ZincX Announces Positive Preliminary Economic Assessment for the Cardiac Creek (Akie Property) Zinc-Lead-Silver Deposit

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Vancouver, British Columbia (FSCwire) - ZincX Resources Corp. (“ZincX” or “the Company&rdquo Venture Exchange: ZNX) is pleased to announce it has received positive and robust results from the recently commissi independent Preliminary Economic Assessment (“PEA”) for the 100% owned zinc-lead-silver Cardiac Cre deposit located on the Akie property in northeast British Columbia, Canada.

Economic Highlights:

- Estimated pre-tax $NPV_{7\%}$ of $649M ($401M after-tax)
- Estimated pre-tax 35% IRR (27% after-tax)
- Estimated pre-tax 2.6 year payback (3.2 year payback after-tax)
- PEA contemplates a 4,000 tonne per day underground mine and 3,000 tonne per day concentrator with an 18-ye life
- Total mine production of 25.8 million tonnes of which 19.7 million tonnes are processed
- Initial CAPEX (excluding contingency) estimated at $256.7M; total of $302.3M including $45.7M in contingency
- Payable metal production over life-of-mine is 3,268M lbs of zinc & 362M lbs of lead
- Average annual production of 178M lbs of payable zinc and 20M lbs of payable lead at an all-in operating cost of $102.38/tonne milled
- Total payable metal LOM is $3,960M; or $201/tonne milled
- Saleable zinc and lead concentrates with no penalty elements (clean concentrate)
- There are no net smelter royalties owed (0% NSR)
- Opportunities for continued refinement through additional studies including upgrading lead and silver recoveries a reducing operating costs
- The Cardiac Creek deposit remains open at depth with potential to increase mine life
- Akie and Kechika Regional combined offer district-scale potential for new discoveries

The PEA is considered preliminary in nature and includes mineral resources, including inferred mineral resources that a considered too speculative geologically to have the economic considerations applied to them that would enable them to categorized as mineral reserves. Mineral resources that are not mineral reserves have not yet demonstrated economic Due to the uncertainty that may be attached to mineral resources, it cannot be assumed that all or any part of a mineral will be upgraded to mineral reserves. Therefore, there is no certainty that the results concluded in the PEA will be realiz

“*The positive results outlined in the PEA demonstrate a robust, stand-alone base metal project with a large and potentially growing resource base, all-season access; good rail and road infrastructure and amenable to conventional m and milling practices common to similar projects. We are delighted with the strong results of the PEA and intend to now advance the project through feasibility, permitting and towards production. This project has significant exposure to zinc almost 10 to 1 zinc to lead ratio in payable metal production over life-of-mine.*

We have a strong competitive advantage that will appeal to mining and investment partners, including 100% ownership

NSR, long-term mineral tenure security, good stable jurisdiction, and strong First Nation community support. The PEA demonstrates low risk economics and well-established mining and milling techniques,” stated Mr. Peeyush Vars President and CEO.

Additional optimization studies are anticipated to improve the overall economics. Specific areas of advancement include

- Additional metallurgical variability testing to optimize metal recoveries and include silver as a payable
- Optimize dense media separation (DMS) circuit by using a coarser grind in future testing
- Investigate optimal grinding size to improve lead liberation
- Reduce reagent and collector dosages to reduce mill OPEX
- Continue discussions with rail companies to further reduce transportation costs to Trail smelter
- Exploration potential remains open at depth at the Cardiac Creek deposit and significant upside remains as highe seem to be improving with depth. Further drill testing is required to delineate the down-dip potential
- District-scale exploration potential exists over the 800 square kilometre highly prospective land package. Addition focused exploration is planned

PEA Results

The PEA was completed by JDS Energy & Mining Inc. (JDS) of Vancouver, British Columbia. JDS is widely known in th space for fit-for-purpose design and fundamentally sound technical engineering studies. All inputs are based on budge quotations, peer comparisons and JDS’ recent experience in projects of similar scope. All figures are quoted in C unless otherwise noted.

The PEA envisages a conventional underground mine and concentrator operation with a small environmental footprint measuring approximately 20 hectares in size upon startup, growing to approximately 35 hectares at closure. The mine produce an average production rate of 4,000 tonnes per day (tpd) principally from longhole stoping. Much of the waste the majority of the volume of mill tailings will be placed back underground as cemented backfill. The remainder of filtere will be stacked in a surface filtered tailings facility located near the mill.

