Kazax Minerals Announces Upgrade in Mineral Resources Classification at the Lomonosovskoye Iron Project

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Feb 23, 2015) - **Kazax Minerals Inc. (TSX VENTURE:KZX)** ("**Kazax**" or the "**Company**") is pleased to announce that its independent Qualified Person (the "**QP**"), Mr. Andrew Vigar, has completed a revised mineral resource estimate ("**Updated Estimate**") for the Lomonosovskoye Project.

Executive Summary

The Updated Estimate confirms an increase in mineral resources on the Lomonosovskoye iron deposit (the "**Deposit**"), for which the Company has a contract for Development, Mining and Processing of iron through its 99.99%-owned Austrian subsidiary, Kazco Beteiligungs GmbH.

The Updated Estimate for the Deposit is based on an updated drill database. The new mineral resource estimate is as follows, using a cut-off grade of 20% iron (effective as of 31 October 2014) (*):

Classification	Mt	Fe %	Fem %	P %	S %
Measured	66.6	27.57	19.11	0.46	2.66
Indicated	441.2	30.24	20.25	0.19	3.05
Measured & Indicated	507.8	29.89	20.10	0.23	3.00
Inferred	78.1	30.38	20.33	0.08	3.69

Fem% - percentage of magnetic Fe in mineralization

The summary review of geology and resource models and estimates were conducted for purposes of the Updated Estimate by the QP. Mr. Vigar is a Fellow of The Australasian Institute of Mining and Metallurgy (Melbourne) and a Member of the Society of Economic Geologists (Denver).

Mr. Vigar has sufficient experience which is relevant to the iron style of mineralization and deposits under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC (2012) Code of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (Australia) and is a Qualified Person as defined in National Instrument 43-101 (Canada) ("**NI 43-101**").

Details of Updated Estimate

Location of Deposit

The Lomonosvskoye iron deposit is located in the northwest part of the Republic of Kazakhstan in the Kostanay Region, 618 kilometres northwest of the country's capital of Astana and 50 kilometres west-southwest of the regional capital of Kostanay. It is situated on the outskirts of the town of Rudny, 10 kilometres from the major iron ore mining and processing operation of the Sokolovsky-Sarbaisky Ore Mining and Processing Association (SSGPO), a subsidiary of Eurasian Natural Resources Corp. PLC (ENRC).

The area has industrial infrastructure (transportation routes, railway, sources of water, gas, and power supply) related to the iron ore mining at SSGPO, which has been conducted for more than 60 years, and this is expected to allow a reduction in capital expenditure and cost of development and operation of the Project.

Updated Estimate

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The previous mineral resource estimates included in the Company's technical report with an effective date of April 17, 2014 and filed on SEDAR in May 2014 (the "**April 2014 Report**") have been largely verified by the new estimates, with changes in tonnage and grade. Geological and geophysical data has been re-interpreted and assays from some previously un-sampled intervals in historical data have been added. New estimates are fully diluted for internal and edge mining dilution.

The Updated Estimate represents an increase in tonnage of six percent (6%) and an increase in contained iron of four percent (4%) in the measured and indicated mineral resource categories over the estimates included in the April 2014 Report. The most significant increase is in the inferred category, with the addition of 50 million tonnes (Mt) and an increase in grade from 28.4% to 30.4% Fe. The changes from the estimates in the April 2014 Report relate to increased confidence levels from additional drilling, as well as changes in the interpretation of mineralization geometry. This is particularly evident in the measured category, which incorporates part of the Central Deposit where the majority of new drilling has occurred.

Geology and Historic Drilling

The Deposit is confined to the Turgai belt of the regional Valerianovskoe magmatic arc in northern Kazakhstan that hosts world class magnetite deposits amounting to some 17 billion tonnes in aggregate reserves. The Lomonosovskoye Deposit and other magnetite deposits in the Valerianovksoe arc are generally referred to as iron skarn deposits.

The Deposit comprises two sites: the Northwest Deposit and Central Deposit, which differ in geological structure, genesis and composition. The Northwest Deposit contains strata bound magnetite mineralization along the contact between lower sedimentary (limestone) and upper volcanic-sedimentary (tuffite) members. Mineralization is enclosed by an envelope of garnet-pyroxene skarns and forms a single mineralization zone that can be traced over 1,200 m along strike in a southwest direction, and down dip to a depth of 1,600 m with an average thickness of about 100 m.

