

# Deveron Resources officially enters the graphite and zinc market with targeted acquisition

☒ Deveron Resources Ltd. ('Deveron', TSXV: DVR), a diversified mineral exploration company (whose majority – 65.8% – shareholder is Greencastle Resources Ltd., 'Greencastle') has announced a new zinc and graphite discovery in Ontario related to a Greencastle Resources (TSXV: VGN) property – Rockstone – near Thunder Bay, Ontario. Deveron will earn a 60% interest in the property over a three year period while retaining an option to acquire 100% interest by incurring all expenditures required to produce a bankable feasibility study, subject to Greencastle retaining a 3% net smelter return royalty.

Greencastle started drilling at Rockstone in 2012, revealing several geophysical anomalies over an area of some 270 square kilometres. Earlier geochemical exploration work in the general area identified outlined broad areas which are anomalous in zinc sulphides. Deveron has already started to re-evaluate various conductive features identified during Greencastle's 2012 campaign for further exploration, given strong evidence of a substantial base metal resource, including a distal copper zone, and it intends to drill test some nearby conductive anomalies and targets. The new exploration phase will evaluate both the base metal and the graphite potential at the property, given evidence of high grade zinc, copper and graphite.

In this time of drastic decline in mining investment, the few mining companies that are willing to invest to make significant discoveries stand to benefit in the end. The

evidence from Rockstone suggests the presence of a deposit with good levels of zinc, copper and graphite. The question is how large the volumes are: if so, the mining operations will be relatively easy, given the good infrastructure, which facilitates operations. As for zinc, this is one of the few raw material to benefit from rising prices: zinc has been facing a production deficit, which is expected to last for the next few years. The largest zinc mines currently operating worldwide are old and many have 'fizzled out', forced to shut down in Canada (Glencore for instance, which has also stopped  
Zambian zinc production due to conflicts with tax authorities in Lusaka).

Important zinc mines in Australia (the huge Century mine) or in Ireland (Vedanta) are slated for closure. No significant start up zinc deposits are planned in West Africa (where Ebola has made havoc of many mining operations) is programmed and zinc production is expected to decline in Peru. Zinc production has increased in India, Mexico and China, but the production grades are low and supply for 2015 is generally expected to be below demand. The zinc evidence from Deveron's Property suggests that the grades are high, given that northern Ontario has shown potential to yield zinc grades in the order of 6-8%. Zinc demand is stagnant in Europe, predictably, but it is growing in the United States and in China, where despite the slowdown in construction, zinc is essential in galvanizing iron and steel for roofing and China is undergoing an important revolution (upgrades) in construction standards following the effects of an earthquake in 2013.

Chinese automakers have also had to increase their consumption of zinc sheets after several scandals prematurely rusty on some new vehicles. Oxides and zinc sulfates are also used in the manufacture of rubber and into sunscreens. Zinc prices have increased by 13%, reaching USD\$ 2400 dollars per ton and they are expected to exceed it next year. As for graphite, the

world is now engaged in the search to replace ever more expensive (even if abundant) oil. Graphite is one of the crucial materials to achieve this, because modern batteries and lightweight structures needed to develop more efficient modern electric vehicles, depend on it. Technical progress both creates and destroys demand for commodities. Meanwhile, such industrial giants as BMW and Samsung have announced the expansion of their battery supply contracts. Bloomberg spoke of a "billion deal." For the next few years Samsung will provide more lithium-ion cells for the BMW i3, the i8 and the plug-in hybrid vehicles. Tesla is still determined to build its battery GigaFactory. BMW and Tesla: just two of the giant automotive groups that have just started to build electric vehicles. Zenyatta Ventures (TSXV: ZEN) has already shown that Northern Ontario has surprisingly good grades and varieties of graphite to offer at its Albany deposit. There is good reason to believe that Deveron may find its own world-class deposit featuring the kind of grades and varieties that lend themselves well to battery and graphene production.