The mine will have an 18-year life with potential to extend the life-of-mine (LOM) through resource expansion at depth. parameters for the PEA are summarized in the tables below.

The estimated pre-tax NPV7% is $649M, with a 35% IRR and 2.6 year payback; post-tax NPV7% is $401M, with a 27% 3.2 year payback.

Total payable LOM metal production is expected to be 3,268 million pounds of zinc and 362 million pounds of lead. Silv expected to be a payable due to relatively low head grade and anticipated smelter deductions. Future metallurgical wor continue to optimize the lead and zinc circuits to improve recoveries and potentially add silver as a payable metal.

The pre-production capital cost (CAPEX) is estimated at $256.7M, for a total of $302.3M including $45.7M contingency Sustaining capital is estimated at $302.7M, for a total of $315.6M including $12.9M contingency.

The total estimated capital cost over LOM, including closure costs but net of salvage value, is estimated at $559.4M; fo of $617.9M including $58.5M contingency. The majority of mine construction is expected to take approximately 24 mon

The average on-site all-in operating costs (OPEX) total $102.38 per tonne processed, which includes $38.13 per tonne for mining, $33.13 per tonne milled for milling, $2.87 per tonne milled for tailings and DMS rejects, and $16.33 per tonn for general and administrative (G&A).

The base case used metal prices are calculated from the 3 year trailing average coupled with two year forward projecti average price; and are: US$1.21/lb for zinc, US$1.00/lb for lead and US$16.95 for silver. A CDN$/US$ exchange rate c

was used. The NPV discount rate is 7%.

Table 1: Summary of Key Parameters

Parameter	Base Case	Spot Price[1]
Mine Life	18 years	
Mine Production Rate	4,000 tpd	
Plant Throughput (LOM average; after DMS)	3,000 tpd	
Tonnes Mined	25.8 Mt	
Mined Head Grades	7.6% Zn; 1.5% Pb; 13.08 g/t Ag	
Tonnes Milled	19.7 Mt	
Milled Head Grades (after DMS upgrade)	10.0% Zn; 1.9% Pb; 17.17 g/t Ag	
Total Payable Metal (LOM)	$3,960M	$4,888M
Total Operating Expenses (LOM)	$2,014M	$2,014M
Net (Pre-tax) Operating Income (LOM)	$1,946M	$2,874M
Net Pre-tax Cash Flow (LOM)	$1,328M	$2,257M
	$74M/year	$125M/year
Net After-tax Cash Flow (LOM)	$870M	$1,459M
	$48M/year	$81M/year
Pre-Tax $NPV_{7\%}$	$649M	$1,160M
Pre-Tax IRR	35%	52%
Pre-Tax Payback	2.6 years	1.8 years
After-Tax $NPV_{7\%}$	$401M	$727M
After-Tax IRR	27%	40%
After-Tax Payback	3.2 years	2.2 years

1. Spot prices at close of London Metal Exchange on June 15, 2018: US$1.42/lb Zn; US$1.08/lb Pb; US$16.95/oz Ag

Table 2: Summary of Capital Expenditures

Capital Costs	Initial ($M)	Sustaining ($M)	LOM Total ($M)
Mining	58.2	260.0	318.2
Site Development	7.5	0.7	8.2
Mineral Processing	78.8	11.8	90.6
Tailings Management			

5.0

8.3

13.3

On-Site Infrastructure	55.1	6.3	61.4
Off-Site Infrastructure	1.0	0.2	1.2
Project Indirects	28.0	5.1	33.2
Engineering and Project Management	17.4	1.5	18.8
Owner Costs	5.6	-	5.6
Closure	-	8.9	8.9
Total	256.7	302.7	559.4
Contingency	45.7	12.9	58.5
Total	302.3	315.6	617.9
$/Tonne mined	11.71	12.22	23.92

Table 3: Summary of Operating Costs

Average Operating Costs	Per tonne milled	LOM
Mining	$50.05*	$984.7M
Processing	$33.13	$651.7M
Tailings & DMS Rejects	$2.87	$56.5M
G&A	$16.33	$321.3M
All-in Total OPEX	$102.38	$2,014.1M

*38.13/tonne mined

Table 4: Summary of Payable Metal Production

Metal	Per annum (avg M lbs/yr)	LOM (M lbs)
Zinc	178	3,268
Lead	20	362
Total Payable Metal	$ LOM	$/tonne milled
	$3,960	$201

