

# Nevada Zinc Reports Initial Mineral Resource Estimate for the Lone Mountain Zinc Project, Nevada

Toronto, Ontario--(Newsfile Corp. - July 25, 2018) - **Nevada Zinc Corporation** (TSXV: NZN) ("Nevada Zinc" or the "Company") is pleased to announce the receipt of an initial Mineral Resource Estimate of the mineralization outlined to-date at the Company's Lone Mountain Project, Nevada (the "Project"). The Mineral Resource Estimate, completed by independent firm P&E Mining Consultants Inc., is based upon the results from 85 reverse circulation drillholes and 13 core drillholes completed to-date on the Project. The most recent program of core drillholes was designed to corroborate assay grades from the reverse circulation drilling as well as to provide further geological information and to expand the footprint of the mineralization. At a cut-off grade of 2% zinc, the pit constrained Inferred Mineral Resource Estimate was determined to be 3,257,000 tonnes grading 7.57% zinc and 0.70% lead.

The mineralization is virtually sulphide free, has a low iron content and has been shown to be comprised of primarily zinc oxide and zinc carbonate minerals (hemimorphite and smithsonite). The physical and chemical characteristics of the zinc mineralization outlined at Lone Mountain make it potentially suitable for the production of zinc sulphate. Metallurgical test work currently underway (in addition to work previously reported by the Company) shows the mineralization can be leached under atmospheric conditions using sulphuric acid. The targeted end product after leaching would be zinc sulphate and oxide compounds. Zinc sulphate is used on its own or in combination with other inputs to produce crop fertilizer. Currently, zinc deficiency is the most common micronutrient deficiency in crops globally. Crop yields have been proven to increase significantly through the application of zinc sulphate.

Approximately 8% of world zinc production is consumed as zinc sulphate and oxide compounds. Production of zinc chemical compounds could present an attractive opportunity for the Company.

The Company is continuing to evaluate the possibility of producing various zinc chemical compounds as a potentially low capital cost high margin alternative to selling a zinc concentrate product to a smelting facility. Metallurgical test work is continuing at SGS Canada Inc. near Lakefield, Ontario.

President and CEO of Nevada Zinc, Bruce Durham commented: "This initial Mineral Resource Estimate of the tonnage and grade of mineralization outlined to-date is another important step forward for Nevada Zinc. We have only tested about 20% of the strike length of the main controlling structure on the Project and still have additional surface exploration to complete over much of the eastern part of the Project. With consensus forecasts for sustained reasonably strong zinc prices, Nevada Zinc is well positioned to take advantage of the fundamentally strong zinc market. The Project is particularly well located in the strong mining jurisdiction of eastern Nevada, an advantage we intend to exploit as we move the Project forward. The physical and chemical characteristics of our mineralization could make it an ideal feedstock for the production of zinc sulphate, oxide and other chemical compounds.

## **Highlights - Mineral Resource Estimate**

- The pit constrained Inferred Mineral Resource Estimate was calculated at a 2% zinc cut-off.
- **Using the 2% zinc cut-off, the Inferred Mineral Resource Estimate is 3,257,000 tonnes at a grade of 7.57% zinc and 0.70% lead.**
- There remains significant potential to expand the limits of the mineralization discovered to-date and also discover other areas of mineralization on the Project.
- Metallurgical investigations including leach testing are continuing.
- Good progress has been made with respect to the concept to concentrate zinc mineralization at site and ship the concentrate to a smelter facility or alternatively to concentrate mineralization at site and subsequently leach the zinc carbonate and oxide mineralization to make zinc sulphate products on site or elsewhere locally.
- There remains significant potential for the Company to find zinc lead sulphide mineralization at depth as was the case with Arizona Mining discovering the Taylor sulphide deposit below near surface oxide mineralization.
- No significant drilling has been completed elsewhere on the Project.

## **Notes on the Mineral Resource Estimate from P&E Mining Consultants Inc. Include:**

The drillhole database contains 85 reverse circulation drillholes and 13 diamond drillholes.

A topographic surface was constructed using 6m (20 ft) contours supplied by Nevada Zinc combined with the 74 surveyed drillhole collars. The elevations of the remaining hand held GPS surveyed drillhole collars were adjusted to the resulting topographic surface.

Mineralization domains (wireframes) were constructed from connected cross-sectional polylines using a 2% Zn cut-off. The mineralization is confined to the Devil's Gate limestone which resulted in two discrete northern mineralized domains and four discrete southern mineralized domains.

The assay information from all of the drilling by the Company completed since 2014 was utilized as the database in this initial NI 43-101 Mineral Resource Estimate.

A total of 1,049 assays were available for grade estimation.

The drillhole database contains 87 density measurements taken by pycnometer with values ranging from 2.55 to 4.07 tonnes per cubic metre. The average density within the defined mineralized domains is 2.98 tonnes per cubic metre and the average density of the surrounding country rock is 2.79 tonnes per cubic metre. A thin alluvium layer is present.

Since the mineralized domains are contained within the Devil's Gate limestone, a 10% void discount factor was applied.

Only a few assay intervals for zinc, lead, arsenic and sulphur were capped.

Grade estimation was carried out using Inverse Distance Squared anisotropic linear weighting of between three and fifteen capped assay intervals selected within a search envelope oriented parallel to the defined structures. P&E Mining Consultants Inc. considers that the information available for the Nevada Zinc Corporation Lone Mountain Deposit demonstrates reasonable geological and grade continuity and satisfies the requirements for an NI 43-101 Inferred Mineral Resource Estimate.

