

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Zazu Metals Corporation		2 Issuer's employer identification number (EIN) 98-0591082	
3 Name of contact for additional information Debbie Mino-Austin	4 Telephone No. of contact (303) 534-1030	5 Email address of contact	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 4251 Kipling Street, Suite 390		7 City, town, or post office, state, and Zip code of contact Wheat Ridge CO 80033	
8 Date of action July 12, 2017		9 Classification and description Reorganization with Solitario Zinc Corporation	
10 CUSIP number 989197 10 8	11 Serial number(s) N/A	12 Ticker symbol ZAZ	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On July 12, 2017 (the "Effective Date"), Solitario Zinc Corporation ("Solitario") f.k.a. Solitario Exploration and Royalty Corp. acquired all of the issued and outstanding common shares of Zazu Metals Corporation ("Zazu") pursuant to the terms and conditions of a court-approved Plan of Arrangement (the "Arrangement") under the Canada Business Corporation Act pursuant to which Zazu shareholders received Solitario shares in exchange for their Zazu shares. On completion of the arrangement, Solitario owns all of the outstanding Zazu shares and it is expected that the business and operations of Zazu will be managed and operated as a subsidiary of Solitario. After the arrangement, Zazu shareholders will hold approximately 34% of the issued and outstanding Solitario shares.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The Arrangement is intended to qualify as a reorganization within the meaning of Section 368(a)(1)(B) of the Internal Revenue Code. Zazu shareholder's historical tax basis and holding periods in Zazu shares are carried proportionally to Solitario shares received. Each issued Zazu share held by a former Zazu shareholder has been transferred to Solitario and in consideration therefor Solitario issued Solitario shares on the basis of 0.3572 of a fully paid and non-accessible Solitario share for each Zazu share (rounded down to nearest whole share).

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ For federal income tax purposes, the aggregate tax basis of Solitario shares received by Zazu shareholders as a result of the reorganization will be the same as the aggregate tax basis of the Zazu shares surrendered in exchange therefor. A former Zazu shareholder must allocate the tax basis so calculated across the total number of the shareholder's new Solitario shares received.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The Arrangement is intended to qualify as a reorganization within the meaning of Section 368(a)(1)(B) of the Internal Revenue Code. In general, the income tax consequences to the former Zazu shareholders are determined under the Internal Revenue Code sections 354 and 361. Shareholders should consult with a qualified tax advisor for questions regarding their specific tax treatment.

18 Can any resulting loss be recognized? ▶ No.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The Arrangement became effective on July 12, 2017; therefore, the relevant tax year is 2017.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ *James R. Maronick* Date ▶ 8/28/17
Print your name ▶ JAMES R. MARONICK Title ▶ CFO

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Jeffrey McPherson	<u><i>[Signature]</i></u>	8/28/2017		P00847019
Firm's name ▶	Firm's EIN ▶		Phone no.	
EKS&H LLLP	46-1497033		303-740-9400	
Firm's address ▶ 8181 East Tufts Avenue #600 Denver, Colorado 80237				