



NEWS RELEASE

MARCH 22, 2021

## **SCOZINC ADDS LARGE GYPSUM MINERAL RESOURCE AND A POTENTIAL THIRD REVENUE STREAM TO THE SCOTIA MINE**

**Halifax, Nova Scotia, March 22, 2021** – ScoZinc Mining Ltd. (TSX-V: SZM) (“ScoZinc” or the “Company”) is pleased to announce the results of its 2021 Mineral Resource Estimate which includes a significant Gypsum mineral resource for the Scotia Mine.

The President and CEO, Mr. Mark Haywood, commented: *“The determination a large NI 43-101 Gypsum industrial mineral resource entirely within the ultimate pit design of the July 2020 Pre-Feasibility Study (“PFS”), now enables the Scotia Mine to potentially include a third revenue stream to the project’s already defined robust economic outlook.*

*“Our recent confirmation of ScoZinc’s Gypsum surface rights to the resource has led to a change in the designation of the Gypsum and the subsequent delineation of at least 5.1 million tonnes of Measured & Indicated high grade Gypsum.*

*“Combined with the Zinc and Lead revenue, it is expected that an update to the PFS with the Gypsum will further strengthen our view that the Scotia Mine has long been an overlooked near-term producer, capable of achieving sustained low-cost operations for a long period of time.”*

### **Highlights:**

- There is no change in the Zinc and Lead mineral resource numbers and methodology from the 2019 Mineral Resource Estimate (“**2019 MRE**”) on the Scotia Mine provided in the NI 43-101 Technical Report dated January 31, 2020.
- The 2021 Mineral Resource Estimate (“**2021 MRE**”) focuses solely on adding Gypsum mineral resources based on the same optimized pit shell, for demonstrating reasonable prospects of economic extraction as used in the 2019 MRE.
- Total Measured and Indicated Gypsum Mineral Resources of 5,180,000 tonnes at a Gypsum grade of 91.8%.
- Total Inferred Gypsum Mineral Resources of 790,000 tonnes at a Gypsum grade of 91.2%.

### **Other Comments:**

- ScoZinc plans to complete an updated technical report, which will include the Gypsum as a mineral reserve estimate in accordance with NI 43-101 guidelines, to further demonstrate the open-pit potential of the deposit and expected improved project economics with the Gypsum mineral resources included as a by-product;
- A NI 43-101 Technical Report for the 2021 MRE is being prepared by MineTech International Limited (“MineTech”), to be filed, within 45 days of this news release, on [www.sedar.com](http://www.sedar.com) under ScoZinc’s profile; and,
- A ‘Gypsum and Its Uses’ information webpage has been added to ScoZinc’s website for interested parties to better understand how our Scotia Mine’s Gypsum may be used, its strategic location and close proximity to the world’s largest open-pit gypsum mine at East Milford, Nova Scotia, which is owned by one of the largest Gypsum producers – National Gypsum Company. Please access the webpage via our website at <https://www.scozinc.com/gypsum-uses>.

## Mineral Resource Statement

**Table 1: Scotia Mine 2021 Mineral Resource Estimation, March 22, 2021 – MineTech International Limited**

| Classification                          | Zone         | Tonnage<br>(kt) | Zn<br>(%)   | Pb<br>(%)   | ZnEq<br>(%) | Gypsum<br>Tonnage<br>(kt) | Gypsum<br>(%) |
|-----------------------------------------|--------------|-----------------|-------------|-------------|-------------|---------------------------|---------------|
| <b>Measured</b>                         | Getty        | 60              | 1.38        | 1.25        | 2.58        | 0                         | 0             |
|                                         | Main         | 4,130           | 2.57        | 1.30        | 3.81        | 1,310                     | 93.0          |
|                                         | North East   | 130             | 3.18        | 1.88        | 4.98        | 220                       | 91.9          |
|                                         | <b>Total</b> | <b>4,320</b>    | <b>2.57</b> | <b>1.32</b> | <b>3.83</b> | <b>1,530</b>              | <b>92.8</b>   |
| <b>Indicated</b>                        | Getty        | 8,090           | 1.24        | 0.81        | 2.02        | 0                         | 0             |
|                                         | Getty South  | 840             | 1.58        | 0.25        | 1.82        | 0                         | 0             |
|                                         | Main         | 9,870           | 1.92        | 1.01        | 2.89        | 2,500                     | 92.7          |
|                                         | North East   | 2,330           | 2.88        | 1.15        | 3.98        | 1,150                     | 88.7          |
|                                         | <b>Total</b> | <b>21,130</b>   | <b>1.75</b> | <b>0.92</b> | <b>2.64</b> | <b>3,650</b>              | <b>91.4</b>   |
| <b>Measured<br/>&amp;<br/>Indicated</b> | Getty        | 8,150           | 1.24        | 0.82        | 2.03        | 0                         | 0             |
|                                         | Getty South  | 840             | 1.58        | 0.25        | 1.82        | 0                         | 0             |
|                                         | Main         | 14,000          | 2.11        | 1.09        | 3.16        | 3,810                     | 92.8          |
|                                         | North East   | 2,460           | 2.89        | 1.19        | 4.04        | 1,370                     | 89.2          |
|                                         | <b>Total</b> | <b>25,450</b>   | <b>1.89</b> | <b>0.99</b> | <b>2.84</b> | <b>5,180</b>              | <b>91.8</b>   |
| <b>Indicated</b>                        | Getty        | 950             | 1.35        | 0.54        | 1.87        | 0                         | 0             |
|                                         | Getty South  | 770             | 1.53        | 0.25        | 1.77        | 0                         | 0             |
|                                         | Main         | 2,980           | 1.49        | 0.79        | 2.25        | 250                       | 92.2          |
|                                         | North East   | 310             | 2.01        | 0.74        | 2.72        | 540                       | 90.7          |
|                                         | <b>Total</b> | <b>5,010</b>    | <b>1.50</b> | <b>0.66</b> | <b>2.13</b> | <b>790</b>                | <b>91.2</b>   |

