

## ScoZinc Announces Corporate Changes and Closing of the First Tranche of a \$1,000,000 Private Placement

COOKS BROOK, Nova Scotia, Aug. 21, 2019 -- ScoZinc Mining Ltd. (TSX-V: SZM) ("ScoZinc" or the "Company") is pleased to announce that Mr. Ashwath Mehra has joined the Board of Directors and Mr. Mark Haywood has been appointed the President and Chief Executive Officer of the Company, both effective August 20, 2019.

On behalf of the Board of Directors, the Chairman of the Board, Mr. Victor Lazarovici stated that "We are very pleased to welcome Mr. Ashwath Mehra as an independent director, and Mr. Mark Haywood as our new President and Chief Executive Officer. Both gentlemen bring considerable operations and financing experience to ScoZinc, and Mr. Mehra is also a significant shareholder of the Company. We would also like to thank Mr. Joe Ringwald for his many years of diligent service to ScoZinc during often difficult times."

The new President and CEO, Mr. Mark Haywood, stated that "After completing an extensive due diligence on the Company and its Nova Scotia Mine, I am of the view that ScoZinc is highly undervalued in the market place with a market capitalization of just under C\$2.5 million. With its large fully permitted mine and mill (currently on care and maintenance) in a strategic position just a short distance from Halifax International Airport and an all season international port facility, a recent positive Preliminary Economic Study, and nearby exploration prospects for potential high-grade mill feed, we believe that the development and implementation of certain initiatives will significantly improve the Company's outlook. I would also like to thank Joe for his transition assistance, and I am pleased that he has also agreed to continue to support the Company as a shareholder and an advisor to new management."

In addition, the Company has completed the first tranche ("First Tranche") of a non-brokered private placement for the gross proceeds of C\$1,000,000 (the "Offering") as previously announced on August 14, 2019 and August 16, 2019. The Offering is being conducted through the sale of 2,500,000 units of the Company ("Units") at a price of C\$0.40 per Unit, where each Unit consists of one common share ("Common Share") and one Common Share purchase warrant (each a "Warrant"). Each full Warrant is exercisable at a price of C\$0.55 per Common Share for 24 months following the closing of the Offering. Holders of Warrants are restricted from exercising any number of Warrants that will cause the holder to own such number of Common Shares that will equal or exceed 20% of the then issued and outstanding Common Shares. The Company has the option to increase the size of the Offering by an additional C\$300,000.

The Offering is subject to the final approval of the TSX Venture Exchange. The securities issued pursuant to the Offering are subject to a four month and one-day statutory hold period.

The First Tranche consisted of the sale of 1,250,000 Units to a corporate subscriber controlled by Mr. Ashwath Mehra and to a trust controlled by Wildville Enterprises Pty Ltd. The Company has received C\$320,000 in gross proceeds from the First Tranche with the balance of the gross proceeds, being C\$180,000, held in escrow until the TSX Venture Exchange clears the personal information forms of Mr. Mehra and of the control person of Wildville Enterprises Pty Ltd., who, upon the completion of the First Tranche, and subject to the clearance of the personal information forms by the TSX Venture Exchange, have become insiders of the Company.

Pursuant to the Company's Stock Option Plan, the Board of Directors has granted Mr. Mehra 11,000 Stock Options at an exercise price of C\$0.45 each, and also granted Mr. Haywood 114,000 Stock Options as follows: 14,000 Options at an exercise price of C\$0.45 each, 50,000 Options at an exercise price of C\$0.60 each, and 50,000 Options at an exercise price of C\$0.75 each. All Options are fully vesting with a term of 5 years.

For further background on Mr. Mehra and Mr. Haywood, their biographies are provided as follows:

Mr. Mehra is a senior executive and entrepreneur who has founded and managed numerous companies. He has close to 30 years of experience in mining and metals, including significant experience in debt and equity capital markets, and while maintaining a focus on mining, is a large investor in a spectrum of businesses spanning real estate to technology. Mr. Mehra commenced his career trading commodities with Philipp Brothers in London, England. From 1990 to 2000, he served as a Senior Partner at Glencore International AG (and its predecessor) where he ran the nickel and cobalt businesses and was responsible for establishing Glencore's operations in India. He also served as Chief Executive Officer of MRI Trading AG (formerly Marc Rich + Co Investment AG) from 2001 to 2011 and was its Co-Owner, and successfully sold the firm in 2011. Mr. Mehra holds a BSc Philosophy and Economics from the London School of Economics and Political Science.

