Discussions commenced with metal traders and smelters regarding offtake for Superior Lake Zinc Project

written by Raj Shah | May 31, 2022

HIGHLIGHTS

- **Discussions with multiple global metal traders and smelters have commenced regarding future offtake for the zinc and copper concentrates to be produced at the Superior Lake Project**
  - Forecasted annual production of 69,819t of Zn and 5,308t of Cu concentrate per annum.
- **Both the zinc and copper concentrates are of a high quality with favorable grades and minimal deleterious elements (Table 1 and Table 2)**
- **The Project has established transportation routes to North American and international smelters, giving the Project its unique location 30km from an operating rail terminal (Image 1)**
- **The market outlook for zinc is strong, due to declining production from existing primary zinc mines, and increased forecasts on long-term demand driven by decarbonization**

May 31, 2022 (Source) – **Metallum Resources Inc. (TSXV:MZN)** ("Metallum" or the "Company") is pleased to announce the commencement of discussions with multiple global metal traders regarding future offtake from the Company's Superior Lake Zinc and Copper Project ("Project") in Ontario, Canada.

Preliminary discussions with a number of these groups have

indicated a willingness to have offtake linked to additional funding solutions. An offtake related financing is typically in the form of mezzanine debt or concentrate pre-payments.



Image 1: Location of Zinc smelter in north America and transportation routes

The concentrate produced at Superior Lake can access smelters using existing rail and road infrastructure to North American smelters as well as smelters in Asia, using the Vancouver port. The Thunder Bay port, which is located 214km from the mine gate, will provide access to smelters in Europe. The Project’s unique location and access to the Canadian rail and highway network will provide access to Canadian port systems, both East and West

coasts, allowing easy access to major smelters around the globe.

Both the Zinc and Copper concentrates are well understood given the Project successfully operated for a decade before closing in 1998 due to sustained low zinc prices. This historical production as well as additional metallurgical test work carried out by SGS Lakefield in Canada (Superior Zinc and Copper Project Feasibility Study N.I. 43-101 compatible, DRA – October 2021), provides detailed information and certainty to these groups. Detailed information regarding the concentrate grades and quality can be found in Table 1 below.

Table 1: Historical Winston Lake Detailed Zinc Concentrate Specifications

Element	**% (LOM Average)**
Zn	54
Cu	0.6
Fe	11
Pb	0.01
S	32
Si02	0.5
Element	**ppm (LOM Average)**
Ag	40
As	<20
Al2O3	6500
Au	0.4
BaO	100
Bi	80
CaO	490
Cd	1,300

Cl	150
Cr	80
Co	100
F	300
Ge	20
Hg	5
In	330
MgO	1,900
Mn	1,500
Mo	<10
Ni	25
Sb	20
Se	310
Sn	180
Te	1

Table 1: Historical Winston Lake Detailed Copper Concentrate Specifications

Element	**Forecast LOM Average**
Cu	24
Zn	7.5
Fe	29
Pb	0.07
S	35
Si02	1.1
Element	**ppm (LOM Average)**
Ag	344
As	110

Al2O3	1,300
Au	12.9
BaO	270
Bi	230
CaO	570
Cd	180
Cl	70
Cr	100
Co	190
F	50
Ge	20
Hg	3
In	110
MgO	3,700
Mn	240
Mo	<10
Ni	80
Sb	50
Se	300
Sn	170
Te	5

Qualified Person

The news release has been reviewed and approved by Andrew Tims, P.Geo., Exploration Manager of the Company, and a Qualified Person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

ON BEHALF OF THE BOARD

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Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this news release constitute forward-looking statements within the meaning of Canadian securities legislation. All statements included herein, other than statements of historical fact, are forward-looking statements and include, without limitation, statements about the estimated economics of the Project, potential offtake related financing, and the Company's development plans for the Project. Often, but not always, these forward looking statements can be identified by the use of words such as "estimate", "estimates", "estimated", "potential", "open", "future", "assumed", "projected", "used", "detailed", "has been", "gain", "upgraded", "offset", "limited", "contained", "reflecting", "containing", "remaining", "to be", "periodically", or statements that events, "could" or "should" occur or be achieved and similar expressions, including negative variations.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by forward-looking statements. Such uncertainties and factors include, among others, the uncertainties inherent in the estimated economics of the

Project, and whether the Company will arrange any offtake related financing; whether exploration and development of the Company's properties will proceed as planned; changes in general economic conditions and financial markets; the Company or any joint venture partner not having the financial ability to meet its exploration and development goals; risks associated with the results of exploration and development activities, estimation of mineral resources and the geology, grade and continuity of mineral deposits; unanticipated costs and expenses; risks associated with COVID-19 including adverse impacts on the world economy, exploration and development efforts and the availability of personnel; and such other risks detailed from time to time in the Company's quarterly and annual filings with securities regulators and available under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Forward-looking statements contained herein are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to: the accuracy of the estimated economics of the Project; that the Company will arrange offtake related financing; that the Company's stated goals and planned exploration and development activities will be achieved; that there will be no material adverse change affecting the Company or its properties; and such other assumptions as set out herein. Forward-looking statements are made as of the date hereof and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that forward-looking statements

will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, investors should not place undue reliance on forward-looking statements.

ABOUT METALLUM RESOURCES

Metallum Resources (MZN.TSXV) owns 100% of the Superior Lake Zinc and Copper Project in Ontario, Canada. The Project ranks as the highest-grade zinc project in North America with a resource of 2.35 Mt at 17.9% Zn, 0.9% Cu, 0.4 g/t Au and 34 g/t Ag.

The Company completed a positive Feasibility Study that highlights the Project will rank in the lowest quartile of operating costs (C1 costs – C$0.44 / lb; AISC C$0.51 / lb). These low costs driven by the high grade of the Project drive robust economic returns. The majority of permits and licenses are in place allowing for a quick re-development following a Final investment Decision.

For further details about the Company and the Superior Project, please visit the Company's website at metallumzinc.com.

