

TORONTO, Dec. 19, 2016 /CNW/ - LeadFX Inc. (the "Company" or "LeadFX") (TSX: LFX) today commented on a proposed farm-in and joint venture arrangement recently announced by Riva Resources Ltd. ("Riva") (ASX: RIR) (formerly, Dragon Energy Pty Ltd) relating to the exploration of cobalt, gold and copper on the Company's mining tenements that cover its Paroo Station Mine in Western Australia.

The Company's wholly-owned subsidiary, Rosslyn Hill Mining Pty Ltd ("RHM"), has entered into a non-binding memorandum of understanding ("MOU") with Riva relating to a farm-in and joint venture that would grant Riva the right to explore for cobalt, copper and gold on the Company's mining leases and exploration licenses at the Paroo Station Mine. Riva is a mining exploration company that holds pending exploration licenses on mining tenements adjacent to the Paroo Station Mine. Under the terms of the MOU, Riva may earn up to a 75% interest in any prospective cobalt, gold and/or copper mineral rights ("Mineral Rights") discovered on RHM's mining tenements by incurring exploration expenditures totaling AUD\$6 million over a 4-year period. Riva would also grant the Company reciprocal rights to explore for lead, zinc and silver minerals on Riva's neighbouring mining tenements on similar terms. Under the proposed terms, if Riva fails to meet required expenditures in the time required, it would forfeit all interest earned in the Mineral Rights. The parties anticipate a minimum exploration spend of AUD\$500,000 by Riva on RHM's tenements during the first year of the farm-in period. Upon reaching a 75% interest in the Mineral Rights, Riva and RHM would enter into a formal Joint Venture Agreement with respect to the Mineral Rights. LeadFX would maintain the exclusive right to mine lead at the Paroo Station Mine.

LeadFX's CEO, Rob Scargill, stated "This MOU opens up a new cobalt exploration opportunity in the short-term whilst we focus on our plans to restart the Paroo Station Mine, and longer-term gives LeadFX a larger potential target area for future lead-zinc discoveries adjacent to our existing operations."

The commencement of the farm-in arrangement with Riva remains subject to the negotiation of definitive documentation by the parties and the approval of the terms by LeadFX's board of directors and secured lender.

About Riva Resources Ltd.

Riva Resources Ltd. (ASX:RIR) (formerly, Dragon Energy Ltd) is an Australian Stock Exchange listed exploration company controlling a portfolio of tenements in Western Australia. Riva presently holds three mineral projects that comprise nine tenements and have exploration targets encompassing cobalt, gold, iron ore and base metals. In September 2016, Riva announced that it had entered into an agreement to acquire the Tabac Cobalt-Gold Project ("Tabac Project"). The Tabac Project consists of two exploration license applications covering a combined area of 111.5 km². The Tabac Project is located on the Goldfields Highway, 30km west of Wiluna, in the Northern Goldfields Region of Western Australia and sits adjacent to the Paroo Station Mine.

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.

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 the successful negotiation and execution of a Farm-In and Joint Venture Agreement with Riva on mutually acceptable terms, the proposed terms of the Farm-In and Joint Venture Agreement remaining as proposed in the MOU, the approval of the Farm-In Agreement by the Company's Board and secured lender, the fulfilment of exploration funding by Riva under the Farm-In Agreement as proposed, the possible discovery of cobalt, copper or gold or other minerals in the Company's mining tenements as a result of Riva's exploration activities, the entering into of a joint venture agreement with Riva in connection with such discoveries and the possible exploration of Riva's mining tenements for lead, silver or other minerals by RHM under a reciprocal farm-in agreement. 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, the inability of the parties to agree on the terms of a definitive farm-in and joint venture agreement, uneconomic metal prices (including cobalt, copper or gold), inability to secure any required approvals to conduct exploration or drilling work on the Company's tenements, inability to secure necessary contractors or personnel to conduct exploration activities, a material adverse change in Riva's financial condition of

Riva or inability to fund exploration expenditures, Riva's ability to secure drilling rights on its own pending exploration licenses or a decision to focus on exploration activities at other projects or at non-Company tenements, and unsatisfactory exploration or drilling results on the Company's mining tenements. There can be no assurance that any new metals will be discovered on the Company's tenements. 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.

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