For reporting purposes, an optimized pit shell was constructed to constrain the modelled mineralization using the following economic parameters (US\$):

|                                 |           |
|---------------------------------|-----------|
| Mining Cost: Waste              | \$2.50/t  |
| Mining Cost: Mineralization     | \$3.50/t  |
| Zn Price                        | \$1.25/lb |
| Process Recovery                | 85%       |
| Smelter Payable                 | 85%       |
| Concentrate Mass Pull           | 8.0%      |
| Concentrate Freight & Re-handle | \$50/t    |
| Smelter Treatment Charge        | \$150/t   |
| Process Cost                    | \$20/t    |
| G&A Cost                        | \$3/t     |
| Zn Cut-Off                      | 2.0%      |

The pit constrained Inferred Mineral Resource Estimate at a 2% Zinc cut-off is as follows:

| Cut-off | Tonnes  | Pb   | Zn   | Zn    |
|---------|---------|------|------|-------|
| Zn%     | (000's) | %    | %    | M lbs |
| 2       | 3,257   | 0.70 | 7.57 | 543   |

The sensitivity of the Mineral Resource Estimate<sup>(1-4)</sup> to Zn cut-off grade is as follows:

| Cut-off | Tonnes  | Pb   | Zn    | Zn    |
|---------|---------|------|-------|-------|
| Zn%     | (000's) | %    | %     | M lbs |
| 5       | 1,989   | 0.81 | 10.05 | 441   |
| 4       | 2,473   | 0.74 | 8.97  | 489   |
| 3       | 2,931   | 0.72 | 8.12  | 525   |
| 2       | 3,257   | 0.70 | 7.57  | 543   |
| 1       | 3,534   | 0.68 | 7.09  | 552   |

(1) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

(2) The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

(3) The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.

(4) The Mineral Resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.

The Inferred Mineral Resource Estimate for the Project disclosed in this press release was prepared by Fred Brown, P.Geo. and Egene Puritch, P.Eng, FEC, CET of P&E Mining Consultants Inc. By virtue of their education and experience Mr. Brown and Mr. Puritch are Qualified Persons under National Instrument 43-101. Each of them has read and approved the technical contents of this press release as to the accuracy of the statements relating to the Lone Mountain Mineral Resource Estimate.

Bruce Durham P. Geo, President and CEO of Nevada Zinc, is a Qualified Person, as that term is defined by Canadian regulatory guidelines under National Instrument 43-101, and has read and approved the scientific and technical information contained in this press release.

### **Assay Techniques**

Preparation of the samples was done at the ALS Chemex Elko, NV facility. A 250 gram master pulp was taken then splits were sent to ALS's North Vancouver, BC facility. A 48 element package using a 4 acid digestion with ICP-AES and ICP-MS was completed on all samples. For lead and zinc values exceeding the limits of the 48 element package (1% zinc or lead), the procedure was to use a 4 acid digestion with ICP-AES or AAS finish (ore grade analysis). In the case of values exceeding the limits of the ore grade analysis (30% zinc, 20% lead), the procedure was to use specialized titration methods.

### **Laboratory QA/QC**

Quality control samples from the lab include numerous control blanks, duplicates and recognized standards. Reference standards used include OREAS-131b, OREAS-133b, OREAS-134b, OGeo08, and CZN-4. No significant issues were noted with analytical accuracy or precision.

ALS Chemex's Elko, Reno and North Vancouver location has ISO/IEC 17025:2005 accreditation.

### **About Nevada Zinc**

Nevada Zinc is a discovery driven mineral exploration company with a proven management team focused on identifying unique mineral exploration opportunities that have the potential to provide significant value to its shareholders.

While the Company continues to maintain a significant equity interest in the highly prospective Yukon gold properties through its majority ownership position in Generic Gold Corp. ("Generic Gold"), the current focus of the Company is the exploration and advancement of the Project comprised of 231 claims covering over 1,619 hectares (4,000 acres) near Eureka, Nevada and the exploration of the MacBride zinc-copper project in northern Manitoba.

The Project is located in east-central Nevada and is easily accessible via paved and gravel roads northwesterly from Eureka where all essential services are available. The Project includes options, leases or purchase agreements to acquire 100% interests in all properties along the entire key structural trend for more than four kilometres.

The Company has completed 85 reverse circulation drill holes on the Property and recently completed a 13 hole core drilling program on the Property. Results from the drilling programs have shown numerous broad intersections of medium to high grade non-sulphide zinc mineralization in two locations both of which are located between surface and a depth of approximately 250 metres.

The Company also has the right under an option agreement to earn up to an 80% interest in the MacBride Zinc Project in northern Manitoba (see the Company's press release dated October 23, 2017).

Additional information about the Company is available on the Company's website: [www.nevadazinc.com](http://www.nevadazinc.com)

### **About Majority Owned Generic Gold**

Generic Gold is a Toronto based mining company exploring precious metal targets in the Tintina Gold Belt in the Yukon Territory of Canada. Since incorporation, Generic Gold completed a significant 2017 exploration program that included diamond drilling on the Livingstone project and trenching on the VIP project, as well as reverse circulation drilling on its Goodman project. Generic Gold is listed on the CSE, (symbol GGC). Information on Generic Gold's property portfolio and exploration activities are available on the company's website at [www.genericgold.ca](http://www.genericgold.ca). The Company owns 25 million common shares of Generic Gold which has 36.75 million shares outstanding.

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