The Central Deposit has a complex multi-domain structure due to the widespread influence of diorite intrusions and faulting. Mineralization is defined by gradation in intensity from full skarn replacement to disseminated and partial replacement. Mineralized bodies are predominately of a seam-like and lenticular shape. The Central Deposit is more irregular that the Northwest Deposit, but mineralization is contained within an area that is traced along strike over 2,300 m and to a depth of 200 to 600 m in the north, and to 800 m in the south, although depth extent is poorly tested in most areas due to the complexity of the deposit. Both deposits are overlain by Mesozoic-Cainozoic sedimentary overburden units at an average thickness of 100 m.

Mineralized bodies at Lomonosovskoye consist of a gradation from massive magnetite to disseminated and/or vein magnetite. Massive mineralization is defined as being 50% or greater iron content.

The Deposit has been extensively explored. The total amount of drill holes completed on the property is 646 with a total length of 232,079.7 m. The majority of drilling at Lomonosovskoye is historical: 560 diamond drill holes are recorded in the database with a total length of 206,768.43 m drilled. Since Kazax acquired the project in 2009, a further 86 drill holes have been completed at 25,311.26 m length for the purposes of validation, extention of mineralization along strike and dip and also for geotechnical and hydrogeological investigations. The new drilling data confirmed the location and thickness of mineralized zones intersected by historical drilling and the tenor of mineralization in historic assays.

Quality Assurance / Quality Control

Sampling procedure in all data used for the resource estimate was checked and verified by the QP. Quality control on historical sampling was summarized in Dudina et al (1982) and comprised "internal control samples" (field duplicates) and "external control samples" (inter-laboratory cross check samples). For both types of control samples, insertion rates were about 1 in 20 routine samples (5%). Kazax adopted sample Quality Assurance/Quality Control ("**QAQC**") procedures, implemeted by the QP, for samples submitted in and after 2012 that included insertion of certified reference materials, blanks and field duplicate samples into the routine sample stream and inter-laboratory checks, (**) The QAQC results are considered satisfactory by the QP. (***)

Samples from Kazax drilling completed from 2012 onwards were prepared and analysed by ALS Global group laboratories in Kazakhstan and Russia. ALS laboratories operate a system of quality management and standard operating procedures that conforms with the requirements of the International Standards Organization (ISO). The database for the resource estimation was reviewed by the QP for all new and existing historical data relevant to the areas of mineral resource estimation described in the Updated Estimate. (****)

Metallurgy and Processing

The Company expects to process Lomonosovskoye material in a beneficiation plant to obtain an Fe concentrate. Historical metallurgical testing carried out in Soviet times provided parameters to design a preliminary processing route and main beneficiation plant technology. Kazax conducted confirmation metallurgical testing on core material obtained from new drill holes between 2010 and 2012, which took place in Cardero Materials Testing Laboratory (CTML), USA in 2012 and SGS in Lakefield, Canada. Samples selected for metallurgical testwork are broadly representative of the average grades of Fe, Fem, P and S in the Central and Northwest deposits. SGS and Cardero produced similar conceptual flow sheets for processing, involving two-stage grinding and three-stage wet LIMS confirming the historic metallurgical investigation. This simple metallurgical flow sheet indicates a good Fe recovery and possibility to obtain a high quality commercial product (concentrate graded 65% Fe and higher) with low S and P.

As per the Updated Estimate, the QP makes the following additional observations regarding the Lomonosovskoye Project:

- The Lomonosovskoye Project has a very favourable location due to its proximity to transportation routes and infrastructure.
- The mineralization remains open at depth and along the lateral extents in certain areas.
- There is a potential for an expansion of resources within the vicinity.

Kazax continues working on a Bankable Feasibility Study and a Feasibility Study for Industrial Conditions of the Republic of Kazakhstan.

Mr. Andrew Vigar, BCppSc, FAusIMM, MSEG, of Mining Associates Limited is a Qualified Person as defined by NI 43-101 and has supervised and approved the scientific and technical information in this news release.

For further information on Kazax and the Lomonosovskoye Project, please visit our website at www.kazaxmineralsinc.com.

ON BEHALF OF THE BOARD

Trevor Campbell Smith, President & CEO

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 release.

Notes:

(*) Mineral Resource Estimate technique notes:

