

TORONTO, Aug. 15, 2017 /CNW/ - LeadFX Inc. (the "Company" or "LeadFX") (TSX: LFX) is pleased to announce that the Board of Directors has issued 28,750,000 common share purchase warrants (the "Warrants") following the finalization of definitive documentation and receipt of regulatory approvals relating to the previously announced arm's-length transaction (the "Transaction") with InCoR Technologies Limited and InCoR Energy Materials Limited (together "InCoR").

Pursuant to the Transaction, among other things, (a) the Company has now issued the Warrants to InCoR, and (b) upon completion of a successful definitive feasibility study ("DFS") with respect to the initial development of a hydrometallurgical refinery at the Company's Paroo Station Mine, InCoR will sub-license the Technology (defined below) to LeadFX for no additional consideration pursuant to an agreed form of technology transfer agreement (the "Technology Transfer Agreement" and together with the Warrants, the "Definitive Agreements").

Warrants

The Warrants were issued pursuant to two warrant certificates and will be exercisable, for no additional cash consideration, on the following terms:

- (a) 80% of the Warrants (23,000,000 common shares) ("DFS Warrants") are to be exercisable only upon completion of a successful DFS and have an outside expiry date of August 14, 2019. The DFS will be deemed to be completed and successful if and only if it meets strict criteria and delivers a superior economic outcome for LeadFX, including (i) a demonstrable Paroo Station life of mine of no less than 10 years, and (ii) Paroo Station life of mine gross operating cash flows minus refinery capital expenditures of no less than US\$450 million; and
- (b) the remaining 20% of the Warrants (5,750,000 Common Shares) are to be exercisable only upon receipt of definitive environmental approvals by LeadFX to construct a hydrometallurgical refinery at Paroo Station and have an expiry date that is the earlier of (y) the date the DFS Warrants expire unexercised, and (z) March 20, 2027.

Technology Transfer Agreement

If the conditions precedent to the exercise of the DFS Warrants are satisfied and as consideration for the exercise of the DFS Warrants, InCoR shall execute the Technology Transfer Agreement with LeadFX in order to sub-license the Technology to LeadFX. The Technology is comprised of (i) an exclusive license from BASF SE ("BASF") related to patented hydrometallurgical technology for 'recovering lead from a mixed oxide material' (the "Oxide Technology") which is subject to a granted U.S. patent and pending applications in Australia, Canada, China, Europe, Japan and Mexico, and (ii) a license from the University of British Columbia related to patented hydrometallurgical technology for 'recovering lead from a lead material including lead sulphide' which is subject to a granted U.S. patent (the "Sulphide Technology" and together with the Oxide Technology, the "Technology"), both of which utilize methane sulfonic acid ("MSA") as a leaching agent. Under the terms of the Technology Transfer Agreement, LeadFX will receive an exclusive sub-license of the Technology from InCoR and shall be entitled to a further assignment of InCoR's rights in the Technology subject to meeting certain conditions relating to refinancing its current indebtedness and receipt of consent of an assignment from the technology owners. Following execution of the Technology Transfer Agreement, LeadFX will have certain rights and obligations with respect to the use of the Technology which will include, among other things, assuming successful application of the Technology to a future LeadFX hydrometallurgical refinery, payment of a technical services fee and payment of a 1% royalty on all the invoiced sales of MSA to a LeadFX facility. Once executed, the Technology Transfer Agreement will be effective until the last of the Technology patents expire, lapse, are abandoned or are held to be invalid subject to certain limited termination rights for InCoR, including failure to make a first commercial shipment using the Technology within 10 years, uncured material breach of conditions, or the bankruptcy or insolvency of the Company.

Assuming the full exercise of the Warrants and no additional issuances of common shares, InCoR would own approximately 42.9% of LeadFX's issued and outstanding common shares, expressed on a non-diluted basis.

DFS Update

The DFS is being prepared by SNC-Lavalin Australia Pty Ltd ("SNC-Lavalin"), at InCoR's cost, to apply the Oxide Technology to a hydrometallurgical refinery at the Paroo Station Mine. Management of the Company has been engaged in the past couple months with InCoR and SNC-Lavalin to assist completion of the DFS. As part of the work being performed for the DFS, a drill sampling program has been completed at the Paroo Station Mine to test the Oxide Technology on various ore types. With the drill sampling complete, InCoR expects to commence variability testing of the Oxide Technology on the various ore types by the end of August. InCoR anticipates that the DFS will be completed in the fourth quarter.

The Oxide Technology has the potential to transform the Paroo Station mine from a relatively short-life, moderate-risk lead concentrate operation to a longer-life, lower-cost, lower-risk lead metal producer. This, in turn, will provide a significant

production platform on which to build a world-class lead resources business through the application of the Technology at other mining projects and further development for application for other purposes including lead recycling. Until the DFS is complete, however, the Company cannot provide any assurances with respect to the outcomes of the DFS including whether the construction of a refinery at Paroo Station would be technically or economically feasible or would increase the mine life.

A copy of the Definitive Agreements will be filed with the Company's continuous disclosure documents on SEDAR at www.sedar.com.

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 continues to seek 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 include but is not limited to statements and information concerning: the timing and successful completion of the DFS, the timing and future benefits of the Transaction with InCoR, the anticipated benefits of the Technology at the Paroo Station mine, the possible extension of mine life from application of the Technology, the application of the Technology to future projects and strategic endeavors, the ability of InCoR to assign the Technology, the validity, maintenance or granting of the Technology patents, the timing of exercising the Warrants, the feasibility, cost and timing of constructing a hydrometallurgical refinery at the Paroo Station mine, the ability of the Company to re-pay or refinance its indebtedness, and final Toronto Stock Exchange approval. 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. 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 factors underlying management's assumptions, such as, the potential benefits from the Technology, the ability to deploy or prove up the Technology on a commercial scale, the ability of the owners of the Technology to prosecute and receive necessary patents, the timing, need and ability to raise any additional financing to deploy the Technology and construct a hydrometallurgical refinery, matters relating to regulatory compliance and approvals, the potential for shareholder dilution from the Warrants, presence of controlling shareholders, regulatory proceedings and litigation and general operating risks such as metal price volatility, exchange rates, the fact that the Company has a single producing mineral property, health and safety, environmental factors, mining risks, metallurgy, labour and employment regulations, government regulations, insurance, dependence on key personnel, constraints on cash distribution from Paroo Station, the nature of mineral exploration and development and common share price volatility. Additional factors and considerations are discussed in the Company's 2016 AIF and elsewhere in other documents filed from time to time by LeadFX with Canadian securities regulatory authorities and available on SEDAR at www.sedar.com. While LeadFX considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. These factors may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and there can be no assurance that the actual results or developments anticipated by management will be realized or, even if substantially realized, that they will have the expected results on the Company. Undue importance should not be placed on forward-looking information nor should reliance be placed upon this information as of any other date. Except as required by law, while it may elect to, LeadFX is under no obligation and does not undertake to update this information at any particular time.

SOURCE [LeadFX Inc.](#)

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