Table 5: Sensitivity Analysis

	-$0.10	Base Case	+$0.10
Zinc (US$/lb.)	US$1.11	US$1.21	US$1.31
Lead (US$/lb.)	US$0.90	US$1.00	US$1.10
Pre-tax			
$NPV_{7\%}$			

$389M

$649M

$908M

IRR	25%	35%	44%
Payback	3.5 years	2.6 years	2.1 years
Post-tax			
$NPV_{7\%}$	$234M	$401M	$567M
IRR	20%	27%	34%
Payback	4.1 years	3.2 years	2.7 years

Table 6: Exchange Rate Sensitivity Analysis

	-0.02	Base Case	+0.02
CDN$:US$	0.75	0.77	0.79
Pre-tax			
$NPV_{7\%}$	$718M	$649M	$583M
IRR	37%	35%	33%
Payback	2.5 years	2.6 years	2.8 years

Infrastructure

The Akie property is accessible year-round by a network of all-weather logging roads leading north from Mackenzie, BC expected that the Company will share in road maintenance expenses with other resource users including local forestry and mining companies. Mackenzie is connected to the BC provincial highway network via Highway 39 that branches of Highway 97. No road or bridge upgrades are anticipated and road maintenance costs are factored into the concentrate costs from site to Mackenzie.

Power will be generated onsite using liquefied natural gas (LNG) powered portable generators each with a 2,500 kW ca The connected load is estimated to be less than 18 megawatts.

A modular 250 person all-weather camp will be constructed and installed during the pre-production period, and will serv the construction and lifetime operation phases of the project.

JDS evaluated several concentration transportation options to deliver concentrate from the Akie project to either the Po Prince Rupert (for shipment overseas to an Asian smelter) or to the Trail Smelter located in southeastern BC and owne Teck Resources. Two options for each destination were evaluated for transporting zinc concentrate; these included truc entire distance from site to the final destination; or trucking from site to Mackenzie, BC, and then via rail from Mackenzi final destination. It is assumed that a rail load out facility at Mackenzie BC will be available for use.

After a careful assessment of cost it was determined that the most efficient transportation option for zinc is to truck haul concentrate from site to Mackenzie and load onto rail cars for delivery to the Trail smelter. Zinc concentrate will be initia shipped bulk in covered ore hauler trailers and then by covered gondola rail cars. The lead concentrate will be truck hau direct from site to the Trail smelter. Lead concentrate will be shipped in sealed bags or totes, inside 20’ shipping containers, which act as double containment as a safety precaution. The containers are limited to 20’ length due weight restrictions and because CN Rail does not have the ability to cost effectively handle and manage the 20’ containers, rail is not a viable option for the lead concentrate.

Mining & Processing

The PEA is based on a conventional underground mine similar to other operations in Canada. The deposit will be acces a main underground production haulage way with secondary ingress/egress provided by a secondary portal and a vent

surface. Stope spacing is estimated at 20 metres. Mining dilution is estimated at 15% with 95% recovery predicted.

Given the steep dip of the deposit (-75 degrees) the deposit is amenable to longitudinal longhole open stoping as the m method of underground mining. Underground mining equipment will include twin boom jumbos, longhole drills, LHD sco trams, haul trucks and support mobile equipment.

A concentrator with conventional milling and flotation is envisaged to be built on-site. The process plant contemplates 3 tonnes per day throughput and will include 3-stage crushing circuit, a DMS circuit and a grinding circuit using ball mills. Sequential zinc and lead flotation circuits will incorporate cleaning stages. The concentrate dewatering will use thickene pressure filters.

Recent metallurgical testwork conducted in 2017 and announced on the 9th of April, 2018 was utilized by the PEA. This indicates that marketable zinc and lead concentrates could be produced from the deposit with no deleterious substance penalty elements.

Knight Piésold Ltd. (KP), a consultant to JDS, developed the tailings, waste and water management plan for the PEA. K assessed tailings management technologies and potential storage locations to support the study. KP and JDS conclude the preferred waste management strategy is to store Potentially Acid Generating (PAG) waste rock and the bulk of the (approx. 70%) in mined-out underground stopes, based on the geochemical characteristics of the waste materials and for structural backfill. The remaining waste materials, including Non-Potentially Acid Generating (NPAG) waste rock, DM rejects and the balance of tailings not used for backfill (approx. 30%), will be stored on surface in a filtered tailings man facility (TMF), which allows the DMS reject and filtered tailings to be co-mingled into a single facility. A separate water management pond is included for managing process water and storm water runoff from the surface of the TMF.

