

# Zinc One to Acquire Forrester Metals to Establish a Zinc Focused Exploration and Development Company

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Vancouver, February 1, 2017 - [Zinc One Resources Inc.](#) (TSXV: Z) ("Zinc One") and [Forrester Metals Inc.](#) (TSXV: VEM.H) ("Forrester") are pleased to announce that they have entered into a binding agreement (the "Agreement") whereby Zinc One has agreed to acquire all of the issued and outstanding common shares of Forrester (the "Transaction") and complete a private placement financing of \$10,000,000 (the "Private Placement Financing"). Zinc One's proposed acquisition of Forrester is based on a positive outlook for the zinc price and the attractiveness of the zinc assets contained in the Forrester portfolio.

Jim Walchuck, CEO of Zinc One, stated "We believe that this transaction is a tremendous step in moving Zinc One towards becoming a zinc producer. Although there are other quality assets in Forrester, it is the high-grade zinc Bongara and Charlotte Bongara properties which will become the flagship project of Zinc One. This is an exciting opportunity for Zinc One and all its shareholders."

Martin Walter, President of Forrester, commented, "Combining Forrester's projects with Zinc One's strong corporate finance team along with the proposed financing ensures further development at the Bongara Zinc Project and also offers Forrester shareholders a nice premium to the current share price."

## Details of the Arrangement

The Transaction will be effected by way of a court approved plan of arrangement under the Business Corporations Act (Ontario). Under the terms of the Agreement, each shareholder of Forrester will receive 1 common share of Zinc One ("Zinc One Share") for every 5.5 common shares of Forrester ("Forrester Shares"). Assuming completion, exercise of all convertible securities of Forrester and completion of the Debt Settlement (as defined below), Zinc One will issue a total of 30,855,273 Zinc One Shares to the shareholders of Forrester.

Based on a price of \$0.75 per Zinc One Share, being a volume weighted average price for the last seven trading days, the 5.5 to 1 conversion ratio represents an offer price of \$0.14 per Forrester Share, being a premium of 119% of Forrester's volume weighted average price for the period comprising the 30 trading days ended on January 30, 2017.

Following the completion of the Transaction and the Debt Settlement, Zinc One will have issued and outstanding shares of up to 87,630,513 Zinc One Shares.

All outstanding options, warrants and convertible debentures of Forrester will remain outstanding (if not exercised prior to closing of the Transaction) and will be adjusted to give effect to the Transaction in accordance with their respective terms or pursuant to the Agreement. Prior to closing of the Transaction, Forrester will be permitted to issue up to 27,040,000 Forrester Shares at a deemed price of \$0.125 per share to settle outstanding indebtedness of approximately \$3,380,000 (the "Debt Settlement").

Each company's Board of Directors unanimously approved the terms of the Transaction and recommends that their shareholders (if applicable) vote in favour of the Transaction.

The Transaction will require the approval by at least 66 2/3% of the votes cast on the special resolution by Forrester shareholders and, if required, Zinc One shareholders present in person or represented by proxy at the shareholder meetings.

The Transaction is subject to due diligence by each party, completion of the Private Placement Financing, shareholder approval, applicable regulatory and TSX Venture Exchange approvals and satisfaction of customary provisions. The Transaction is expected to close in the second quarter of 2017.

The Agreement includes customary deal protection provisions, including a break fee of \$1,000,000 payable by a breaching party, and a right to match and non-solicitation provision in favour of Zinc One.

## **Management Team and Board of Directors**

The parties anticipate that the management team and board of directors for Zinc One will remain unchanged. The management team will continue to be James Walchuck (CEO and President) and Natasha Tsai (Chief Financial Officer), and the board of directors will be James Walchuck, Greg Crowe, W. Barry Girling, Gunther Roehlig and a mutually agreed representative of the current Forrester board of directors.

## **Private Placement Financing**

In connection with the proposed Transaction, Zinc One plans to complete a non-brokered private placement financing of 16,666,667 units (each a "Unit") at a price of \$0.60 per Unit for gross proceeds of \$10,000,000 (the "Private Placement Financing"). Each Unit will consist of one Zinc One Share and one-half of one share purchase warrant (each a "Warrant"), with each whole Warrant entitling the holder to purchase one additional Zinc One Share at a price of \$0.90 per share for a period of 24 months from the date of issue.

Zinc One will also have an overallotment option, for a period of 30 days from closing of the Private Placement Financing, to offer an additional 15% of the number of Units at \$0.60 per Unit, solely to cover over-allotments, if any.

The proceeds from the private placement will be used for exploration on the high-grade zinc Bongara and Charlotte Bongara properties and for general working capital purposes.

## **About Bongara Zinc Mine and Charlotte Bongara Zinc Project**

The Bongara Zinc Mine zinc-oxide mineralization was discovered in 1974 and since then various companies have completed exploration programs across the area. The mineralization is concentrated along and proximal to a NW-trending anticlinal axis over approximately 2.5 kilometres. From the southeast edge of the project, the Mina Grande, Mina Chica and Bongarita mine areas were subject to sampling from pits and trenches as well as shallow drilling over a distance of approximately 1.2 kilometres. This zinc-oxide mineralization appears to continue to the northwest into an additional exploration area known as Campo Cielo, where pits and trenches have also exposed additional high grade, zinc-oxide mineralization in historical pits and trenches.

The adjacent Charlotte Bongara Zinc Project was explored by Solitario Resources in 1994. [ComInco Ltd.](#) later completed five drill holes for 592 metres within the property, two of which encountered near-surface, high grade zinc oxide mineralization. Between 2007 and 2011, Rio Cristal Zinc optioned the project and eventually drilled 95 drill holes for a total of 7,722 metres on the Cristal and Charlita prospects. Rio Cristal drill results included 29.5% Zn across 15.5 metres, 26.1% Zinc across 12.5 metres, 29.7% Zinc across 11.5 metres (the cited intervals are drill-intercept widths and true widths are unknown).

Neither Qualifying Persons nor each company has verified the data herein with samples.

## **About Zinc One Resources Inc.**

Zinc One is a Vancouver based company focused on the acquisition, exploration and development of prospective and advanced zinc projects. Zinc One believes in the current and future fundamentals of the zinc supply and demand scenario and the continued growing demand for zinc in global industrial uses.

## **About Forrester Metals Inc.**

Forrester Metals is a Canadian mining company focused on the exploration and development of Peru's mineral potential. Forrester has six projects including two zinc properties, Azulcocha West and the recently acquired Bongará Zinc Mine and the Charlotte Bongará Zinc Project.

The technical content of this news release has been reviewed and approved by James Walchuck, CEO and director of Zinc One, and Bill Williams, Director of Forrester, each a qualified person as defined by National Instrument 43-101.

## **For more information, please contact:**

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Martin Walter, President of Forrester  
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### **Forward-Looking Statements**

*Information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. Each of Zinc One and Forrester cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond their respective control. Such factors include, among other things: risks and uncertainties relating to each of Zinc One and Forrester's limited operating history, ability to complete the proposed Transaction (including obtaining all necessary shareholder and regulatory approvals), ability to close the Private Placement Financing and the need to comply with environmental and governmental regulations. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward looking information. Except as required under applicable securities legislation, neither Zinc One nor Forrester undertakes no obligation to publicly update or revise forward-looking information.*

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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