

CANADA ZINC METALS CORP.

(Formerly MANTLE RESOURCES INC.)

MANAGEMENT DISCUSSION AND ANALYSIS

Years ended June 30, 2008 and 2007

CANADA ZINC METALS CORP.

(Formerly Mantle Resources Inc.)

Management Discussion and Analysis, page 1

Years ended June 30, 2008 and 2007

1.1 Date

This Management Discussion and Analysis (“MD&A”) of Canada Zinc Metals Corp. (“Canada Zinc” or the “Company”) has been prepared by management as of October 24, 2008 and should be read in conjunction with the audited financial statements and related notes thereto of the Company, as at and for the years ended June 30, 2008 and 2007, which were prepared in accordance with Canadian generally accepted accounting principles.

The Company is presently a “Venture Issuer”, as defined in NI 51-102.

This MD&A may contain “forward-looking statements” which reflect the Company’s current expectations regarding the future results of operations, performance and achievements of the Issuer, including potential business or mineral property acquisitions and negotiation and closing of future financings. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as “anticipate,” “believe,” “estimate,” “expect” and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

1.2 Over-all Performance

The Company was incorporated under the laws of the Province of British Columbia on February 10, 1988. The Company operates in one business segment, that being the exploration and development of mineral properties in Canada.

Pursuant to a special resolution passed by shareholders on February 15, 2002, the Company consolidated its capital on a one-new-for-eight-old basis and changed its name from Intertech Minerals Corp. to Mantle Minerals Inc. On April 25, 2002, the Company commenced trading on the TSX Venture Exchange (TSXV) under the symbol “MIN”. To date, the Company has not generated significant revenues from operations or recorded any cost of sales and as a result is considered to be in the development stage. The underlying value of the mineral properties and related deferred costs are entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production.

Effective October 21, 2003, the Company was designated as inactive. The Company’s listing was transferred to the NEX Board of the TSX Venture Exchange (“Exchange”) and its tier classification was changed from Tier 2 to NEX in accordance with the revised policy 2.5 of the Exchange.

Effective September 22, 2004, the Company’s listing was transferred from NEX to the TSX Venture Exchange and the Company’s Tier classification was changed from NEX to Tier 2.

CANADA ZINC METALS CORP.

(Formerly Mantle Resources Inc.)

Management Discussion and Analysis, page 2

Years ended June 30, 2008 and 2007

Effective August 9, 2005, the Company changed its name from Mantle Minerals Inc. to Mantle Resources Inc. and consolidated its share capital on the basis of two old shares to one new share. As a result, the common shares of Mantle Minerals Inc. were delisted and the common shares of Mantle Resources Inc. commenced trading under the trading symbol "MTS".

Effective October 18, 2005, the Company's common shares commenced trading on the Frankfurt Stock Exchange under the trading symbol M9R, WKN-A0F7E1.

During the year ended June 30, 2006, the Company graduated to Tier 1 of the TSX Venture Exchange.

Effective September 26, 2008, the Company changed its name from Mantle Resources Inc. to Canada Zinc Metals Corp. and commenced trading under its new name and symbol "CZX". There was no consolidation of share capital.

As at the date hereof, the Company has mining interests in properties located in British Columbia and entered into the following agreements:

Akie Property

On August 23, 2005, the Company entered into an agreement with Ecstall Mining Corporation ("Ecstall"), pursuant to which the Company had been granted an option entitling it to earn a 65% interest in Ecstall's Akie property, located in northeastern British Columbia, approximately 260 kilometers north-northwest of the town of Mackenzie.

In consideration, the Company had to make staged cash payments totalling \$450,000 on or before June 21, 2008 (fully paid as of June 30, 2007) and incur a total of \$4,000,000 in exploration expenditures on or before August 31, 2008 (incurred as of June 30, 2007).

As per the original agreement, the Company was appointed operator of the Akie property until December 31, 2006 and was responsible for managing all work carried out on the Akie property. In return, the Company was paid an operator's fee. Ecstall had the right to become the operator of the Akie property commencing January 1, 2007, effective until the Company exercised the option.

The Company issued 150,000 shares as a finder's fee to a third party as per the terms of the agreement.

