



INSIDER TRADING POLICY

Insider Trading Summary Guidelines

DO NOT TRADE IN SECURITIES OF CANADIAN ZINC CORPORATION OR OF ANOTHER PUBLIC COMPANY WHEN YOU:

- know Material Information about Canadian Zinc which has not been generally disclosed and disseminated to the public;
- know Material Information about another public company which has not been generally disclosed and disseminated to the public and you learned of such Material Information because of your business or dealings with Canadian Zinc;
- have received notice from the Chairman or Chief Financial Officer or his/her designee that you are subject to a blackout period; or
- have received any other notice from the Chairman or Chief Financial Officer that you cannot trade in securities.

DO NOT INFORM OTHER PEOPLE OF MATERIAL INFORMATION REGARDING:

- Canadian Zinc or its subsidiaries; or
- another publicly traded company where you have gained knowledge of Material Information regarding that public company in the course of your work at Canadian Zinc,

before that Material Information has been generally disclosed, unless you disclose that Material Information in the "necessary course of business".

CANADIAN ZINC CORPORATION

Insider Trading Policy

1. INTRODUCTION AND COMMITMENT

“Canadian Zinc” or the “Company”, as used in this policy, means Canadian Zinc Corporation and its Subsidiaries.

Canadian Zinc Corporation as a public company has developed the following internal guidelines to control transactions involving its securities by all Canadian Zinc team members (as defined herein) to ensure Canadian Zinc team members are aware of and comply with their legal obligations and Canadian Zinc’s policy with respect to “insider trading” and “tipping”.

Every Canadian Zinc team member is expected to fully comply with all applicable legal requirements and this Policy. The objectives of this Policy are to:

- (i) educate Canadian Zinc team members about their legal obligations with respect to insider trading and tipping; and
- (ii) foster and facilitate compliance with applicable laws to prevent transactions by Canadian Zinc team members that would not be in full compliance with the legal requirements.

1.1 Scope of this Policy

This Policy applies to all Canadian Zinc team members.

1.2 Commitment

To demonstrate the Company’s determination and commitment to the purposes of this Policy, the Company asks each Canadian Zinc team member to review this Policy periodically throughout the year. Take the opportunity to discuss with management any circumstances that may have arisen that could be a breach of this Policy.

All Canadian Zinc team members are required to sign this Policy when they are first engaged or when the Policy is significantly revised

2. LEGAL BACKGROUND

2.1 Insider Trading

- (a) Securities legislation prohibits anyone in a “special relationship” (as defined in section 2.3 below) with Canadian Zinc from trading in Canadian Zinc securities with knowledge of “material information” (as defined in section 2.3 below) that

has not been generally disclosed. This prohibited activity is commonly known as "insider trading".

- (b) Securities legislation also prohibits anyone in a "special relationship" with Canadian Zinc from trading in the securities of any public company other than Canadian Zinc when he or she has knowledge of material information regarding that other public company which has not been generally disclosed and which knowledge was gained:
- during the course of his or her work at Canadian Zinc;
 - because he or she is in a "special relationship" with that other public company; or
 - because he or she was "tipped" by another person who was in a "special relationship" with that other public company.

2.2 Tipping

Securities legislation prohibits a public company or any person in a "special relationship" with a public company from informing any other person, other than in the "necessary course of business" (outlined herein), of material information before it has been generally disclosed. This prohibited activity is commonly known as "tipping." Both the person who provides the information and the person who receives the information could be liable under securities laws if the person who receives the information trades in securities.

2.3 Definitions

- (a) **"control person"** with respect to Canadian Zinc means:
- (i) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of Canadian Zinc to affect materially the control of the Company, or
- (ii) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of Canadian Zinc to affect materially the control of the Company,
- and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of Canadian Zinc, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of Canadian Zinc;
- (b) **"Insider"** or **"Insiders"** means the persons listed in section 3.2(a)(i);

- (c) **"Material Information"**: means any information relating to the business and affairs of any publicly traded company, that results in, or would reasonably be expected to result in, a significant change in the market price or value of any of the listed securities of that company or that would otherwise be likely to be considered important by a reasonable investor in making an investment decision. (See attached Schedule A for examples of potential Material Information).
- (d) **"special relationship"**: for the purpose of this Policy, a person is in a special relationship with Canadian Zinc if the person:
 - (i) is a Canadian Zinc team member; or
 - (ii) is engaging in or is proposing to engage in any business or professional activity with or on behalf of any one of Canadian Zinc Corporation or its Subsidiaries, and includes, without limitation, a Contractor.
- (e) **"Subsidiary"** is as defined pursuant to the BC Business Corporations Act, as amended from time to time, and any partnership or other unincorporated association in which Canadian Zinc or any of its Subsidiaries (as so defined) has a controlling interest.
- (f) **"Canadian Zinc team member"** refers to each Director, Officer, Employee and Contractor of Canadian Zinc Corporation or any of its Subsidiaries.
- (g) **"Contractor"** means independent contractor (who is engaged in an employee-like capacity) of the Company or any of its subsidiaries.
- (h) **"Director"** means director of the Company.
- (i) **"Employee"** means full-time, part-time, contract or secondment employee of the Company.
- (j) **"Officer"** means officer of the Company or any of its Subsidiaries.