Source: MineTech 2021

- *Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that any part of the Mineral Resources estimated will be converted into Mineral Reserves;*
- *Determination of reasonable prospects of eventual economic extraction was based on assumed prices for Zinc of US\$1.35/lb, and for Lead of US\$1.14/lb, a Zinc recovery of 86% and a Lead recovery of 93%, mining and processing costs varying by zone, and pit slopes of 45 degrees in rock and 22 degrees in overburden;*
- *Near surface resources are reported based on a Zinc equivalent (“ZnEq”) grade of 0.90% and a Gypsum grade of 80%. The ZnEq grade incorporates Zinc and Lead sales costs of US\$0.19/lb and US\$0.11/lb respectively, and a 2% royalty to the Government of Nova Scotia; and,*
- *Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding.*

**Table 2: Near Surface Optimization Parameters  
(costs are C\$, unless otherwise noted)**

|                                        |             |
|----------------------------------------|-------------|
| <b>Mining Costs</b>                    |             |
| Mineralized Material                   | \$3.27/t    |
| Gypsum                                 | \$2.52/t    |
| Quartzite                              | \$2.30/t    |
| Carbonate                              | \$3.09/t    |
| Overburden                             | \$1.74/t    |
| <b>Mining Recovery</b>                 | 95%         |
| <b>Mining Dilution</b>                 | 5%          |
| <b>Pit Slope Rock</b>                  | 45 degrees  |
| <b>Pit Slope OB</b>                    | 22 degrees  |
| <b>Processing Cost (incl. G&amp;A)</b> | \$19.11/t   |
| <b>Zn Recovery</b>                     | 86%         |
| <b>Pb Recovery</b>                     | 93%         |
| <b>Zn Price</b>                        | US\$1.35/lb |
| <b>Pb Price</b>                        | US\$1.14/lb |

#### **Notes Regarding the 2021 Mineral Resource Estimate**

- The only change in the 2021 MRE from the 2019 MRE was the addition of a Gypsum resource tonnage and grade. Previous mineral resource estimates have designated the Gypsum tonnage as waste rock.
- The independent qualified person for the 2021 MRE, as defined by National Instrument (“NI”) 43-101 guidelines, is Patrick Hannon, M.A.Sc., P.Eng., of MineTech International Limited. The effective date of the 2021 MRE is March 22, 2021.
- These Gypsum mineral resources are not mineral reserves as they do not have demonstrated economic viability.
- Near surface mineral resources must have reasonable prospects for eventual economic extraction. The constraining pit shells were developed using overall pit slopes of 45 degrees in bedrock and 22 degrees in overburden and associated trench material. Lead and Zinc grades were used to calculate the pit shell. Gypsum waste rock constrained inside this pit shell was considered for conversion to Gypsum mineral resources. No Gypsum outside this pit shell was included or considered in the calculation of the Gypsum resource, nor did it have any influence on the size and shape of the pit shell.
- The 2019 MRE was prepared using GEOVIA GEMS 6.8.2 and is based on 1,831 surface and underground drill holes and 15,814 samples, of which 1,639 drill holes and a total of 14,581 assays were included in the modeled Zinc & Lead mineralization.
- The 2021 MRE has included an additional 59 Gypsum assays from 13 holes in the pre-existing database. The cut-off date for the drill hole database was December 31, 2020. The 2021 MRE was prepared using GEOVIA GEMS 6.8.2 and is based on 1,831 surface and underground drill holes and 15,873 samples, of which 1,639 drill holes and a total of 139 assays were included in the modeled Gypsum mineralization.
- The 2021 MRE encompasses a 3D solid (wireframe) of the Gypsum that is continuous across the Main and North East zones.
- No compositing was applied to the Gypsum assays as all the assays were 3m in length and deemed unnecessary.