The Company acquired 100% of the issued and outstanding shares of Ecstall pursuant to a take-over bid made December 22, 2006, as amended by its Notice of Variation dated January 29, 2007 and Notice of Extension dated February 9, 2007. The conditions of its Offer were satisfied and the Company took up an aggregate of 53,533,615 shares of Ecstall which were validly tendered prior to the February 23, 2007 expiry date. Pursuant to the Offer, the Company issued and distributed to those shareholders who tendered, 0.41 of one share of the Company for each Ecstall share tendered.

The Company exercised its rights pursuant to compulsory acquisition procedures under the British Columbia Business Corporations Act to acquire, for the same consideration as that paid under the Offer, all of the remaining shares of Ecstall that were not tendered to the Offer. The Company now owns 100 % interest in the Akie property.

Property Update

Below is a progress report on exploration activities completed to June 30, 2008 on the Akie zinc-lead property.

The Company completed the 2007 exploration program at Akie in mid-November. This work consisted primarily of diamond drilling with three drill rigs, with a total of 6,528.6 metres completed in 12 holes, 11 of which were targeted on

CANADA ZINC METALS CORP.

(Formerly Mantle Resources Inc.)

Management Discussion and Analysis, page 3

Years ended June 30, 2008 and 2007

the Cardiac Creek deposit. Highlights of the drilling include holes: A-07-47 (27.07 metres grading 11.46% Zn+Pb); hole A-07-51 (24.54 metres grading 15.49% Zn+Pb or 35.14 metres grading 12.4% Zn+Pb) and hole A-07-53 (16.23 metres grading 15.15% Zn+Pb). Exploration completed to date suggests that the Cardiac Creek deposit is open for expansion, particularly the higher grade mineralization along plunge to the northwest and southeast.

While drilling was the main focus of the Company over the period, additional work was conducted on finalization of planning for construction of the access road from our all weather camp to the Cardiac Creek deposit and by the end of 2007; all permits were in hand to proceed with its construction. This new road will consist of approximately 9.0 kilometers of mainline and 2 to 3 kilometers of access trails.

The Akie camp was placed in standby mode in mid-November awaiting the resumption of field activity in early 2008. Other work over the reporting period involved the completion of a variety of base line studies and several First Nations meetings, two of which were held in the local communities of Tsay Keh and Kwadacha. By year end, the Company had advanced significantly towards completing a Memorandum of Understanding with the two First Nations in respect to its exploration work at Akie.

In mid-April, 2008, the Company reported an initial resource estimate for the Cardiac Creek deposit, based on drill information from programs carried out by the Company during the period September 2005 to November 2007. The estimate was prepared by Robert C. Sim, P.Ge. (BC), an independent Qualified Person (QP) as defined by National Instrument (NI) 43-101. The inferred mineral resource, at a series of cut-off grades ranging from 2% to 7%, are summarized in the table below:

Cardiac Creek Deposit Inferred Mineral Resource					
Cut Off Grade % Zinc	Tonnes (000's)	Zinc (%)	Lead (%)	Silver (g/t)	Zn+Pb (%)
2	50,874	5.28	1.00	9.6	6.28
3	37,683	6.25	1.22	11.0	7.47
4	30,595	6.89	1.36	12.0	8.25
5	23,595	7.60	1.50	13.0	9.10
6	17,051	8.41	1.68	14.2	10.09
7	11,841	9.26	1.86	15.4	11.12

The planned 2008 access road construction program commenced in mid-March with logging and clearing of the right of way; completion of road is scheduled for late September. Diamond drilling, utilizing two drill rigs, was well underway by the end of June.

CANADA ZINC METALS CORP.

(Formerly Mantle Resources Inc.)

Management Discussion and Analysis, page 4

Years ended June 30, 2008 and 2007

The Akie zinc-lead property is situated within the southern-most part (Kechika Trough) of the regionally extensive Paleozoic Selwyn Basin, 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 Inmet Mining Corporation during the period 1994 to 1996 and by Mantle in 2005, 2006 and 2007 has identified a significant body of baritic-zinc-lead SEDEX mineralization (Cardiac Creek deposit). The deposit is hosted by variably siliceous, fine grained clastic rocks of the Middle to Late Devonian 'Gunsteel' formation. Two similar deposits, Cirque and South Cirque, located some 20 kilometers northwest of Akie and owned under a joint venture by Teck Cominco and Korea Zinc, are also hosted by Gunsteel rocks and have a combined geologic inventory in excess of 50 million tonnes averaging approximately 10% combined zinc+lead.