3. OBLIGATIONS

3.1 Obligations for all Canadian Zinc team members

- (a) Canadian Zinc team members cannot trade in securities of Canadian Zinc while in possession of Material Information with respect to Canadian Zinc which has not yet been generally disclosed.
- (b) Canadian Zinc team members cannot trade in the securities of another public company while in possession of Material Information regarding that public company which knowledge was gained during the course of their work at Canadian Zinc, if the Material Information has not been generally disclosed to the public.

- (c) Canadian Zinc team members cannot inform other people of Material Information regarding Canadian Zinc before that Material Information has been generally disclosed, unless the Canadian Zinc team member discloses that Material Information in the "necessary course of business".
- (d) Canadian Zinc team members cannot inform other people of Material Information regarding a public company where they have gained knowledge of Material Information regarding that public company in the course of their work at Canadian Zinc before that Material Information has been generally disclosed, unless the Canadian Zinc team member discloses that Material Information in the "necessary course of business".

The "necessary course of business" exception is a limited one and exists so as not to unduly interfere with a company's ordinary business activities. The exception could cover communications that are required to be made to further the business purposes of Canadian Zinc with:

- vendors, suppliers or strategic partners on issues such as sales and marketing and supply contracts;
- employees, officers and directors;
- lenders, legal counsel, auditors, underwriters and other professional advisors to the company;
- parties to negotiations;
- credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency's ratings generally are or will be publicly available);
- labour unions and industry associations;
- government agencies and non-governmental regulators;
- disclosures in connection with a private placement; or
- communications with controlling shareholders, in certain circumstances.

Trades of securities by a Canadian Zinc team member immediately after Canadian Zinc has made a public announcement of material information, including an earnings release, are improper. Because the investing public needs time to receive the information and act upon it, as a general rule, you should not engage in any transaction involving Canadian Zinc securities until the second business day after the material information has been released to the public.

3.2 Additional Obligations

Additional obligations are imposed on Canadian Zinc team members if they are "Insiders", "Blacked-out Employees" or "Control Persons".

(a) Insiders

- (i) Under securities laws and Canadian Zinc policy, the following Canadian Zinc team members are deemed to be "Insiders" of Canadian Zinc Corporation and any of its Subsidiaries:
- directors and officers of Canadian Zinc Corporation;
 - directors and officers of Subsidiaries of Canadian Zinc Corporation;
 - any person or company who beneficially owns, directly or indirectly, voting securities of Canadian Zinc, or who exercises control or direction over the voting securities of Canadian Zinc, or a combination of both, carrying more than 10% of the voting rights attached to all voting securities of Canadian Zinc ("**10% Shareholders**"); and
 - directors and officers of 10% Shareholders.
- (ii) Insiders are required to file a report (the "Insider Report") with securities regulators any time they trade in shares, debt securities, options or warrants (including the grant and exercise of options or warrants). Insiders must file an Insider Report electronically through the "System for Electronic Disclosure by Insiders" ("SEDI") within 10 days after each trade or change in the information contained in a previously filed report.
- (iii) Insiders of Canadian Zinc cannot engage in the short selling of, or trading in puts, calls in respect of the securities of Canadian Zinc.

(b) Blacked-out Employees

- (i) Canadian Zinc team members are "Blacked-out Employees" if they:
- are subject to regularly scheduled blackout periods. Regularly scheduled blackout periods begin 10 business days prior to the Company's anticipated date for general disclosure by Canadian Zinc of its annual or quarterly financial results and end on the second business day following release to the public of such financial results.

All Insiders are automatically considered "Blacked-out Employees" and subject to regularly scheduled blackout periods. Other Canadian Zinc team members who are designated "Blacked-out Employees" and subject to regularly scheduled blackout periods receive notice of that fact and include any Canadian Zinc team member involved in the preparation of the Company's quarterly and annual reports or technical information related thereto.