Mr. Haywood has over 25 years of mining industry experience and holds degrees in both Mining Engineering and Law. Mr. Haywood has held progressive career positions with Anglo Gold Ashanti, Goldfields, IAMGold, Ivanhoe, BHP and Placer Pacific at various open-pit and underground mining operations around the world, including leadership positions of Chief Mining Engineer, Mine Manager, and General Manager. He has also been a consultant mining engineer on the successful feasibility of the large Century Zinc Mine (Zn/Pb/Ag) in Australia. Mr. Haywood has recently held President & CEO and directorship positions with a number of public and private Canadian corporations (TSX and TSX.V), including the President & CEO of Calvista Gold Corporation (TSX.V: CVZ) where he was responsible for developing and executing strategies which grew the value of the company within 9 months from a C\$16 million market capitalization to a realized value of over C\$80 million when he arranged and completed the company's sale.

Please note that, until further notice, the Company's website at [www.scozinc.com](http://www.scozinc.com) is now under re-construction. Information on the Company's filings can however be viewed on [www.sedar.com](http://www.sedar.com) in the meantime.

### Related Party Transaction

Mr. Ashwath Mehra, Director of the Company is an "insider" of the Company and participated in the Offering. The acquisition of 625,000 Units including 625,000 Common Shares and 625,000 Warrants by Mr. Mehra in connection with the Offering is considered a "related party transaction" pursuant to Multilateral Instrument 61-101- Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The

Company is relying on the exemption from minority shareholder approval requirements pursuant to sections 5.5(b) and 5.7(a) of MI 61-101, as the securities of the Company are not listed on enumerated stock exchanges, and the fair market value of the participation in the Offering by Mr. Mehra does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

### **Early Warning Reports**

Immediately prior to the First Tranche, each of Mr. Mehra and Wildville Enterprises Pty Ltd. held directly and indirectly 400,000 Common Shares and 200,000 Warrants or approximately 8.3% of the then 7,251,461 issued and outstanding Common Shares on the partially diluted basis. Following the First Tranche, each of Mr. Mehra and Wildville Enterprises Pty Ltd. held 1,025,000 Common Shares and 825,000 Warrants (a total of 1,850,000 Common Shares) or approximately 20.7% of the total number of issued and outstanding Common Shares on a partially diluted basis. The Common Shares were acquired by each Mr. Mehra and Wildville Enterprises Pty Ltd. for investment purposes, and depending on market and other conditions, each Mr. Mehra and Wildville Enterprises Pty Ltd. may from time to time in the future increase or decrease their respective ownership, control or direction over securities of the Company, through market transactions, private agreements, or otherwise. For the purposes of this notice, the address of Mr. Mehra is 82 Richmond Street East, Suite 200, Toronto, Ontario, M5C 1P1, and the address of Wildville Enterprises Pty Ltd. is 43 Wingadee Street, Coonamble, New South Wales, Australia 2829.

In satisfaction of the requirements of the National Instrument 62-104 - *Take-Over Bids And Issuer Bids* and National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, Early Warning reports respecting the acquisitions of Units by Mr. Mehra and by Wildville Enterprises Pty Ltd. will be filed under the Company's SEDAR Profile at [www.sedar.com](http://www.sedar.com).

### **About ScoZinc Mining Ltd.**

ScoZinc is an established Canadian exploration and development company that has full ownership of the ScoZinc Mine (Zn/Pb) and related facilities near Halifax, Nova Scotia. ScoZinc also holds several prospective exploration licenses nearby its Mine and in surrounding regions of Nova Scotia. The Mine is currently on care and maintenance, however the Company intends to restart operations as soon as possible. The Company's common shares are traded on the TSX Venture Exchange under the symbol "SZM".

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### **CAUTIONARY STATEMENTS**

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange ) accepts responsibility for the adequacy or accuracy of this news release.

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. In particular, the Company has not made a production decision with respect to the ScoZinc Mine. The Company has not completed a feasibility study or established the economic viability of the Project or proposed operations on the ScoZinc Mine, and no mineral reserves have been established for the ScoZinc Mine that would support a production decision. Mineral exploration projects which are put into production without first establishing mineral reserves and completing a feasibility study have historically had a higher risk of economic or technical failure. 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 ability of ScoZinc to receive the necessary regulatory approvals to complete the Offering, 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, as well as those factors discussed in the section entitled "Risk Factors" in ScoZinc's Management's Discussion and Analysis. 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.