



NEWS RELEASE

FOR IMMEDIATE RELEASE

TSXV: ESR

ESREY ANNOUNCES RECEIPT OF ENVIRONMENTAL PERMIT AND INITIAL ZINC PRODUCTION

Vancouver, BC – February 1, 2018. Esrey Resources Ltd. (“Esrey” or the “Company”) is pleased to announce that it has achieved significant progress in the development of its first zinc production project in Macedonia.

Within the regulatory framework of the Ministry of Environment and Physical Planning of the Government of the Republic of Macedonia (“MOEPP”) approval, the Company is completing the commissioning of a processing plant to process 1,800 tonnes per annum (“tpa”) of Feed Material, as defined below. Coinciding with strengthening zinc prices, the Company has successfully produced zinc cathode from this recently constructed and permitted processing plant.

The Company is currently finalising a long term raw material supply (“Feed Supply”) agreement for 22,000tpa of high grade zinc (+23% zinc) bearing oxides (“Feed Material”). Additionally, the Company is evaluating further sites within Macedonia for the construction of a large scale processing plant to support rapid expansion.

Construction of modular zinc recovery plant

The Company has constructed a hydrometallurgical zinc recovery plant with a processing capacity of 1,800tpa and is in the final stages of de-bottlenecking it to achieve installed capacity. The plant was built at a cost of approximately US\$2.5 million over the last six months and has validated its modular design. In parallel with the plant construction, the Company has built and commissioned a fully equipped laboratory to enable the fast and accurate turn-around of plant samples to support ongoing optimisation.

Supply agreements

Esrey is finalising a Feed Supply agreement to provide the Company with a stable raw material source of up to 22,000tpa of Feed Material in order to support its expansion plans. This agreement will have a 10-year term and will be extendable at the Company’s election for an additional 10 years. The Feed Material will be processed at the Company’s planned modular processing plant (as described below) and the recovered metals and other elements will be sold on the international market.

Environmental Permit

Within the regulatory framework of the MOEPP, the Company has received authority to process up to 15,000tpa of locally sourced and imported zinc bearing products. The Company observes compliance with the Basel Convention to transport and process such material as an end-user and in so doing, contributes to the overall mitigation of the environmental impact of current and historic production. Within the next two years of operation, the Company will permit and define the parameters of a large scale zinc production facility and transfer the existing plant to a suitable industrial site within Macedonia to accommodate the organic growth of a 45,000tpa production facility.

Future facility location

Under the current plans accepted by the MOEPP, the Company is currently designing the 15,000tpa modular processing plant and is investigating growth options to expand this plant to a design capacity of 45,000tpa. This 15,000tpa processing plant will be designed in such a manner that modular capacity increases can be achieved with minimal operational disruption.

In order to support the Company's growth plans of increasing capacity substantially from 15,000tpa, the Company is investigating a number of potentially suitable locations capable of rapidly providing the required infrastructure needed to support a 45,000tpa future operational capacity.

Financial statements for the year ended September 30, 2017

Further to the Company's press release dated January 29, 2018, the Company is pleased to report that it has filed its annual financial statements for the year ended September 30, 2017, including the related management discussion and analysis, and the CEO and CFO certifications. These documents can be found on www.sedar.com.

For more information, please contact:

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This press release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of Canadian securities laws. All statements other than statements of historical fact are forward-looking statements. Forward-looking information typically contains statements with words such as "anticipate", "believe", "plan", "continuous", "estimate", "expect", "may", "will", "project", "should", or similar words suggesting future outcomes.

Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on estimates and assumptions, and are subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking statements will not in fact be realized. Actual results will differ, and the difference may be material and

adverse to the Company and its shareholders. Risk factors affecting future results include, but are not limited to: financial risks, substantial capital requirements, government regulation, environmental risks, prices, markets and marketing, dependence on key personnel, uninsurable risks, management of growth, competition, issuance of debt, and variations in exchange rates.

Forward-looking statements are based on the Company's current beliefs as well as assumptions made by, and information currently available to, the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, the impact of increasing competition, the ability to obtain financing on acceptable terms, and the ability to add feed supply. Although management considers these assumptions to be reasonable based on information currently available, they may prove to be incorrect.

The forward-looking statements contained in this press release are made as of the date thereof and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.