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## **Kudz Ze Kayah zinc/silver Project Proposal passes key assessment gateway**

- **Yukon Environmental and Socio-economic Assessment Board (“YESAB”) deems project proposal meets Adequacy standard.**
- **Project progresses into the Screening & Evaluation stage involving technical review and public consultation before YESAB finalises its recommendations.**
- **Development timeline for KZK remains on track with Company expectations.**

BMC MINERALS (NO.1) LTD (“BMC Minerals” or the “Company”) the Canadian subsidiary of BMC (UK) Limited (“BMC”) has received formal notification that the Kudz Ze Kayah (“KZK”) Project Proposal has passed through the Adequacy stage of the Screening and Evaluation Process with the Yukon Environmental and Socio-economic Assessment Board (“YESAB”).

The KZK Project Proposal was submitted in March 2017, for YESAB assessment in accordance with the Yukon Environmental and Socio-economic Assessment Act (“YESAA”), in Whitehorse, Yukon, Canada.

In its letter to BMC, YESAB confirms that their Executive Committee has determined that the Company has met its statutory requirement under s.50(3) of YESAA, that the Company has taken into account the matters referred to in paragraphs 42(1)(b), (c) and (e) to (h) and that in accordance with s.57(1) and (2) of the Act the Committee considers the project proposal to be adequate.

The YESAB Evaluation and Screening Process covers four stages; Adequacy, Screening, Report and Decision. The KZK Project now moves into the Screening stage which involves formal technical review with an opportunity for public comment. This will be followed by the publication of a YESAB Draft Screening Report and Recommendations. BMC anticipates the final Report document will be submitted by YESAB to the Yukon Government Decision body in late 2018 with the final approval decision expected to be published in early 2019.

During 2018 and 2019 the Company will work with the Yukon regulatory bodies to expeditiously complete the YESAB Screening process and subsequently a Yukon Water Board review for a Type A Water Licence. Once these processes are complete the Company anticipates the key licences required to construct and operate the KZK mine and processing plant will be awarded.

BMC Minerals remain focused on commencement of early construction activities in 2019 and for first production of saleable copper, lead and zinc concentrates from KZK to start in mid 2021. The Company is scheduled to complete its Definitive Feasibility Study on the Project in Q2 2018. BMC Minerals will continue with their extensive community engagement and consultation program, recognising that community support is essential to the success of the KZK Project.

Commenting today Scott Donaldson, President, said; “BMC Minerals is committed to developing a modern, financially viable and environmentally responsible project at Kudz Ze Kayah. Over the next two years we will continue to work with Kaska, local communities, all levels of government and key stakeholder groups to ensure KZK fulfils all necessary environmental and community consultation obligations. Since beginning exploration activities in 2015, BMC Minerals has consulted with and sought input from all key local communities including Kaska representatives, and has co-developed a successful local content chain in addition to direct employment opportunities. We remain focused on delivering first production from this project in 2021.”

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### **Additional Information - About BMC Minerals**

BMC Minerals (No.1) Ltd is the Canadian subsidiary of BMC (UK) Limited, a mining development company. It was created as the result of a strategic relationship between a team of established mine developers and a major natural resources private equity group focused on advancing superior base metals assets into development. The BMC executive team has a strong track record of discovery, development and operation of independent zinc, copper and other base metals projects worldwide. BMC seeks to identify, acquire and develop a portfolio of metals assets, with the express intent of delivering a new suite of mining ready assets.

BMC Minerals owns the KZK Project in the southeast Yukon. The company identified the KZK Project as having the potential for full mine development due to its size, grade, metallurgical properties and the opportunity for resource growth.

BMC Minerals is an active supporter of local businesses and during the 2016 and 2017 field seasons nearly 100% of suppliers and major contractors employed at KZK were from the Yukon or had a strong Yukon background. Of that number over 70% were from businesses or corporations associated with Kaska or other First Nation corporations or members. BMC Minerals believes development of the KZK Project will mean enhanced local business opportunities as well as employment training, work skills and an increase in meaningful employment opportunities at supervisory and management level. BMC Minerals intends to continue to promote the use of local businesses in the development and the operation of the project.

### **KZK Project Proposal**

The ABM deposit is located within the KZK Project which is situated on the northern flank of the Pelly Mountain Range, 260 km northwest of Watson Lake and 115 km southeast of Ross River in Yukon, Canada. The Project area lies approximately 23 km south of Finlayson Lake and 25 km west of the Wolverine Mine (Yukon Zinc). The project is accessed via a 20-km access road from the Robert Campbell Highway, and all-season road access exists to ice free port facilities at Skagway (Alaska) and Stewart (British Columbia).

BMC, through its wholly owned Canadian subsidiary BMC Minerals, purchased the KZK Project from Teck Resources Limited on 24th January 2015. The ABM project area is covered by a Socio-Economic Participation Agreement ("SEPA"), between BMC Minerals and the Ross River Dena Council, on behalf of the Kaska Nation.

BMC Minerals KZK project proposal is for an open pit and small underground mine producing copper, lead and zinc concentrates with strong precious metal credits. The project tailings will be stored either underground as cemented paste fill or in a purpose designed dry stacked tailing facility on the surface. BMC Minerals has designed the project to incorporate progressive reclamation throughout the project life. Over its initial 10 year life the project is expected to produce approximately; 1,866 million lbs of zinc, 264 million lbs of copper and 374 million lbs of lead, as concentrates, with 490 oz. of gold and 60,962,000 oz. of silver as by-product credits. Initial production is scheduled to commence in 2021. The project is estimated to improve Yukon's Gross Territory Product by \$3.5 billion (annual average increase of 9.6%) and create an estimated 400 direct jobs during construction and 800 direct and indirect jobs during its operation.