

# ScoZinc Announces the Oversubscribed Closing of Its Non-Brokered \$1,000,000 Private Placement

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Halifax, May 22, 2020 - [ScoZinc Mining Ltd.](#) (TSXV: SZM) ("ScoZinc" or the "Company") is pleased to announce the closing of its second and oversubscribed tranche of a previously announced non-brokered private placement.

The President and CEO, Mr. Mark Haywood, stated: "The Company is overwhelmed with the additional investor support from insiders and new strategic investors. Despite world disruptions due to the COVID-19 Pandemic, our private placement equity raise is oversubscribed by more than double our minimal financing needs and places the Company in a very strong financial position to continue executing its business strategies. Our independent experts are focussed on completing the Scotia Mine's first Pre-Feasibility Study, with a NI 43-101 Technical Report to be released in the coming weeks. We believe this to be excellent timing for the return of confidence in the world markets and the demand for Zinc and Lead which our Scotia Mine can produce within a relatively short time frame."

The closing of this second tranche (the "Second Tranche") of the previously announced private placement on March 19, 2020, April 3, 2020 and April 22, 2020 for a non-brokered private placement of units of the Company ("Units") at C\$0.30 per Unit, for aggregate gross proceeds of up to C\$500,000, subject to the Company's option to increase the size of the private placement by up to an additional C\$500,000 (the "Offering"). Each Unit consists of one common share of the Company (a "Common Share") and a Common Share purchase warrant (a "Warrant"). Each full Warrant is exercisable into a Common Share at a price of C\$0.50 per Common Share for a period of twenty-four (24) months.

The Second Tranche consisted in the sale of 1,645,368 units for the gross proceeds of C\$493,610.40. The Company exercised its overallotment option. The net proceeds of the Offering will be used to advance the development of the Company's Scotia Mine and for general corporate purposes.

In connection with the Second Tranche, the Company has paid C\$9,954.30 in cash compensation and issued 13,181 compensation warrants (the "Compensation Warrants") to eligible finders for their assistance with the Second Tranche. Each Compensation Warrant is exercisable into a Common Share for a period of twenty-four (24) months.

All securities issued pursuant to the Offering will be subject to a four month and one day hold period applicable under Canadian securities laws.

Certain directors, officers and other insiders of the Company (collectively the "Insiders") have acquired a total of 506,667 units pursuant to the Second Tranche. The participation of Insiders in the Second Tranche constitutes a "related party transaction", as such term is defined in Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions and Companion ("MI 61-101"). The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements provided under MI 61-101 on the basis that the participation in the Second Tranche by Insiders does not exceed 25% of the fair market value of the Company's market capitalization.

In connection with the Second Tranche, Mr. Michael McMullen, an insider of the Company, has acquired 266,667 Units. Immediately prior to the closing of the Second Tranche, Mr. McMullen held directly and indirectly 1,287,000 Common Shares and 1,085,000 common share purchase warrants of the Company or approximately 18.23% of the then 11,929,472 issued and outstanding Common Shares on the partially diluted basis. Following the closing of the Second Tranche, Mr. McMullen holds 1,553,667 Common Shares and 1,351,667 common purchase warrants of the Company (a total of 2,905,334 Common Shares) or

approximately 19.46% of the total number of issued and outstanding Common Shares on a partially diluted basis. The Units were acquired by Mr. McMullen for investment purposes, and depending on market and other conditions, Mr. McMullen may from time to time in the future increase or decrease his 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. McMullen is 14 Windarra Drive, City Beach, Western Australia 6015, Australia.

In connection with the Second Tranche, Mr. Ashwath Mehra, a director of the Company, has acquired 240,000 Units. Immediately prior to the closing of the Second Tranche, Mr. Mehra held directly and indirectly 1,025,000 Common Shares and 825,000 common share purchase warrants of the Company or approximately 14.50% of the then 11,929,472 issued and outstanding Common Shares on the partially diluted basis. Following the closing of the Second Tranche, Mr. Mehra holds 1,265,000 Common Shares and 1,065,000 common purchase warrants of the Company (a total of 2,330,000 Common Shares) or approximately 15.92% of the total number of issued and outstanding Common Shares on a partially diluted basis. The Units were acquired by Mr. Mehra for investment purposes, and depending on market and other conditions, Mr. Mehra may from time to time in the future increase or decrease his 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, Canada.

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, an Early Warning report respecting the acquisition of Units by Mr. McMullen and Mr. Mehra will be filed under the Company's SEDAR Profile at [www.sedar.com](http://www.sedar.com).

The Offering is subject to final TSX Venture Exchange approval.

About ScoZinc Mining Ltd.

ScoZinc is a Canadian development company that has full ownership of the Scotia Mine (Zn/Pb) and related facilities near Halifax, Nova Scotia. ScoZinc also holds several prospective exploration licenses nearby its Scotia Mine and in surrounding regions of Nova Scotia.

The Company's common shares are traded on the TSX Venture Exchange under the symbol "SZM".

For more information, please contact:

Mark Haywood  
President & Chief Executive Officer  
Robert Suttie  
Chief Financial Officer  
Simion Candrea  
VP Investor Relations

Head Office Purdy's Wharf, 1959 Upper Water Street, Suite 1301, Nova Scotia, B3J 3N2, Canada  
Telephone +1 (902) 482 4481  
Facsimile +1 (902) 422 2388  
Email [info@ScoZinc.com](mailto:info@ScoZinc.com)  
Web [www.ScoZinc.com](http://www.ScoZinc.com)

The Company's corporate filings and technical reports can be viewed on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Further information on ScoZinc is also available on Facebook at [www.facebook.com/ScoZinc](https://www.facebook.com/ScoZinc), Twitter at [www.twitter.com/ScoZincMining](https://www.twitter.com/ScoZincMining), and LinkedIn at [www.linkedin.com/company/scozinc-mining-ltd](https://www.linkedin.com/company/scozinc-mining-ltd).

## CAUTIONARY STATEMENTS

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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 ScoZinc's Scotia Mine. The Company has not completed a feasibility study or established the economic viability of the Project or proposed operations on ScoZinc's Scotia Mine, and no mineral reserves have been established for ScoZinc's Scotia 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, ability to complete the PFS, ability to complete the Offering on the terms announced, 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, ability to predict or counteract potential impact of COVID-19 coronavirus on factors relevant to the Company's business, 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.

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