- have received notice that they are subject to a discretionary blackout period. From time to time, in addition to the regular blackout periods provided in this clause above, the Chief Executive Officer or Chief Financial Officer may impose a discretionary blackout period.
- (ii) During the regularly scheduled blackout periods, the affected Blacked-out Employees cannot:
- (a) trade in any shares or debt securities of Canadian Zinc; or
 - (b) exercise stock options or warrants in Canadian Zinc.
- (iii) During a discretionary blackout period, the affected Blacked-out Employees cannot trade in the securities specified in the blackout notice.
- (iv) Notwithstanding the above prohibitions, Blacked-out Employees may exercise options during a blackout period, only if all of the following conditions are met:
- (a) the options will expire during the blackout period;
 - (b) the options are in-the-money at the time of exercise;
 - (c) the Blacked-out Employee is not in possession of any Material Information that has not been generally disclosed, be it Material Information that is the cause of the blackout period or any other Material Information;
 - (d) the Blacked-out Employee has delivered written notice to the Chief Financial Officer of his or her intent to exercise options at least three business days prior to such exercise and at the same time delivers a written acknowledgement confirming that the above conditions have been met and that he or she will not trade the shares received on exercise of the options until such time that:
 - (i) the blackout period has expired; and
 - (ii) the Blacked-out Employee is not otherwise subject to another blackout period or prohibited by law from trading in such shares.
- (c) *Exception for Blacked-out Employees*
- (i) Please note that:
- By virtue of the condition set out in paragraph 3.2(b)(iv)(c) above, Blacked-out Employees will not be entitled to use this exception if

they do possess any undisclosed Material Information at the time they wish to exercise their options during the blackout period; and

- Blacked-out Employees may, as a result of paragraph 3.2(b)(iv)(d)(ii) above, be prevented from trading in shares received on exercise of the options for a period that extends beyond the expiry of the blackout period during which they exercised such options;
- (ii) Notwithstanding any of the prohibitions contained in this section 3.2, the Chief Executive Officer may, at his or her discretion, waive the prohibitions contained in this section in exceptional circumstances, provided that the Canadian Zinc team member seeking the waiver does not have any undisclosed Material Information and that making such an exception would not violate any applicable securities laws. The Chief Executive Officer will report any such waivers to the Board of Directors at the next regularly scheduled meeting of the Board of Directors.

(d) Control Persons

Any shareholder that is a Control Person of Canadian Zinc, as defined herein, may be subject to additional obligations under securities laws and should consult with legal counsel prior to trading. In addition, any shareholder who acquires beneficial ownership of more than 5% of the outstanding shares of any class of Canadian Zinc's equity securities may become subject to additional obligations under U.S. securities laws, and should also consult with legal counsel prior to trading.

3.3 Extension of Restrictions

All restrictions described herein apply to:

- (i) the spouse, live-in partner, minor children and anyone else living in the household of a Canadian Zinc team member;
- (ii) corporations controlled by a Canadian Zinc team member;
- (iii) partnerships in which a Canadian Zinc team member is a general partner;
- (iv) trusts of which a Canadian Zinc team member is a trustee; and
- (v) estates of which a Canadian Zinc team member is an executor.

Such household members, corporations, partnerships, trusts and estates are collectively referred to as "Related Parties". Canadian Zinc team members are expected to be responsible for compliance with this policy by their Related Parties.

3.4 Potential Civil and Criminal Penalties

The consequences of prohibited insider trading, tipping or a failure to file an insider report where required on a timely basis may include dismissal, fines, and criminal sanctions. In Canada, penalties include possible imprisonment for a term of up to 2 years and fines of up to the greater of \$1,000,000 and three times any profit made. Under U.S. law, sanctions may also include a permanent bar on future service as a director or officer of a public company.

4. Policy Approval

Approved by the Board of Directors on November 1, 2007.

Schedule A

Examples of Potentially Material Information (Based on National Policy 51-201 and Section 410 of the Toronto Stock Exchange Manual)

The following are examples (though not an exhaustive list) of information that would be Material Information if they result in, or would reasonably be expected to result in, a significant change in the market price or value of any of the listed securities of Canadian Zinc or any of its Subsidiaries or would otherwise be likely to be considered important by a reasonable investor in making an investment decision:

Changes in corporate structure

- changes in share ownership that may affect control of the company
- changes in corporate structure such as reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

Changes in capital structure

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders

Changes in financial results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the company's assets
- any material change in the company's accounting policies

Changes in business and operations

- any development that affects the company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- changes to the Board or executive management, including the departure of the company's Chairman, CEO, CFO, COO (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the company's securities or their movement from one quotation system or exchange to another

Acquisitions and dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

Changes in credit arrangements

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements