



## PRESS RELEASE

CZN-TSX  
CZICF-OTCQB

FOR IMMEDIATE RELEASE  
December 13, 2011

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### CANADIAN ZINC ANNOUNCES C\$6 MILLION FINANCING

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Vancouver, British Columbia, December 13, 2011 – Canadian Zinc Corporation (TSX: CZN; OTCQB: CZICF) (the “**Company**” or “**Canadian Zinc**”) is pleased to announce that it has entered into an agreement with Canaccord Genuity Corp., on behalf of a syndicate of underwriters led by Canaccord Genuity Corp. and including Northern Securities Inc., Octagon Capital Corporation and Raymond James Ltd. (collectively, the “**Underwriters**”), pursuant to which the Underwriters have agreed to purchase 6,000,000 units of the Company (the “**Units**”) at a price of C\$0.67 per Unit (the “**Unit Price**”) for gross proceeds of C\$4,020,000 through a public offering made pursuant to a short form prospectus (the “**Public Offering**”).

In addition, the Underwriters have agreed to act as agents for the Company in a concurrent private placement of flow through shares of the Company (the “**FT Shares**”, and together with the Units, the “**Offered Securities**”) to raise gross proceeds of up to C\$2,025,000 (the “**Private Placement**”) at a price of C\$0.75 per FT Share (the “**FT Price**”). Collectively, the Public Offering and Private Placement are referred to as the “**Offering**”.

Each Unit will consist of one common share of the Company and one-half of one common share purchase warrant. Each warrant will entitle the holder to purchase one common share of the Company at an exercise price of C\$0.90 per common share for a period of 24 months following the date of closing of the Public Offering.

The Company has granted the Underwriters an over-allotment option to purchase up to an additional 15% of the Units sold in the Public Offering, exercisable at any time up to 30 days after and including the closing of the Public Offering at a price equal to the Unit Price.

The Company intends to use the net proceeds from the Offering for the advancement of the Company’s Prairie Creek Project, and for general corporate and working capital purposes.

The Public Offering is being made pursuant to a short form prospectus to be filed in British Columbia, Alberta and Ontario (the “**Canadian Selling Jurisdictions**”). The Private Placement will be offered by way of the “accredited investor” and “minimum amount” exemptions under National Instrument 45-106 in the Canadian Selling Jurisdictions.

The Offering is subject to the receipt of all necessary regulatory approvals, including the approval of the Toronto Stock Exchange (the “**TSX**”). The FT Shares will be subject to resale restrictions for a period of four months and one day from the closing date of the Offering under applicable securities legislation.

The Offering is scheduled to close on or about December 30, 2011 or such other date as may be agreed with the Underwriters.

The Offered Securities will not be registered under the U.S. Securities Act of 1933 (the “**1933 Act**”), as amended, or any applicable state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or “U.S. persons,” as such term is defined in Regulation S regulated under the 1933 Act, absent registration or an applicable exemption from the registration requirements. This press release does not constitute an offer of securities for sale in the United States or to U.S. persons.

### **Prairie Creek Mine Background**

The Prairie Creek Mine is partially developed with an existing 1,000 tonne per day mill and related infrastructure.

The mineral resource at the Prairie Creek Project comprises total Measured and Indicated Resources of 5,840,329 tonnes grading 10.71% zinc, 9.90% lead, 0.326% copper, and 161 grams silver per tonne and an Inferred Resource of 5,541,576 tonnes grading 13.53% zinc, 11.43% lead, 0.514% copper and 215 grams silver per tonne. (Technical Report October 2007, Minefill Services Inc Dr. David Stone and Stephen Godden, Qualified Independent Persons, in compliance with NI 43-101).

On December 8, 2011, the Mackenzie Valley Environmental Impact Review Board issued its *Report of Environmental Assessment and Reasons for Decision* for the Company’s proposed Prairie Creek Mine and submitted the Report and Decision to the Federal Minister of Aboriginal Affairs and Northern Development. The Review Board concluded that the proposed development of the Prairie Creek Mine is not likely to have any significant adverse impacts on the environment or to be a cause for significant public concern. The Review Board has therefore concluded that an environmental impact review of this proposed development is not necessary and that the Prairie Creek Mine project should proceed to the regulatory phase for approvals.

### **Cautionary Statement – Forward-Looking Information:**

*This press release contains certain forward-looking information, including, among other things, the expected completion of acquisitions and the advancement of mineral properties. This forward looking information includes, or may be based upon, estimates, forecasts, and statements as to management’s expectations with respect to, among other things, the completion of transactions, the issue of permits, the size and quality of mineral resources, future trends for the company, progress in development of mineral properties, future production and sales volumes, capital costs, mine production costs, demand and market outlook for metals, future metal prices and treatment and refining charges, the outcome of legal proceedings, the timing of exploration, development and mining activities, acquisition of shares in other companies and the financial results of the company. There can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The Company does not currently hold a permit for the operation of the Prairie Creek Mine. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that mineral resources will be converted into mineral reserves.*

### **Cautionary Note to United States Investors**

*The United States Securities and Exchange Commission ("SEC") permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. Canadian Zinc uses certain terms in its regulatory filings in Canada, such as "measured," "indicated," and "inferred" "resources," which the SEC guidelines prohibit U.S. registered companies from including in their filings with the SEC. "Inferred mineral resources" have significant uncertainty as to their existence, and as to their economic feasibility. United States investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically mineable. It cannot be assumed that all or any part of an inferred mineral resource would ever be upgraded to a higher category. United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. U.S. Investors are urged to consider closely the disclosure in the Company's Form 20-F which may be secured from the Company, or from the SEC's website at <http://www.sec.gov/edgar.shtml>.*

**For further information contact:**

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**John F. Kearney**

**Chairman**

**(416) 362- 6686**

Suite 700 – 220 Bay Street

Toronto, ON M5J 2W4

Tel: (416 ) 362-6686 Fax: (416) 368-5344

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**Alan B. Taylor**

**VP Exploration & Chief Operating Officer**

**(604) 688- 2001**

Suite 1710-650 West Georgia Street, Vancouver,

BC V6B 4N9 Tel: (604) 688-2001 Fax: (604) 688-

2043

Tollfree:1-866-688-2001

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E-mail: [invest@canadianzinc.com](mailto:invest@canadianzinc.com)

Website: [www.canadianzinc.com](http://www.canadianzinc.com)