1. The current resource estimate is based on holes drilled and assays received up to 31 October 2014;
2. The geological cross sections, completed using historic and 2010-2013 drill holes, geophysical borehole data and local geology models were used to constrain and extend the resource estimation domains up to 50 m beyond the last drill hole, where reasonable;
3. Three dimensional wireframes were constructed for geological domains in Northwest and Central deposits, using a 10% Fe cut-off grade. Interpretations were guided by 5 m bench composites, down hole magnetic susceptibility data, newly interpreted lithology logs and images of ground magnetic data;
4. Assay results were composited to 5 meter intervals down-hole within domains;
5. No grade caps were required for Fe, Fem, P or S
6. Block Model extents cover the combined Northwest and Central deposits, with a block size of 15mN x 15mE x 10mRL, without sub-blocking to reflect block open-pit or underground;
7. An Indicator approach was used to select blocks with a greater than 40% probability of being above a cut-off grade of 20% Fe within domains;
8. Grade was interpolated into a constrained block model using all 5 m sample composites within above or below 20% Fe blocks, including samples with a value below or above 20% Fe respectively. This is considered to represent the true "mining block" grade, including both internal and edge dilution. Ordinary Kriging estimation technique with anisotropy was applied;
9. Maximum search radius was varied by domain, from 120 m to 400 m with 2 minimum to 42 maximum informing samples;
10. Density of mineralisation was calculated using the formula: density = 2.9 / (1-0.0061x Fe%) taken from a nonlinear regression coefficient for density against Fe content for over 3000 samples;
11. Mineral Resources are reported above 20% Fe for both Deposits;
12. Inferred resource category - within domain wireframes and with at least 2 informing samples.
13. Indicated resource category - within domain wireframes and the maximum of 24 informing samples and Krig Slope greater than 0.1.
14. Measured resource category - within domain wireframes and the maximum of 24 informing samples and a Krig Slope > 0.5.

(**) Notes to the QA/QC protocol:

1. Blanks were inserted after each 20th routine sample, using a stockpile of unmineralized core.
2. Field duplicates were initially added after each 25th sample, but the frequency was changed to every 20th sample in 2014.
3. Certified Reference Materials (CRM). CRM were inserted into the sample stream after each 20th routine sample. Two different sets of certified reference materials (CRM) for iron ore were used:
    1) Twenty-three (23) different CRM from Geostats Pty Ltd of Perth, Western Australia. CRM were supplied as 100 g quantities in sealed plastic bags and certified for total iron content.
    2) Three different CRM manufactured by Sevkazgra Plus laboratory in Kostany, Kazakhstan and certified for total iron and magnetic iron to Russian standards were supplied as 150 g packets in sealed plastic bottles and were used in sample batches submitted in 2014.
4. Interlaboratory checks. Two different sets of samples were submitted to two laboratories in Kazakhstan in 2013: 75 pulp rejects and corresponding quarter core samples were sent to the Faculty of Metallurgy and Mining at Rudny Industrial Institute and analysed for density and Fe_mag. 88 pulp reject samples were sent to Ulba Metallurgical Plant in Ust-Kamengorsk and analysed for Loss on Ignition (LOI), sulphur by gas analyser and trace elements by ICP.

(***) QA/QC observations:

1. Field blanks results show no significant effects of contamination, with all except one sample returning below detection limit results.
2. Field duplicate results show no consistent bias and a reasonable level of precision. Field blanks results show no significant effects of contamination.
3. Control charts for Fe total produced from Sevkazgra CRM mostly fall within the ±3SD of precision limits of the borate fusion - ICP-AES analytical technique. One of the results for 63/2744-83 returned a value for Fe of 36.86% and was most likely actually 2743-83 mis-labelled in the data supplied to MA. There is no significant bias, or drift over time. Two results for 2742-83 are close to the +3SD upper limit of acceptable performance and the batches containing these samples should have been re-assessed.

    Fe total control charts for Geostats CRM generally show poorer performance. The use of so many different CRM with similar certified means makes identification of labelling errors difficult, and also increases the chances that the wrong CRM was inserted. MA does not consider that a few CRM failures for Fe total analyses constitute a material impact on assay data used for resource estimation.

(****) Database verification observations:

Using basic statistics and Q-Q plots alongside a visual inspection of validation against historical drilling, there is a basic correlation that gives a good confidence in the historical assays. Historical drill holes from the first phase of drilling (pre-1960) have some potential issues with the reliability of spatial locations of mineralized intercepts due to the lack of down-hole surveys. The remainder of the historical data, and the data collected by Kazax since 2010 is considered adequate for the purposes of resource estimation.

Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "schedule", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this news release contains forward looking statements and information concerning the Company s future operations and prospects. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company, including expectations and assumptions concerning the Company's ability to make the consideration payments as required, equipment and crew availability, and

joint venture partner financial capability. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the Company's actual results and experience to differ materially from the anticipated results or expectations expressed. These risks and uncertainties include, but are not limited to, the Company's ability to make the consideration payments as required, reservoir performance, labour, equipment and material costs, access to capital markets, interest and currency exchange rates, and political and economic conditions. Additional information on these and other factors is available in continuous disclosure materials filed by the Company with Canadian securities regulators. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date it is expressed in this news release or otherwise, and to not use future-oriented information or financial outlooks for anything other than their intended purpose. The Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

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