



PRESS RELEASE

**January 16, 2006
FOR IMMEDIATE RELEASE**

CANADIAN ZINC CORPORATION ANNOUNCES \$5 MILLION PRIVATE PLACEMENT

Toronto – January 16, 2006 -- Canadian Zinc Corporation (“TSX-CZN”) is pleased to announce it has entered into an engagement agreement with Northern Securities Inc. (“Northern”) to raise gross proceeds of \$5,000,000 in Units, on a bought deal basis, subject to certain conditions. Northern may increase the size of the financing by an additional \$1,000,000 by exercising an option on or prior to closing of the financing.

The Units have been priced at \$0.72 per Unit, with each Unit consisting of one common share and one-half share purchase warrant. Each full warrant is exercisable to purchase one common shares at a price of \$1.00 per share for a period of two years.

Completion of the private placement is subject to certain conditions, including approval by the Toronto Stock Exchange and other regulatory agencies. The financing is anticipated to be completed on or before February 8, 2006. Northern will be paid a commission fee of 7% in cash and 10% in broker warrants exercisable for Units at the offering price for a period of two years.

The proceeds from the private placement will be added to the Company’s working capital and used for the development of the Prairie Creek Mine Project and general corporate purposes, including other possible property acquisitions.

Canadian Zinc holds a 100% interest in the Prairie Creek Mine Project located in the Northwest Territories. The site includes a near complete mine, mill and surrounding infrastructure with a large open ended mineral resource base totaling, (historical calculation) 11.8 million tonnes, grading an average 12.5% zinc, 10.1% lead, 0.4% copper and 161 grammes of silver per tonne. The resource contains an estimated 70 million ounces of silver, approximately 3 billion pounds of zinc and approximately 2.2 billion pounds of lead .

Canadian Zinc Corporation trades on the Toronto Stock Exchange under the symbol “CZN” and currently has 79,747,212 common shares issued and outstanding.

A more extensive description of the Company’s activities is available on the Company’s website at www.canadianzinc.com.

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Some statements in this press release contain forward-looking information. These statements include, but are not limited to, statements with respect to the use of proceeds and future expenditures. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others, the timing and amount of expenditures.