For further information regarding the Akie property, the reader is referred to NI 43-101 reports, titled *Geological Report on the Akie Property*, dated October 24, 2005, by D.G. MacIntyre, Ph. D., P.Ge.(BC) and *Geology, Diamond Drilling and Preliminary Resource Estimation, Akie Zinc-Lead-Silver Property, Northeast British Columbia, Canada*, dated May 28, 2008, by D.G. MacIntyre, Ph. D., P.Ge.(BC) and R.C. Sim P.Ge. (BC), which were filed on SEDAR at www.sedar.com.

Kechika Regional

Megastar Development Corp. Agreement

On March 28, 2007, the Company entered into a definitive agreement with Megastar Development Corp. pursuant to which the Company would have an option to earn an initial 60% interest in Megastar's SEDEX zinc properties located in the Kechika Trough area, northeast British Columbia, by spending up to \$2.25 million. The properties comprise over 18,000 hectares and are situated adjacent to and along strike from the favourable geology which is host to several zinc deposits including the nearby Akie deposit where drilling has intersected extensive high-grade SEDEX style mineralization.

The Company would be the operator and can earn a 60% interest in Megastar's properties as follows:

- (i) Payment to Megastar of \$50,000 and the issuance of 50,000 shares of the Company upon signing a definitive agreement; (paid and issued)
- (ii) The issuance of 50,000 shares of the Company nine months from signing a definitive agreement (issued);
- (iii) Payment to Megastar of \$100,000 and the issuance of 25,000 shares of the Company on or before the first anniversary of the signing of the definitive agreement; and
- (iv) Spending \$2.25 million in exploration and development over a three-year period.

During the period July to September, 2007, the Company carried out an exploration program, comprising data compilation, prospecting and geochemistry (rock, soil, silt), to provide an initial assessment of the potential of the Megastar holdings.

On May 2, 2008, management announced that it had decided to terminate its option agreement with Megastar Development Corp. Accordingly, the Company wrote-off all related capitalized acquisition and exploration costs incurred on the properties of \$256,221.

The Company's senior management believed it to be in the best interests of the Company to focus on higher priority targets both on its 100% owned Akie property and on its 100% owned regional properties, where several potential drill targets exist.

CANADA ZINC METALS CORP.

(Formerly Mantle Resources Inc.)

Management Discussion and Analysis, page 5

Years ended June 30, 2008 and 2007

Otto Agreement

On April 30, 2008, the Company entered into an agreement with Jesse Otto pursuant to which the Company has acquired a 100 % interest in six mineral claims located in the Kechika mining division of British Columbia. As consideration for the claims, the Company paid \$10,500 in cash.

Mt. Alcock Property

During fiscal 2007, the Company entered into a property purchase agreement to acquire, a 100% interest, subject only to a 1% Net Smelter Returns (NSR) royalty, in 18 mineral claims located in the Mt. Alcock area of northeastern British Columbia in consideration of the payment of \$75,000 cash and the issuance of 200,000 common shares (100,000 issued shares upon TSX Venture Exchange (“Exchange”) approval and 100,000 shares issued on or prior to nine months after the anniversary of the Exchange acceptance date) of the Company. The Company has an option to purchase the entire NSR from the vendor for the sum of \$1 million cash, subject to Exchange approval.

The Company paid \$75,000 cash and issued 100,000 shares on October 20, 2006 and issued 100,000 shares on July 6, 2007.

A program of data compilation, prospecting and various geochemical sampling methods is planned for this property during the 2008 exploration season. The field work will be supported by helicopter from the Akie camp.

West Range Property

During the fiscal 2007, the Company entered into an agreement with West Range Exploration Ltd. (“West Range”), pursuant to which the Company has purchased all of West Range’s interest held in its small property located within the boundaries of the Akie Property for the sum of \$10,000.

