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SCOZINC MINING LTD

SCOZINC DISCLOSES REPORT FOR THE INDEPENDENT PRELIMINARY ECONOMIC ASSESSMENT

Cooks Brook, Nova Scotia, February 5, 2018 – ScoZinc Mining Ltd. (**TSX-V: SZM**) ("**ScoZinc**" or the "**Company**") is pleased to announce that the report for the independent updated Preliminary Economic Assessment (PEA) on its wholly-owned ScoZinc Zinc-Lead Mine in Nova Scotia, Canada is available on SEDAR. The PEA, completed by Stantec Consulting, includes a more detailed mine plan, contract mining obtained by bidding to major Nova Scotia contractors, updated capital cost, and updated milling and other operating costs. The report shows robust economics for the restart of the permitted ScoZinc mine.

The highlights include:

After-Tax NPV (at 5%)	CAD $127.9 M
After-Tax NPV (at 8%)	CAD $107.7 M
After-Tax Internal Rate of Return	63.7%
Annual Average Earnings Before Interest, Taxes, Depreciation and Amortization for life-of-mine	CAD $31.1 M
C1 Cash Cost per pound of zinc for life-of-mine (after credits for lead)	USD $0.59
Total Cost of production per pound of zinc for life-of-mine (including operating, capital and sustaining costs after credits for lead)	USD $0.72
Payback of capital	1.9 years
Mill Processing Rate (tonnes per day)	2,600
Total operating cost per tonne milled for the life-of-mine	CAD $54.77
Total cost per tonne mined (all materials)	CAD $3.05
Restart Capital	CAD $26.9 M
Zinc Price	USD $1.25
Lead Price	USD $1.05
Exchange Rate (CAD to USD)	0.81
Total Payable Metal Produced for the life-of-mine (Million lbs)	Zinc: 323, Lead: 184

The full text of the report, to National Instrument 43-101 standards, is available at www.sedar.com.

Results of the study were disclosed in the Company's news release dated December 19, 2017 and have been revised based on optimization work to reduce the restart capital costs, finalized contractor costs negotiated over the last 3 weeks, finalized mine plan, and updated reclamation bond cost. The updated plan and costs resulted in the following changes: the after-tax internal rate of return reduced from 64.8% to 63.7%, the after-tax NPV at 8% went from $119.0 million to $107.7 million, restart capital reduced from $31.1 million to $26.9 million, C1 cost per pound of zinc increased from US$0.49 to US$0.59 due to increased concentrate quantities and the payback period remained unchanged. Metal price assumptions, exchange rate and mineral resources are unchanged.

Metal Prices and Economic Sensitivity

Base Case metal prices for this PEA have been set to life-of-mine values of USD $1.25 per pound for zinc and USD $1.05 per pound for lead.

The following table illustrates the impact on the operational plan with variations in zinc and lead prices, with lead price held constant at $1.15 as zinc price escalates. As common in such sensitivity analyses, the base assumptions are unchanged as metal prices are adjusted. The Base Case is highlighted.

Zinc/Lead Price USD $/lb	NPV Pre-Tax[1]		NPV After-Tax[1]		IRR %		Payback (Years)	Average Annual EBITDA
	NPV 5%	NPV 8%	NPV 5%	NPV 8%	Pre-Tax	After-Tax		
0.95/0.75	7.2M	-1.2M	7.2M	-1.2M	7.5%	7.5%	6.5	8.1M
1.05/0.85	58.1M	43.9M	51.1M	38.2M	25.8%	24.3%	5.0	15.8M
1.15/0.95	109.0M	89.1M	89.0M	72.7M	45.5%	42.7%	3.3	23.4M
1.25/1.05	**159.9M**	**134.2M**	**127.9M**	**107.7M**	**67.3%**	**63.7%**	**1.9**	**31.1M**
1.35/1.15	210.8M	179.4M	169.1M	144.6M	91.3%	87.9%	1.6	38.8M
1.45/1.15	243.4M	208.4M	197.0M	169.6M	109.2%	106.3%	1.4	43.7M
1.55/1.15	276.1M	237.5M	224.9M	194.7M	128.5%	126.1%	1.2	48.6M
1.65/1.15	308.8M	266.5M	251.3M	218.3M	149.1%	146.3%	1.1	53.5M
1.75/1.15	341.4M	295.6M	270.7M	235.6M	171.1%	164.3%	1.0	58.4M

[1] NPV in Canadian Dollars (CAD)

Refined Plan and Capital and Operating Costs

The capital and operating costs included in the PEA were derived by recent (November 2017) mining and drill and blast contractor tenders, updated costs from equipment and consumables suppliers, conservative parameters from historical mill and production records

The updated PEA, completed by Stantec Consulting, included the sequential development of two open pit operations on the Main and Northeast deposits based on a detailed monthly restart plan and production schedule for the first two years then quarterly for the subsequent two years and yearly thereafter. The pits are in close proximity to the existing mill and a small underground operation to extract high grade mineralization between the two pits that will be blended with the open pit feed beginning in Year 5 of the operation.

The zinc-lead mill feed will be processed in the existing ScoZinc mill by standard flotation methods to produce clean, high-grade zinc and lead concentrates. The economic evaluation is based on a mineral resource inventory from production records and the updated mineral resource technical report dated August 24, 2012 (see SEDAR filing dated August 24, 2012).

The ScoZinc mill has undergone significant refurbishment and improvements since ScoZinc assumed ownership of the property in June 2011. ScoZinc has undertaken more than CAD $10 million in engineering, definition drilling, permitting, mill and mine infrastructure refurbishment and surface rights acquisition. An additional approximate CAD $26.9 million is required for refurbishment and modernization to increase the mill throughput to 2,600 tonnes per day, pre-stripping of waste material in the Main pit, other start-up costs, and contingency.

