inferred	7.5	7.04	1.24	12.0	8.0	6.81	1.16	11.2

The drill holes completed in 2017 encountered similar or slightly thicker intervals of mineralization, with similar or slightly higher zinc, lead, and silver grades compared to the previous drill results. The 2017 drilling increased the area that is delineated with 100 metres spaced drill holes, expanding the extent of resources in the Indicated category in the northwest area of the deposit. Indicated resources have increased by about 3 million tonnes (+15%) compared to the previous estimate with increases in the average grades of zinc, lead and silver. After previously reported Inferred class resources were upgraded to the Indicated category, the 2017 drilling also added about 2.5M tonnes of new resources in the Inferred category, primarily in the northwestern part of the deposit.

Peeyush Varshney, President and CEO of the Company, commented: "We're delighted by the impact the successful results from the 2017 drill program has had on the mineral resource estimate. This work continues to demonstrate that continuity of the resource in the central, high-grade area of the deposit and expansion of the Indicated resource. The delineation of a majority of the resource in the Indicated category greatly increases the confidence in the deposit model. The deposit remains largely open at depth and along strike and we are confident that the mineral resource will continue to expand with additional new drilling – whether from surface or underground. Future drilling programs will test these areas for even further expansion."

Mr. Varshney continued, "The updated resource further sets the Cardiac Creek deposit apart as one of the world's premier undeveloped zinc deposits. Based on size, grade and jurisdiction, the deposit ranks amongst the top tier zinc deposits globally and is attracting the attention of several large base metal mining companies."

In the coming weeks, the Company anticipates receiving results from its ongoing metallurgical test program – which represents an important milestone for the development of the Cardiac Creek deposit. The program commenced in Q4 2017 on drill core samples from the successful 2017 drill program. The objective of the program is to assess the metallurgical performance of samples from the deposit using heavy media pre-concentration followed by conventional flotation processes to recover zinc and lead into concentrates. The program is intended to generate sufficient metallurgical data to support a Preliminary Economic Assessment study which is expected to commence in Q1 2018. The program initially focused on testing a global composite that represents the average resource. A smaller sub-set of samples are now being evaluated using a variability assessment. The metallurgical work is being supervised by Tom Shouldice, P.Eng., the Principal Metallurgist of Base Metallurgical Laboratories Ltd. of Kamloops, BC. Assistance and program design has been provided by Kelly McLeod, P.Eng. of JDS Energy and Mining Inc. of Vancouver, BC.

Resource Estimation

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 and the 2016 updated mineral resource estimates.

The estimate of mineral resources incorporates all drilling conducted by the Company on the Cardiac Creek deposit since 2005 plus 29 holes drilled by Inmet Mining Corporation between 1994 and 1996. There are a total of 151 drill holes on the Property with a total core length of 64,352 metres. Of these, 116 drill holes, totaling 51,978 metres, are within close enough proximity of the block model to contribute to the estimation of the mineral resources for the Cardiac Creek deposit. The remaining 35 drill holes test the zone over a total strike length of almost 7 kilometres, or these holes test other exploration targets on the Property. The eight holes completed in 2017 have provided additional, more closely-spaced drilling data to define the central and northwestern parts of the deposit.

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 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

Estimations are generated from 3D block models based on geostatistical applications using commercial mine planning software (MineSight® v12.0). The project limits are based in the UTM coordinate system using a nominal block size measuring 5 m x 10 m x 5 m; the longer blocks are parallel to the strike of the deposit at an Azimuth of 315°. The primary orientation of the drilling is at Az50°, and was designed to intersect the steeply dipping deposit (-70° SW) from the hanging wall side. There are several deep holes drilled from the footwall side of the deposit.

The resource estimate was generated using drill hole sample assay results and an interpretation of the 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.

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 mineral 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). The updated mineral resource includes estimates for mineral resources only. No mineral reserves were prepared or reported.

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.

It is expected that a majority of resources estimated in the Inferred category could be upgraded to the Indicated or Measured category with continued exploration.

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 Akie Zn-Pb-Ag Project

The 100% owned Akie property is situated within the Kechika Trough, the southernmost area of the regionally extensive Paleozoic Selwyn Basin and one of the most prolific sedimentary basins in the world for the occurrence of SEDEX zinc-lead-silver and stratiform barite deposits.

Drilling on the Akie property by Canada Zinc Metals since 2005 has identified a significant body of baritic-zinc-lead SEDEX mineralization known as the Cardiac Creek deposit. The deposit is hosted by siliceous, carbonaceous, fine grained clastic rocks of the Middle to Late Devonian Gunsteel Formation.

With additional drilling completed in 2017, the Company has updated the estimate of mineral resources at Cardiac Creek, as follows:

Category	5% zinc cut-off grade				Contained metal:		
	Tonnes (million)	Zn (%)	Pb (%)	Ag (g/t)	Zn (B lbs)	Pb (B lbs)	Ag (M oz)
Indicated	22.7	8.32	1.61	14.1	4.162	0.804	10.3
Inferred	7.5	7.04	1.24	12.0	1.169	0.205	2.9

In addition to the Akie Project, the Company owns 100% of seven of ten large, contiguous property blocks that comprise the Kechika Regional Project including the advanced Mt. Alcock prospect. The Kechika Regional Project also includes the Pie, Yuen and Cirque East properties within which the Company maintains a significant 49% interest with partners Teck Resources Limited (TSX: TECK.B) and Korea Zinc Co. Ltd. These properties extend northwest from the Akie property for approximately 140 kilometres covering the highly prospective Gunsteel Formation shale; the main host rock for known SEDEX zinc-lead-silver deposits in the Kechika Trough of northeastern British Columbia. These projects are located approximately 260 kilometres north northwest of the town of Mackenzie, British Columbia, Canada.

Robert Sim P.Ge., is an independent Qualified Person responsible for the information related to the estimate of mineral resources contained in this release.

Ken MacDonald P.Ge., Vice President of Exploration for the Company, is the designated Qualified Person as defined by National Instrument 43-101 and is responsible for the technical information contained in this release.

The TSX Venture Exchange has neither approved nor disapproved the contents of this press release.

ON BEHALF OF THE BOARD OF DIRECTORS

CANADA ZINC METALS CORP.

“PEEYUSH VARSHNEY”

PEEYUSH VARSHNEY, LL.B

CEO & CHAIRMAN