DA Properties (Afridi Lake, NWT)

As of March 31, 2008, the Company beneficially owned an undivided 8.2% interest, subject, in part, to certain royalties and a royalty reduction option dated August 30, 1998, in twenty-four mineral claims and three mineral leases, known collectively as the Afridi Lake Property. The Afridi Lake Property is located southeast of Lac de Gras, some 40 km east of the Diavik Diamond Mine, approximately 335 km northeast of Yellowknife, Northwest Territories. The target mineral being sought on the property is diamond contained in kimberlite. To date, five kimberlite intrusions, with variable, but low diamond content, have been identified on the mineral leases.

CANADA ZINC METALS CORP.

(Formerly Mantle Resources Inc.)

Management Discussion and Analysis, page 6

Years ended June 30, 2008 and 2007

On August 1, 2006, the Company entered into a joint venture agreement where by the Company holds 8.2% undivided interest in the mineral claims and three mineral leases, the latter subject to a 10% underlying NPI, a 5% GOR and a 5% NSR. Pursuant to an amended and restated Mineral Property Option Agreement, dated August 30, 1998, the Company has the option to reduce the GOR and NSR interests to 2.25% and 2%, respectively, and eliminate entirely the NPI by completing certain share issuances and cash payments to the original property owner within 90 days of a production decision. The other joint venture participants are Shear Minerals Ltd. (58.2%), the project operator, International Samuel Exploration Corp. (25.4%) and New World Resources Inc. (8.2%).

On March 26, 2008, the Company announced that a diamond drill program would commence in April to test a minimum of 15 high priority airborne (gravity) and ground (gravity and magnetics) geophysical targets. The budget for this work was estimated to be \$1.2 million, of which the Company would be responsible for 8.2% (\$98,400).

During April and May, 2008, Shear completed 12 holes (1741 m) to test 12 geophysical targets. Kimberlite was encountered in three holes, all of which tested targets in the vicinity of previously identified DA kimberlites. The results of caustic fusion analyses of the kimberlite for diamond content are awaited.

Summary of expenditure incurred on various properties up to the period ended June 30, 2008:

	Akie Property	DA	Kechika Regional	Total
Acquisition Costs:				
Balance, June 30, 2006	\$ 160,688	\$ –	\$ 10,000	\$ 170,688
Additions	23,720,648	70,930	300,439	24,092,017
Balance, June 30, 2007	23,881,336	\$ 70,930	310,439	24,262,705
Additions	292,783	605	206,701	500,089
Write-off			(170,400)	(170,400)
Balance, June 30, 2008	24,174,119	71,535	346,740	24,592,394
Deferred Exploration Costs:				
Balance, June 30, 2006	\$ 2,513,736	\$ –	\$ –	\$ 2,513,736
Additions				
Geological Consulting	57,324	–	2,024	59,348
Drilling	3,428,634	–	1,185	3,429,819
Environmental studies	50,724	–	–	50,724
Balance, June 30, 2007	6,050,418	–	3,209	6,053,627
Additions:				
Geological Consulting	463,953	150,025	171,999	785,977
Drilling	9,172,964	–	–	9,172,964
Environmental studies	930,122	–	–	930,122
Road construction	2,436,523	–	72,541	2,509,064
Write-off			(85,821)	(85,821)
Balance, June 30, 2008	19,053,980	150,025	161,928	19,365,933
June 30, 2008	\$ 43,228,099	\$ 221,560	\$ 508,668	\$ 43,958,327

CANADA ZINC METALS CORP.

(Formerly Mantle Resources Inc.)

Management Discussion and Analysis, page 7

Years ended June 30, 2008 and 2007

1.3 Selected Annual Information

The following is a summary of certain financial information concerning the Company for each of the last three most recently completed financial years:

	Years ended		
	2008	2007	2006
Interest Income	\$309,987	\$231,342	\$85,039
Net Loss	(\$3,151,779)	(\$1,419,576)	(\$2,119,818)
Loss per share	(\$0.05)	(\$0.03)	(\$0.11)
Total assets	\$49,054,558	\$40,564,127	\$8,420,167
Total long term liabilities	\$Nil	\$Nil	\$Nil
Cash dividends declared per share for each class of share	\$Nil	\$Nil	\$Nil

1.4 Results of Operations

The following is a discussion of the financial condition, changes in financial condition and results of operations of the Company for the years ended June 30, 2008 and 2007.

