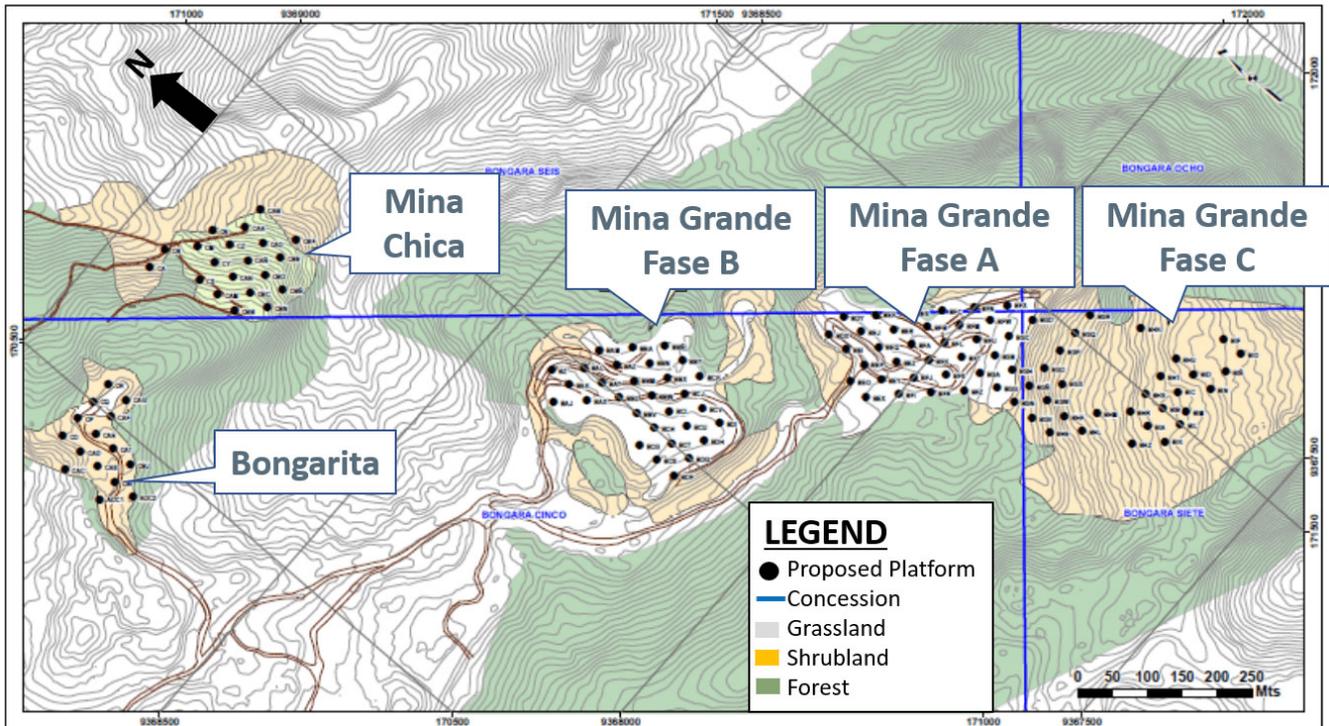


# Zinc One Targets Renewed Zinc Market

As much as one must never try to predict either end of a market trend, some juniors have a knack for it. Last month, the London Metal Exchange recorded a 10-year high of US\$3,308 per metric ton of zinc (US\$1.50 per pound), while stockpiles on both the LME and SHFE have slumped to some of their lowest levels since the financial crisis.

Just recently Zinc One Resources Inc. (TSXV: Z) (“Zinc One”) received approval from the Peruvian Ministry of Energy and Mines (MEM) to install 130 drill platforms at their high-grade Bongorá zinc deposit. The market requires new supply, and at times such as these, it’s first come first served.

Drilling is expected to commence this month and continue throughout the rainy season in order to define a compliant resource by 2Q18. The planned program now includes holes for previously excluded areas of Mina Chica, Bongarita and south eastern Mina Grande which previous sampling suggested were high-grade.



The mine gave up 358 metric tonnes of ore per day, from which a simple kiln treatment produced up to 70% zinc. Historic results can only offer so much confidence, but more recent surface channel samples included one result of 47.73% zinc over 8.1 metres, another yielded 25.65% zinc over 19.7 metres from a dolomite breccia, and 32.50% zinc over a 3.8-metre depth was found in an exploration pit. The go-ahead for the drill project is still important to properly delineate the resource and potentially expand it, but they don't come much more proven than Bongará.