Next Planned Steps:

The Company will be working closely with its mining consultants and advisors to plot a course forward for the most cost and efficient development of the Cardiac Creek deposit. The Company anticipates more detailed engineering assessme leading to a Pre-feasibility Study.

2018 Plans:

- Recently announced diamond drill program on the Akie property including drill targets on other known mineralised occurrences, including the Sitka showing and the North Lead Zone
- A satellite structural analysis will be completed on the northern portion of the Kechika Regional properties providin Company with seamless detailed structural analysis over its entire Akie and Kechika Regional claims holdings; representing 140 kilometres of highly prospective and thrust-repeated Gunsteel Formation, the known host rock f mineral occurrences and deposits in the Kechika Trough. Complete coverage will aid in target definition for future programs
- Continue examining cost effective means to conduct the planned and permitted 2-year underground drill program has been designed to carry out infill drilling on the Cardiac Creek deposit from close-spaced drill centres from an underground platform, enabling year-round drilling and advancement of the project towards a PFS level
- Continue baseline environmental studies to facilitate further permitting and advancement of the project

Qualified Persons

The PEA was led by JDS, an independent consulting firm, and will be incorporated into a National Instrument 43-101 (& 43-101”) technical report to be filed on SEDAR and the Company’s website within 45 days of this release

Various personnel at JDS or their sub-consultants are Qualified Persons and responsible for portions of this news relea are identified as follows: Michael Makarenko (P.Eng.) mining; Richard Goodwin (P.Eng.) mining; Richard Boehnke (P.E infrastructure/transportation; Kelly McLeod (P.Eng.) mill processing; and Jim Fogarty (P.Eng. - Knight Piésold) tailings a A full list of Qualified Persons contributing to the PEA will be summarized in the NI 43-101 technical report.

The Akie Zn-Pb-Ag Project

The 100% owned Akie property is situated within the Kechika Trough, the southernmost area of the regionally extensive Paleozoic Selwyn Basin and one of the most prolific sedimentary basins in the world for the occurrence of SEDEX zinc-lead-silver and stratiform barite deposits.

Drilling on the Akie property by ZincX Resources (formerly Canada Zinc Metals Corp) since 2005 has identified a signif body of baritic-zinc-lead SEDEX mineralization known as the Cardiac Creek deposit. The deposit is hosted by siliceous carbonaceous, fine grained clastic rocks of the Middle to Late Devonian Gunsteel Formation.

With additional drilling completed in 2017, the Company has updated the estimate of mineral resources at Cardiac Cree follows:

5% Zinc Cut-Off Grade					Contained Metal:		
Category	Tonnes (million)	Zn (%)	Pb (%)	Ag (g/t)	Zn (Blbs)	Pb (Blbs)	Ag (Moz)
Indicated	22.7	8.32	1.61	14.1	4.162	0.804	10.3
Inferred	7.5	7.04	1.24	12.0	1.169	0.205	2.9

In addition to the Akie Project, the Company owns 100% of eight of eleven large, contiguous property blocks that comp Kechika Regional Project including the advanced Mt. Alcock prospect. The Kechika Regional Project also includes the and Cirque East properties within which the Company maintains a significant 49% interest with partners Teck Resource (TSX: TECK.B) and Korea Zinc Co. Ltd. These properties collectively extend northwest from the Akie property for appro 140 kilometres covering the highly prospective Gunsteel Formation shale; the main host rock for known SEDEX zinc-le deposits in the Kechika Trough of northeastern British Columbia. These projects are located approximately 260 kilomet northwest of the town of Mackenzie, British Columbia, Canada.

Ken MacDonald P.Geo., Vice President of Exploration for the Company, is the designated Qualified Person as defined National Instrument 43-101 and is responsible for the technical information contained in this release.

The TSX Venture Exchange has neither approved nor disapproved the contents of this press release.

ON BEHALF OF THE BOARD OF DIRECTORS

ZINCX RESOURCES CORP.

“PEEYUSH VARSHNEY”

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PEEYUSH VARSHNEY, LL.B

CEO & CHAIRMAN

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