During the year ended June 30, 2008, the Company reported a loss of \$3,151,779 or \$0.05 per share compared to a loss of \$1,419,576 or \$0.03 per share during the year ended June 30, 2007, an increase in loss by \$1,732,203. The increase in loss was primarily due to an increase in stock based compensation expense by \$1,723,489.

Total administration expenses increased by \$1,951,908 due to increases in administration fees by \$25,000, consulting fees by \$68,399, management fees by \$44,600, office and miscellaneous by \$24,811, regulatory fees by \$9,751, rent by \$31,642, stock based compensation expense by \$1,723,489, travel and promotion by \$100,537, and wages and benefits by \$335,748, offset by decreases in investor relations by \$104,488, flow through taxes by \$1,589, transfer agent fees by \$2,596, termination fees by \$300,000 and professional fees by \$4,262. During fiscal 2007, \$300,000 in termination fees was paid to former directors of Ecstall as a result of the take-over bid. There were no such fees paid during fiscal 2008.

Total interest income during the year ended June 30, 2008 was \$309,987 compared to \$231,342 during the year ended June 30, 2007, an increase in interest income by \$78,645. There were no gains or losses on sale of marketable securities (2007-\$12,168).

The decrease in investor relations by \$104,488 during the year was a result of a decrease in investor relations services for the current fiscal year.

Travel and promotion increased by \$100,537 due to various travel expenses incurred by directors for presentations and conferences arranged for various potential investors and site visits to the resource properties.

During the year ended June 30, 2008, wages and benefits were \$389,651 compared to \$53,903 for the same period in 2007, an increase of \$335,748. During the current year, the Company added key personnel to enable it to execute its exploration plan. The salaries of these individuals are reflected in the income statement under this category.

The Company recognizes compensation expense for all stock options granted, using the fair value based method of

CANADA ZINC METALS CORP.

(Formerly Mantle Resources Inc.)

Management Discussion and Analysis, page 8

Years ended June 30, 2008 and 2007

accounting and any cash paid on the exercise of stock options is added to the stated value of common shares. The Company recorded stock compensation expense of \$3,752,383 for the year ended June 30, 2008 as there were options granted. For the year ended June 30, 2007, the Company recorded \$2,028,894 in stock compensation expense.

1.5 Summary of Quarterly Results

The following is a summary of certain consolidated financial information concerning the Company for each of the last eight reported quarters:

Quarter ended	Interest Income	Net Earnings (Loss)	Earnings (Loss) per share
June 30, 2008	\$ 70,384	\$ 884,600	\$ 0.01
March 31, 2008	52,147	(1,736,944)	(0.03)
December 31, 2007	80,347	(696,181)	(0.01)
September 30, 2007	107,109	(1,603,254)	(0.02)
June 30, 2007	77,003	244,797	0.00
March 31, 2007	64,281	(689,994)	(0.01)
December 31, 2006	43,119	(910,184)	(0.03)
September 30, 2006	46,939	(64,195)	(0.00)

Over the past eight fiscal quarters there have been no significant trends or variations except for the quarters ended June 30, 2008 and 2007. The decreases in loss for the June 2008 and 2007 quarters were mainly due to a future income tax recoveries of \$2,042,411 and \$1,646,250 respectively.

1.6/1.7 Liquidity and Capital Resources

The Company reported a working capital of \$2,905,427 at June 30, 2008 compared to a working capital of \$8,774,470 at June 30, 2007, representing a decrease in working capital by \$5,869,043. Net cash and cash equivalents on hand decreased by \$4,834,792 from \$9,148,681 at June 30, 2007 to \$4,313,889 at June 30, 2008.

During the year ended June 30, 2008, the Company generated \$9,121,168 from its financing activities as follows:

- (i) the Company completed a non-brokered private placement on August 13, 2007 of 3,500,000 flow-through shares at a price of \$1.50 per share and 550,000 non flow-through shares at a price of \$1.25 per share for total gross proceeds of \$5,937,500.

An aggregate of \$252,350 was paid as finders' fees and another \$44,604 was paid in legal and regulatory costs on this private placement.

- (ii) the Company also completed a non-brokered private placement on December 4, 2007 of 1,875,000 flow-through shares at a price of \$1.60 per share and 295,000 non flow-through shares at a price of \$1.30 per share for total gross proceeds of \$3,383,500.