- High-grade capping was not applied to the Gypsum assay data prior to compositing to 1.5m composites generated within the GRFM solid, as underground and open pit production history indicates that high grade outliers exist as real ore zones with reasonable continuity. A high-grade restriction was, however, applied during interpolation to constrain the influence of these samples, with thresholds for Zinc and Lead established on a per zone basis.
- A default density of 2.2 was used for the Gypsum and applied to all Gypsum blocks in the block model.
- Overall Gypsum tonnage was reduced by 10% as a contingency to account for karst Gypsum topography near the top of the Gypsum lithology unit.
- Grade model Gypsum resource estimation was calculated from drill hole data using Inverse Distance interpolation methods in a GEMS percent block model using blocks measuring 10 m x 10 m x 5 m in size.
- Zinc equivalency percentages are calculated using long term metal prices, operational metal recoveries, and offsite costs calculated using concentrate grades, transport costs, smelter payable metals and charges.
- The estimate is reported using a ZnEq cut-off of 0.90% for Zinc & Lead open-pit resources. The optimized resource pit was generated using the following parameters (amongst others): Zinc price = US\$1.35/lb; Lead price = US\$1.14/lb; CAD: USD exchange rate = 1.30.
- The Gypsum resource portion of the 2021 MRE has been categorized in Measured, Indicated and Inferred categories, based on a geometric approach with respect to hole spacing, as follows:
  - Measured – considers two holes within 50 metre radii. Search ellipse must have at least two of eight octants populated with data.
  - Indicated – considers two holes within 150 metre radii.
  - Inferred – all other blocks estimated in the mineralized zone.
- The pit optimization to develop the resource constraining pit shell was done using GEOVIA WHITTLE 4.7.2.
- Calculations used metric units (metre, tonne). Metal contents are presented in percent or pounds. Gypsum grade is presented as percentage (%). CIM definitions and guidelines for Mineral Resource Estimates have been followed.
- The Qualified Persons are not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues, or any other relevant issues that could materially affect this 2021 MRE.

**Table 3: Abbreviations**

|             |                                           |
|-------------|-------------------------------------------|
| MRE         | Mineral Resource Estimation               |
| CIM         | Canadian Institute of Mining & Metallurgy |
| GEOVIA      | Mine Modelling Software                   |
| CAD or C\$  | Canadian Dollar                           |
| USD or US\$ | United States Dollar                      |
| GRFM        | Gays River Formation                      |

## Qualified Persons

- Patrick Hannon M.A.Sc., P.Eng of MineTech International Limited is responsible for, and has reviewed and approved, the 2021 MRE and the updated 2019 MRE numbers presented in this news release.
- Jason Baker P.Eng of ScoZinc Limited, and Mark Haywood B.Eng (Mining Engineering) Hons, LL.B of ScoZinc Mining Ltd. are responsible for, and have reviewed and approved, the scientific and technical content of this news release.

## **About ScoZinc Mining Ltd.**

ScoZinc is a Canadian exploration and mining company that has full ownership of the Scotia Mine and related facilities near Halifax, Nova Scotia. ScoZinc also holds several prospective exploration licenses nearby its Scotia Mine and in surrounding regions of Nova Scotia.

The Company's common shares are traded on the TSX Venture Exchange under the symbol "SZM".

For more information, please contact:

|                |                                     |
|----------------|-------------------------------------|
| Mark Haywood   | President & Chief Executive Officer |
| Robert Suttie  | Chief Financial Officer             |
| Simion Candrea | VP Investor Relations               |

|             |                                                                                  |
|-------------|----------------------------------------------------------------------------------|
| Head Office | Purdy's Wharf, 1959 Upper Water Street, Suite 1301, Nova Scotia, B3J 3N2, Canada |
| Telephone   | +1 (902) 482 4481                                                                |
| Facsimile   | +1 (902) 422 2388                                                                |
| Email & Web | info@ScoZinc.com & www.ScoZinc.com                                               |

The Company's corporate filings and technical reports can be viewed on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Further information on ScoZinc is also available on Facebook at [www.facebook.com/ScoZinc](http://www.facebook.com/ScoZinc), Twitter at [www.twitter.com/ScoZincMining](http://www.twitter.com/ScoZincMining), and LinkedIn at [www.linkedin.com/company/scozinc-mining-ltd](http://www.linkedin.com/company/scozinc-mining-ltd).

## **CAUTIONARY STATEMENTS**

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This news release includes certain forward-looking statements which are not comprised of historical facts. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to the Company, the Company provides no assurance that actual results will meet management's expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, the Company's objectives, goals or future plans, statements, potential mineralization, exploration and development results, the estimation of mineral resources, exploration and mine development plans, timing of the commencement of operations and estimates of market conditions. There can be no assurance that forward-looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from ScoZinc's expectations include, among others, the degree to which mineral resource and reserve estimates are reflective of actual mineral resources and reserves, the degree to which factors which would make a mineral deposit commercially viable are present, the price of zinc and lead, uncertainties relating to availability and costs of financing needed in the future, changes in equity markets, risks related to international operations, the actual results of current exploration activities, delays in the development of projects, conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as future prices of metals, ability to predict or counteract potential impact of COVID-19 coronavirus on factors relevant to the Company's business, as well as those factors discussed in the section entitled "Risk Factors" in ScoZinc's management's discussion and analysis of the Company's financial statements for the period ended September 30, 2020. Although ScoZinc has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

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