

TORONTO, Aug. 29, 2016 /CNW/ - LeadFX Inc. (the "Company" or "LeadFX") (TSX: LFX) today announced that it has executed an unsecured promissory note (the "Note") in favour of Sentient Global Resource Fund IV, LP ("Sentient"). Pursuant to the Note, Sentient has advanced the Company US\$1,000,000 without interest with the principal repayable on June 30, 2017 and on the same terms as the prior loan facility with Sentient that closed in April.

The interest-free advance made by the Company's majority shareholder will enable the Paroo Station mine (the "Mine") to remain in a restart-ready state prior to an expected decision being made on a restart of the Mine in the fourth quarter.

The Company continues to monitor the improving economic factors that directly impact the operation of the Mine such as the LME lead price and USD:AUD exchange rate. LeadFX has retained experienced senior management and operations teams to maintain the operation in a state of restart readiness and to undertake the necessary planning for a prompt and smooth restart if and when the decision is made. In the event that the decision to restart operations is approved by the Board, a six-month program will commence to recruit and train the more than 200 employees and contractors that will be needed for full operations.

Any restart decision would be also subject to the receipt of restart financing. Management continues advanced and productive discussions with interested parties regarding potential financing options and off-take opportunities.

In addition to the Mine in Western Australia, the Company is also focused on reviewing the geological potential for the lead-zinc-silver deposits and extensions across the development properties owned by Chief Consolidated Mining Company ("Chief") in Utah. This desktop review of existing data will initially focus on the historic Burgin underground lead-zinc-silver mine which was operated by a subsidiary of Kennecott Copper Corp. until 1978 and will form part of a planning strategy for the future development of the properties. For further information on Chief, see the 2015 AIF.

About LeadFX

LeadFX is a Canadian-based mining company focused on the development of lead-silver projects located in stable jurisdictions. Our current portfolio includes a restart-ready lead operation in Western Australia and a development project in Utah, USA. The Company is developing opportunities at its new properties in North America to underpin future cash flow and growth. LeadFX trades under the symbol "LFX" on the Toronto Stock Exchange.

Additional information on LeadFX is available on SEDAR at www.sedar.com and the Company's website at www.leadfxinc.com

Forward-Looking Statements

This news release may contain "forward-looking statements" within the meaning of applicable Canadian securities laws. Examples of forward-looking information in this news release includes but is not limited to statements and information concerning the intended use of proceeds of the Note, the timing for a decision on restart of the Mine, a potential restart of the Mine, the period of time to ramp-up operations at the Mine following any restart decision, the ability to secure restart financing and offtake agreements and the future development and geological potential of the Chief properties. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "contemplate", "target", "believe", "plan", "estimate", "expect", and "intend" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Forward-looking information by its nature requires assumptions and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information, and readers are cautioned not to place undue reliance on such information. These statements are based upon certain reasonable factors, assumptions and analyses made by management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. However, whether actual results and developments will conform with management's expectations is subject to a number of risks and uncertainties, including, uneconomic LME lead prices, treatment charges and/or exchange rates; the inability to meet or refinance our commitments to our current lenders; the inability to meet ongoing costs of care and maintenance and other working capital requirements; the inability to secure restart financing; lack of sufficient demand for our lead carbonate concentrate by an offtake party or other customers; and the inability to secure employees and contractors in a timely manner for a restart. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this news release. These risk factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which is current only as of the date of this news release. All subsequent forward-looking information attributable to LeadFX herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. LeadFX does not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this news release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

SOURCE [LeadFX Inc.](http://www.leadfxinc.com)

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