An aggregate of \$145,000 was paid as finders' fees and another \$20,809 was paid in legal and regulatory costs on this private placement.

- (iii) an aggregate of 211,224 warrants were exercised at a price ranging from \$0.73 per share to \$1.00 per share and a

CANADA ZINC METALS CORP.

(Formerly Mantle Resources Inc.)

Management Discussion and Analysis, page 9

Years ended June 30, 2008 and 2007

total of 211,224 common shares were issued for total proceeds of \$175,790.

- (iv) an aggregate of 197,500 stock options were exercised at a price ranging from \$0.20 per share to \$0.81 per share and a total of 197,500 common shares were issued for total proceeds of \$101,375. In addition, a reallocation of \$101,927 from contributed surplus to share capital was recorded on the exercise of these options.

During the year ended June 30, 2008, the Company utilized \$835,067 of its cash for operations, \$5,825 for the purchase of equipment, \$60,000 for a reclamation bond posted with the Government of British Columbia and \$13,055,068 for acquisitions of interest in resource properties and deferred explorations.

Current assets excluding cash and cash equivalents as at June 30, 2008 consisted of receivables of \$281,628 which consists of GST recoverable of \$201,476 and interest receivable of \$80,152 and prepaid expenses of \$354,629. Current assets excluding cash and cash equivalents as at June 30, 2007 consisted of receivables of \$340,794 which consists of GST recoverable of \$151,496, accounts receivable of \$93,568 and interest receivable of \$95,730, deposits held in trust of \$13,000 and prepaid expenses of \$711,362.

Current liabilities as at June 30, 2008 consisted of accounts payable and accrued liabilities of \$2,043,763 (2007 - \$1,439,367) amounts due to related parties of \$956 (2007 - \$Nil).

The other sources of funds potentially available to the Company are through the exercise of outstanding stock options, share purchase warrants and brokers' warrants. See *Item 1.15 – Other Requirements – Summary of Outstanding Share Data*. There can be no assurance, whatsoever, that any or all of these outstanding exercisable securities will be exercised.

The Company has and may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund its future operations, the Company may be required to seek additional financing. Although the Company has been successful in raising the above funds, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The Company's overall success will be affected by its current or future business activities. The Company is currently in the process of acquiring and exploring its interests in resource properties and has not yet determined whether these properties contain mineral deposits that are economically recoverable. The continued operations of the Company and the recoverability of expenditures incurred to earn an interest in these resource properties are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, obtaining necessary financing to explore and develop the properties, and upon future profitable production or proceeds from disposition of the resource properties.

1.8 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

CANADA ZINC METALS CORP.

(Formerly Mantle Resources Inc.)

Management Discussion and Analysis, page 10

Years ended June 30, 2008 and 2007

1.9 Transactions with Related Parties

During the year ended June 30, 2008:

- (a) the Company paid or accrued \$150,000 (2007 – \$100,000) for management fees and \$60,000 (2007 – \$35,000) for administrative fees to a company partially controlled by a director and an officer of the Company.
- (b) the Company paid or accrued \$115,975 (2007 - \$46,623) for consulting and geological services fees, included in resource properties, to a company controlled by a director of the Company.
- (c) As at June 30, 2008, \$956 (2007- \$Nil) was due to directors and officers of the Company. The amount resulted from expense reimbursement and is unsecured and non-interest bearing with no fixed terms of repayment. This amount was fully repaid subsequent to the year end.
- (d) As at June 30, 2008, \$50,000 (2007- \$Nil) was due from a director of the Company. The amount resulted from an interest free loan granted to a director pursuant to the terms of his employment contract with a two year term of repayment.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

1.10 Subsequent Events

Subsequent to the year ended June 30, 2008, the Company:

- (a) has changed its name to Canada Zinc Metals Corp. and commenced trading under its new name and symbol, CZX, at the open on September 26, 2008. There was no consolidation of share capital.
- (b) Completed a non-brokered private placement of 7,863,778 flow-through common shares at a price of \$0.90 per share, for gross proceeds of \$7,077,400.

The Company paid \$274,170 in cash as finder's fees on a portion of the private placement. The securities issued are subject to a four month hold period expiring February 3, 2009.

