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## **KZK Project receives Type B Water Licence approval**

- **Yukon Water Board have approved a Type B Water Licence QZ16-085 for the purpose of quartz exploration, at the Kudz Ze Kayah Project;**
- **Geotechnical drilling program for 2017 has commenced at KZK under the new “B” Licence;**
- **2017 work program is designed to support the completion of the Definitive Feasibility Study for mining of the ABM deposit.**

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BMC MINERALS (NO.1) LTD (“BMC Minerals”) has received formal approval of a Type B Water Licence from the Yukon Water Board for the Kudz Ze Kayah (“KZK”) Project. BMC Minerals is a fully owned subsidiary of BMC (UK) LIMITED (“BMC”), a private UK-based resources development company.

The KZK Project is located east of Whitehorse in the Yukon Territory, Canada. The area includes the ABM deposit for which BMC Minerals has submitted a proposal to the Yukon Environmental and Socio-Economic Assessment Board (“YESAB”) to construct and operate a mine and processing facility producing high quality copper, zinc and lead concentrates containing significant gold and silver credits. The ABM deposit is a zinc-dominant polymetallic volcanogenic massive sulphide (“VMS”) deposit.

The existing Type A Water Licence (QZ97-026) which the Company holds for the Project was originally issued in 1999 as a key permitting component for mining and processing of the ABM deposit and expires in September 2018. BMC Minerals applied for the new Type B Water Licence and a modification to its existing Quartz Mining Land Use Approval (LQ 00424b) in order to continue advanced exploration activities beyond expiry of the existing Type A Water Licence. The new Type B Water Licence effectively supersedes the existing Type A Licence, and better reflects the current state of the site and proposed activities. The statutory process of applying for and receiving final approval of both the modified Quartz Mining Land Use Permit and the Type B Water Licence was in line with BMC expectations at five months from the initial application.

The KZK Project Proposal is currently at Adequacy Review stage with YESAB for a mining production project based around development of the ABM deposit, for which a new Type A Water Licence will be required. In the interim, the grant of the Type B Licence will allow for a continuation of the planned work program, including expansion of the camp, maintenance work associated with road crossings, and the continuation of the environmental monitoring program.

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