The company obtained the prospective Bongará site via the acquisition of Forrester Metals back in June, secured along with a \$10 million private placement that was to fund exploration and development costs. The project was originally discovered in 1974 and briefly open-pit mined between 2007 and 2008, but only 37 acres were dug before the mine failed in late 2008 due to collapsing zinc prices.

The permits newly include areas in the southern extension of Mina Grande as well as the Bongarita and Mina Chica. This gives the technical team more increased confidence in the probability of being able to outline a resource at least as

good as the historical one. Zinc One has already hired Energold Drilling Corp., who, at the time of writing, are busy erecting the drilling camp. Quick movement on this project is essential if Zinc One are going to catch peak pricing and enjoy the benefits before the inevitable oversupply pushes prices back down.

I'd say they have a few years to get this project up and running, but they seem to have it covered. The company recently sold a Peruvian silver project to focus all attention on Bongará as a result of its outstanding potential given current market trends that favour technology and industry related sectors. Zinc demand is on the rise largely because the metal is increasingly finding itself in the technology and health sectors, as well as its conventional niches in brass making, as well as galvanizing and alloying steel.

More recently, it has been taken up by agriculture; the governments of China, India and Pakistan are adding zinc to fertilizer as a matter of policy since it is crucial to plant development, particularly in heavily-farmed areas. In addition, mine-closures have pushed zinc production to the point that long-held stockpiles are rapidly diminishing, resulting in the bullish price trend that began in late Spring and doesn't seem to be stopping anytime soon. Zinc One represents an opportunity to make a large margin on peak zinc pricing for a bargain price; shares have already jumped somewhat over the last eighteen months, but get them while they're still CAD\$0.44 and enjoy the next few years.

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# The Coming Zinc Storm

Over the next three years, demand for Zinc is set to spiral amid the closure of some of the world's largest mines. President Trump's continued plans to boost the construction of infrastructure, as well as limiting imports of the precursor materials for steelmaking, have only added to the need to source fresh supplies of the base metal in North America. Looking at the near future, 2020 onward is set to be the sharp edge of the Zinc spot price, and one particular company is eminently positioned to reach production at precisely that point.

Zinc One Resources Inc. (TSXV: Z) ("Zinc One") is a junior exploration and development company with a few serious aces up its sleeve. Earlier this year, the company acquired the assets of Forrester Metals, including the Bongara and adjacent Charlotte Bongara Zinc properties, two high-grade deposits that the previous owners failed to bring to consistent production due to the crashed out Zinc prices during the financial crisis. Now, amidst genuine recovery, Zinc One finds themselves in ownership of a spread of projects featuring a measured and indicated resource of over a million tonnes at an impressive grading of 21.61% Zinc.

The previous operator managed to mine only 148,400 tonnes of ore back in 2007 and 2008 before being forced to cease operations due to falling prices, leaving plenty of paydirt for the new guys. Furthermore, with an additional 200,000+ tonnes of inferred resource remaining to be proven, as well as the inclusion of the Azulcocha West project in the Forrester portfolio, these Peru-based assets are an irresistible option for the coming Zinc storm.

Spot prices have risen from \$1,869 in May 2016 to \$2,590 in May this year due to increased demand from China coupled with the aforementioned major mine closures. While Zinc has

traditionally been used to galvanize steel and manufacture alloys, its applications are steadily increasing; the metal is now used prominently in the health, battery and agricultural sectors, with the governments of China, Pakistan and India all beginning to adopt the addition of Zinc to fertilizers as a matter of national policy.

These factors combined mean that many smelters have been forced out of business while competing for concentrates that are in decreasing supply, putting miners and explorers in an extremely privileged position. While the long-term outlook is still unclear, we are looking at the highest prices for Zinc from 2020 onward, and Zinc One estimate that they will hit production in as little as 30 months. The acquisition of the Forrester portfolio obviously sent the company's stocks through the roof, but this is nothing compared to the value that will be created by becoming a fully-producing mine at exactly the right time; something which every junior hopes to be, but very few actually achieve.

The resources are near-surface and are suitable for simple metallurgical refinement processes, keeping operational costs to a tidy minimum. With the ongoing support of investors, Zinc One's experienced management team are a personal favourite to enter the Zinc supply chain. The company's assets are all located in jurisdictions with long mining histories and strong associated infrastructure, and their aggressive expansion into these zones mirrors the bullish confidence in the Zinc market's next few years.

The company should complete an updated resource estimate by year end 2017, and have a finished PEA by early 2018, leaving them free to submit operational permits soon thereafter. Equity investors impatient for serious economic recovery would do very well indeed to place a bet on good old-fashioned Zinc.