The proceeds are for the exploration of the Akie SEDEX zinc-lead property and of the balance of the Company's portfolio of mineral holdings (87,911 hectares), located within the highly prospective Kechika Trough SEDEX zinc-lead basin of northeastern British Columbia.

- (c) has reported the first batch of assay results it has received from its 2008 drill program on the zinc-lead-silver bearing Cardiac Creek (CC) deposit. The CC deposit is on the 100% owned Akie property in northeast British Columbia, approximately 260 kilometres north-northwest of the town of Mackenzie.

Four of the reported holes are updip of previously completed holes and confirm that the deposit further extends for approximately 100 to 115 metres upwards from holes A-06-37A (25.50 metres grading 10.08% combined zinc+lead), hole A-07-47 (13.83 metres grading 13.86% combined zinc+lead) and A-07-49 (15.89 metres grading 13.65% combined zinc+lead). The fifth hole, A-08-55, extends the known mineralization approximately 100 metres along strike to the southeast from hole A-06-41. The new information provided by these results indicates that the CC deposit is now at least 1 kilometre in length with a dip extent of approximately 600 metres.

CANADA ZINC METALS CORP.

(Formerly Mantle Resources Inc.)

Management Discussion and Analysis, page 11

Years ended June 30, 2008 and 2007

Hole No.	From (m)	To (m)	Interval (m)	TW* (m)	Zinc %	Lead %	Silver (g/t)	Zn+Pb %
A-08-54	285.28	303.62	18.34	13.99	8.14	2.98	18.62	11.12
including	288.05	300.18	12.13	9.25	10.17	1.75	12.45	11.92
A-08-55	495.10	512.85	17.75	10.1	6.67	1.24	9.61	7.91
including	502.62	509.98	7.36	4.19	7.59	1.51	11.12	9.10
A-08-56	245.45	256.47	11.02	9.54	6.65	1.35	7.56	8.00
A-08-57	270.70	297.25	26.55	23.14	7.95	1.34	10.71	9.29
including	279.00	295.55	16.55	14.44	10.42	1.72	12.18	12.14
including	285.20	295.55	10.35	9.04	12.72	2.04	14.45	14.76
A-08-59	294.00	301.72	7.72	7.04	5.95	1.04	7.64	6.99

* estimated true width is subject to later revision

A total of twelve drill holes have been completed to date on the Cardiac Creek deposit, for a total of 5,103.15 metres (NQ and HQ core).

The Company has also completed 2 holes (1,114 metres) on the North Lead Anomaly, located some 2.3 kilometres northwest of the nearest drill hole to intersect CC zinc-lead mineralization. These were designed to investigate the Gunsteel formation hosted massive sphalerite-galena-pyrite-barite mineralization encountered by Inmet Mining Corporation in 1996 (A-96-24: 11.60% zinc, 9.05% lead over 0.80 metres) and an associated 200 metre by 1000 metre lead-zinc anomaly in soil. Assay results of these holes are pending.

(d) has completed construction of 8.72 km of mainline access road and 3.7 km of access trail on the Akie property. These roads will greatly improve access to the Cardiac Creek deposit for future exploration activities.

1.11 Proposed Transactions

No disclosure necessary.

1.12 Critical Accounting Estimates

Not applicable to Venture Issuers.

1.13 Changes in Accounting Policies including Initial Adoption

The financial information presented in this MD&A has been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). Our significant accounting policies are set out in Note 2 of the audited financial statements of the Company, as at and for the years ended June 30, 2008 and 2007.

1.14 Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, amounts due from/to related parties, receivables, prepaid expenses and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair value of these financial statements approximate their carrying value, unless otherwise noted.

CANADA ZINC METALS CORP.

(Formerly Mantle Resources Inc.)

Management Discussion and Analysis, page 12

Years ended June 30, 2008 and 2007

1.15 Other Requirements

Summary of outstanding share data as at October 24, 2008:

(1) Authorized: Unlimited common shares without par value

Issued and outstanding: 76,968,896

(2) Stock options outstanding: 8,380,000

(3) Warrants outstanding: 5,435,000

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

On behalf of the Board of Directors, thank you for your continued support.

"Peeyush Varshney"

Peeyush Varshney

Director

October 24, 2008