Mining

The detailed mine plan and production schedule for the first two years on the Main pit was done on a monthly basis at an average production rate of 853,000 tonnes per year (or 2,600 tonnes per day) into the mill over an average of 328 operating days per year. The average waste to mineralized material ratio for the life-of-mine open pits is 12.0 to 1 (including pre-stripping). Approximately 63% of the waste is expected to be removed without blasting, including soils that will be used for reclamation. Open pit mine dilution and mining losses are assumed to be 7.5% and 5%, respectively. In-pit diluted mineral resources are 6,552,000 tonnes grading 3.06% zinc and 1.57% lead.

Metallurgy

The restart plan provides for modifications to the mill, including redesign and replacement of the crushing circuit, primary screen, thickeners and concentrate filters. Some of this equipment is on site and ready for installation. These modifications, together with improved plant availability, will allow average mill feed rates of 853,000 tonnes per annum or 2,600 tonnes per day. The projected feed grades for the life-of-mine average 3.06% zinc and 1.57% lead. The projected metallurgical performance, based on historical data, provides for a zinc concentrate grade of 57.0% zinc at 86.0% life-of-mine recovery and a lead concentrate grade of 71% lead at 85.7% life-of-mine recovery.

Metallurgical testwork is underway to investigate the potential benefit of using a SAG mill for the relatively soft ore that will be fed to the processing plant. A used SAG mill has been located and is being investigated for suitability.

Concentrate Marketing and Transport

Based on historical concentrate sales, ScoZinc concentrates are expected to be readily marketable, grading 57% and 71% for zinc and lead respectively, with no penalties. Previous concentrate shipments from the ScoZinc mine were shipped to Europe and Asia. ScoZinc has its own storage and concentrate loading facility at Sheet Harbour, approximately 80 kilometers from the mine, with a capacity of 8,500 tonnes, or 1.5 times the expected shipment size.

ScoZinc has received expressions of interest from a number of off-takers and is currently negotiating terms.

Infrastructure

The mine has ample grid power and water supply. Paved roads lead to the mine property and there is nearby access to rail.

Environment, Community Relations, and Permitting

ScoZinc operations have enjoyed strong support from local communities and the Nova Scotia government. Permitting of the Main pit and Southwest Expansion Area remains in place with the granting of a 10-year renewal to ScoZinc's Industrial Approval and an extension to the Environmental Assessment Approval, both in September 2017.

Staffing for the restart of operations will commence in early 2018. Senior personnel have been involved in the technical work to date and will assume critical positions for the operation. The mine is expected to employ approximately 75 by ScoZinc and approximately 80 contractor personnel during full operations. The neighbouring communities provide a good source of skilled workers and many former employees remain interested in re-joining operations at ScoZinc.

Project Opportunities

The current mine plan and economic model do not include the Getty Deposit located west of the Southwest Expansion. Definition drilling of the near surface portion of the Northeast deposit is expected to convert Inferred mineral resources into Measured and Indicated categories similar to the results achieved in 2012 on the Main deposit. An expansion of Measured and Indicated in-pit mineral resources is expected to favourably impact transition from the Northeast deposit to the Getty deposit in the latter years of the current mine plan. Addition of the Getty deposit and expanded mineral resources is expected to add more than 3 years to the current mine life.

The significant mineral claim holdings in close proximity to ScoZinc operations and the potential for district scale distribution of mineralization, provides a long term opportunity for the ScoZinc operation. Geophysical and geochemical surveys carried out on mineral claims from 2012 to 2016 have resulted in the identification of exploration targets with the potential to host economic mineralization

Qualified Persons

This news release has been reviewed and approved by Mr. Michael Romaniuk, the Senior Project Manager responsible for the study with Stantec Consulting, the engineering company that prepared the Preliminary Economic Assessment.

About ScoZinc Mining Ltd.

ScoZinc is an established Canadian-based zinc and lead exploration and development company that owns the ScoZinc Mine near Halifax, Nova Scotia. The Company has a strong working capital position and no debt. The Company has 3,951,045 common shares outstanding which are traded on the TSX Venture Exchange under the symbol "SZM".

For more information, please contact:

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Neither 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 release.

CAUTIONARY NOTES

The PEA is preliminary in nature and includes Inferred mineral resources that are considered too geologically speculative to be subject to economic considerations that would enable them to be categorized as mineral reserves. There is no certainty that the forecast results stated in the PEA will be realized. For a full description of known risks that could materially affect potential development of the ScoZinc zinc-lead project, see ScoZinc's Annual Information Form March 30, 2012 under the heading "Risk Factors" which are incorporated by reference herein and are available on www.sedar.com under the ScoZinc Resources profile. In addition, ScoZinc needs to raise approximately $30 million to fund the restart of the ScoZinc Mine.

The Company confirms that it has not made a production decision with respect to the Project. The Company has not completed a feasibility study or established the economic viability of the Project or proposed operations on the Project, and no mineral reserves have been established for the Project that would support a production decision. 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.

This News Release includes certain “forward-looking statements”. All statements other than statements of historical fact included in this release, including without limitation statements regarding the future plans and objectives of ScoZinc, are forward-looking statements that involve various risks and uncertainties. These forward-looking statements include, but are not limited to, statements with respect to information that is based on forecasts of future operational or financial results, estimates of amounts not yet determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking statements." Forward-looking statements are subject to a variety of risks and uncertainties that could cause actual events or results to differ from those reflected in the forward-looking statements.

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, risks related to international operations, the actual results of current exploration activities, 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.