

Yukon Government fines Yukon Zinc Corporation due to delays in compliance

Whitehorse, Yukon (May 22, 2018) - Yukon Zinc Corporation and the Yukon Government jointly announce that Yukon Zinc Corporation has entered guilty pleas on April 20, 2018 in relation to five charges laid against the company by the Yukon Department of Energy, Mines and Resources.

The charges relate to the failure by the Company to meet certain terms of its Quartz Mining Licence and inspector's directions issued under the *Quartz Mining Act* by the deadlines for compliance. Although the breaches did not cause harm to the environment or human health, the Company takes these issues seriously. The Company acknowledges that, while it did eventually meet the terms of its Licence and the directions, its failure to do so in the time required did not meet the standards set by the Yukon regulatory authorities, or the expectations the Company has of itself.

The charges were laid under the *Quartz Mining Act* and relate to the Company's Wolverine Mine site near Watson Lake. The penalty is composed of an aggregate fine of \$78,500, and a one-year probation order including, among several terms, a compensation payment of \$25,165 for monies reasonably spent by the Yukon regulatory authorities in respect of the offences.

While the Company failed to meet the deadlines, it at all times ensured that regulatory authorities were kept informed of all material happenings.

In summary, while Yukon Zinc Corporation eventually complied with the substantive terms of its Licence and the inspector's directions, it failed to do so by the stated deadlines. As a result, the Company has pleaded guilty to five charges under the *Quartz Mining Act* and is subject to both a fine and a probation order.

About Yukon Zinc Corp

Yukon Zinc Corporation is a mining and exploration company operating the Wolverine Mine in Yukon, Canada. The Wolverine Mine produced zinc, copper and lead concentrates that contain silver and gold. Yukon Zinc is based in Vancouver, Canada and is privately owned by Jinduicheng Canada Resources Corporation Limited.