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## **BMC completes major debt facility**

- **BMC closes a US\$38 million debt facility**
- **Total undrawn debt and equity funding available to BMC now totals over US\$100million**
- **Funds to be used to progress the Company's 100% owned Kudz Ze Kayah Project in Yukon, Canada.**

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BMC (UK) Limited ("**BMC**" or the "**Company**"), the private UK-based resources development company, announces the closing of a US\$38 million debt facility which will be used to progress exploration and development of the Company's flagship operation, the Kudz Ze Kayah ("**KZK**") Project, in Yukon, Canada.

The arrangement with RK Mine Finance ("**Red Kite**") marks a significant milestone for the Company and the capital will be used in conjunction BMC's existing committed equity funding from Private Equity Group, Global Natural Resource Investments ("**GNRI**") to continue to develop KZK beyond the commencement of construction.

BMC's CEO, Scott Donaldson said, "The combination of the undrawn equity and debt available to BMC now exceeds US\$100 million. This additional facility underpins the future development activities for the Company and our flagship Kudz Ze Kayah Project. It is a testament to the quality of the project that Red Kite are willing to provide a debt facility at this stage of the project development."

"Our focus over the next 12 months will be to complete the definitive feasibility study currently underway for KZK's ABM deposit and to progress the project through the re-permitting process. Concurrently, we will be working to further explore and understand the geological prospectivity of the minerals claims we already own. In accordance with our strategy to grow the Company through acquisition and development of projects, we will also consider further project acquisition opportunities that meet the high hurdle expectations put in place by the Board."

**Contacts:**

Scott Donaldson  
Chief Executive Officer  
[scottd@bmcminerals.com](mailto:scottd@bmcminerals.com)  
+61 429 081 116  
+1 604 727 0738

Rob McIntyre  
VP Yukon External Affairs  
[robm@bmcminerals.com](mailto:robm@bmcminerals.com)  
+1 867 336 3537  
**Website:**[www.kudzzekayah.com](http://www.kudzzekayah.com)

## Additional Information – About BMC Minerals

BMC MINERALS (NO. 1) LTD is the Canadian subsidiary of BMC (UK) Limited a mining development company. BMC 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 acquiring superior base metals assets and advancing them through 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 high quality mining ready assets.

BMC Minerals owns the KZK Project in 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.

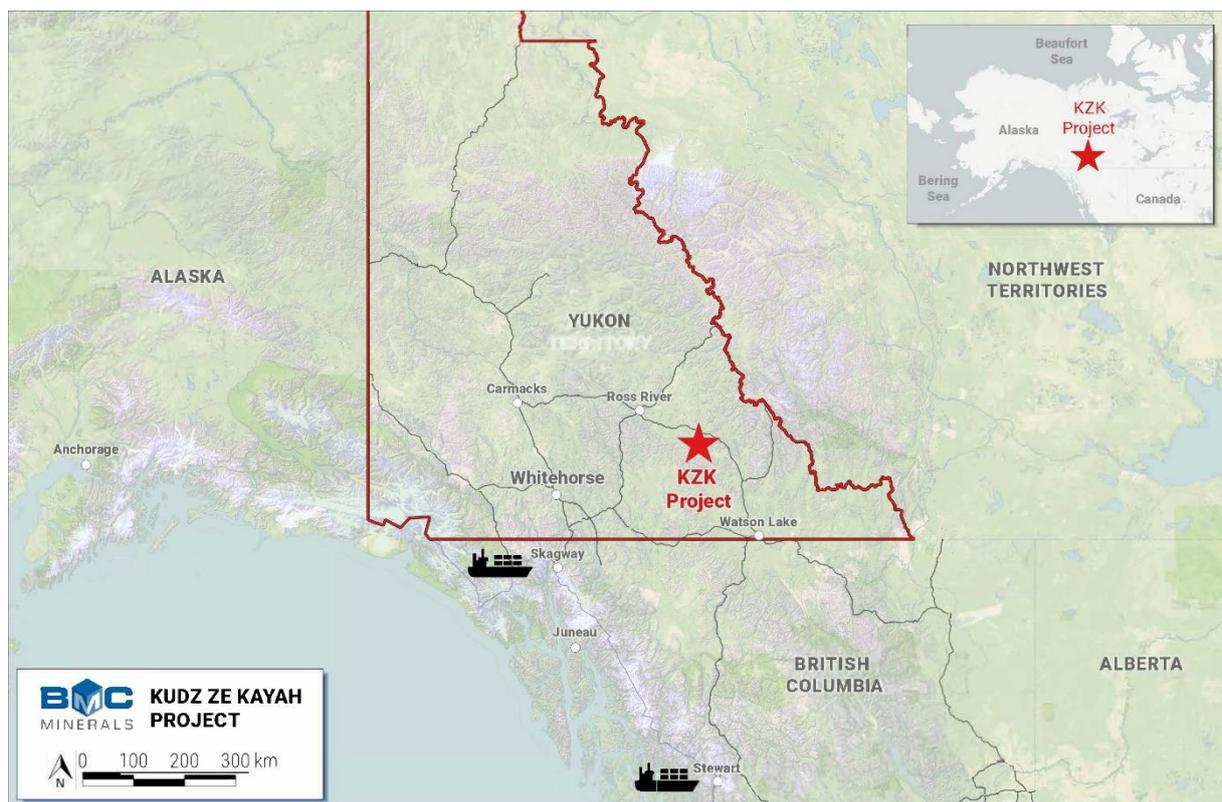


Figure 1: Location of KZK Project, Yukon, Canada

### **KZK Project (BMC 100%)**

The proposed KZK Project includes the ABM deposit, a zinc-dominant polymetallic volcanogenic massive sulphide (“VMS”) deposit with significant copper, lead and precious metals credits. The KZK Project is owned through BMC’s 100% subsidiary BMC MINERALS (No. 1) LTD (“BMC Minerals”), and is located east of Whitehorse, Yukon.

The Company lodged a mine development proposal with the Yukon Environment and Socio-Economic Assessment Board (YESAB) in March 2017. In January 2018, the Company was advised by YESAB that the proposal met all Adequacy requirements of the Yukon Environmental Socio-economic Assessment Act, including First Nation consultation requirements. The proposal has therefore progressed to the Screening and Public Comment stage of assessment.

The ABM deposit is located within the KZK Project and 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 an existing (2004) Socio-Economic Participation Agreement (“SEPA”), between BMC 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.

### **About RK Mine Finance**

RK Mine Finance specializes in providing bridge, construction, expansion, working capital and acquisition finance to mid-cap and single asset mining companies.

The fund has committed over \$1.4B to mining companies since inception in 2008, helping them unlock the value of their development assets or grow existing operation