



Blue Moon Zinc Announces Strategic Transaction with Platina Resources Inc. from Australia

August 27, 2019 – Blue Moon Zinc Corp. (TSX.V: MOON; OTC: BMOOF) (“Blue Moon” or the “Company”) announces the signing of a strategic joint venture (the “Transaction”) where Platina Resources Inc. (ASX: PGM) (“Platina”) can earn a 70% interest in the Blue Moon polymetallic zinc-gold-copper-silver project in the United States.

Highlights of the Transaction

- Platina will participate in a \$300,000 private placement in the Company’s common shares at \$0.05 per share or a 100% premium to the last trading price on the TSX Venture Exchange (“Private Placement”).
- Platina can earn an initial 50% interest (“Stage 1”) in the Blue Moon property by spending \$3.0 million within eighteen months which will include a minimum of 10,000 metres of drilling and metallurgical test work.
- Platina is required to pay the Company \$250,000 in cash or Platina shares prior to completion of Stage 1, at the Company’s sole option.
- Upon Platina earning its initial 50% interest in Stage 1, Platina has 30 days in which to elect to earn an additional 20% interest (“Stage 2”) in the Blue Moon property by spending \$3.75 million within eighteen months which will include the completion of a pre-feasibility study as well as continued drilling, metallurgical test work and environmental and permitting.
- Platina is required to pay the Company \$500,000 in cash or Platina shares prior to completion of Stage 2, at the Company’s sole option.
- Upon Platina earning its 70% interest in the Blue Moon property, the Company has 20 business days to elect for Platina to fund the next \$5.0 million in expenditures, including the Company’s share of funding (the “Platina Loan”).

"We are very pleased to have Platina as our partner and to see the continued development and expansion of the Blue Moon project. The Joint Venture allows the Company to significantly advance the project without material dilution to current shareholders. Under the terms of the joint venture, Platina may contribute up to CAD\$11.75 million in earn-in obligations and funding to the Blue Moon project in addition to direct cash payments to the Company of up to CAD\$750,000.

In addition, Platina is participating in a CAD \$300,000 private placement in the Company at a 100% premium to the last closing price of the Company's common shares," said Patrick McGrath, Blue Moon's Chief Executive Officer. "As we partner with Platina to advance the Blue Moon Project, we will continue to look for opportunities to further add value to the Company for our shareholders. Today's announcement is positive for our shareholders and provides the stepping stone and capital to assist in creating long term value."

Highlights of Blue Moon Polymetallic Project:

- **Project Upside:** Drill-ready brownfield project with significant work performed and potential re-rating as it moves along value curve by completing drilling and evaluation studies.
- **Large, well-defined Mineral Resource:** The Blue Moon Mineral Resource is a high-grade, zinc-copper rich massive sulphide deposit with significant gold and silver precious metal credits. The mineralisation remains open to surface, depth and along strike.
- **Attractive grades:** A 2018 drilling program intersected some of the highest grades ever intersected on the project, including drill hole BMZ-78 which results were released by the Company on January 18, 2019 ([Click here](#)).
- **Drill ready:** A planned 10,000 metre infill and expansion drilling program is ready to proceed. The drill program will initially target extensions of drill hole BMZ-78 followed by further infill and resource expansion drilling.
- **Right commodities, right time:** The Blue Moon project will provide investors with exposure to a commodity suite that have attractive supply and demand fundamentals.
- **Favourable location:** Located 150 kilometers from an export port facility and one kilometer from power sourced from hydroelectric generation. The project will benefit from low corporate tax rates and minimal royalties.

Next Steps for Blue Moon Project

Platina's strategy is focused on expanding the size of the Mineral Resource and exploring the broader land package for new mineralisation. In parallel, Platina will complete metallurgical testing and evaluation studies, environmental studies, permitting, identifying strategic offtake partners, and advance the project towards development.

Platina Managing Director, Corey Nolan, commented, *"The Blue Moon project represents an exciting new opportunity to build a significant resource in an attractive commodity suite. This deal will create significant share value-uplift potential for Platina shareholders as the project is advanced towards development. The first step involves a significant drilling program to expand the size of the deposit. Drill core will be used for metallurgical testing and data for completion of a Pre-Feasibility Study. Platina believes the Blue Moon project will generate significant news flow as it advances through exploration, feasibility, permitting and into development."*

Blue Moon Polymetallic Project Development Strategy

Platina's strategy is to advance Blue Moon in a staged approach, including the following:

- Infill and resource expansion drilling. A fully permitted drilling program is currently being planned by Platina;
- Exploring for extensions to the existing Mineral Resource and other potential mineralisation within the tenement package;
- Consolidating other potential resources/mineralisation in the district;
- Completion of an Environmental Impact Statement and associated permitting activities;
- Metallurgical test work to define the optimal process flow sheet;
- Completion of technical studies including Pre-feasibility and Definitive Feasibility Studies;
- Negotiating production off-take agreements; and
- Sourcing development finance and constructing the project.

Private Placement

Platina will participate in a \$300,000 private placement in the Company's common shares at \$0.05 per share or a 100% premium to the last trading price on the TSX Venture Exchange ("Private Placement"). In addition to the Private Placement, Platina has an option to participate in a further private placement of the Company to increase its equity interest in the Company to a maximum 10%. This option expires on January 31, 2020 and the financing price will be based on the market price of the Company's common shares, but no less than \$0.05 per share. Upon Platina obtaining 10% of the Company's total equity, Platina will have certain rights including the ability to nominate one board member and have a right to participate in future financings to maintain its 10% equity interest, subject to certain conditions.

The private placement and joint venture are subject to TSX Venture Exchange approval, and proceeds of the private placement will be used for general corporate purposes.

About Blue Moon

Blue Moon (TSX.V: MOON; OTC: BMOOF) is currently advancing its Blue Moon polymetallic deposit which contains zinc, gold, copper and silver. The deposit is open at depth and along strike. The Blue Moon 43-101 Mineral Resource includes 7.8 million inferred tons at 8.07% zinc equivalent, which includes 771 million pounds of 4.95% zinc, 300,000 ounces of gold at 0.04 oz/t, 71 million pounds of 0.46% copper, and 10 million ounces of silver at 1.33 oz/t. The 43-101 was filed on www.sedar.com on November 20, 2018. The Company also holds 100% of the Yava polymetallic project in Nunavut that is on strike to Glencore's Hackett River deposit. More information is available on the company's web site (www.bluemoonmining.com).

Qualified Persons

Jack McClintock, P. Eng, a Director of the Company, is a qualified person as defined by NI 43-101, has reviewed the scientific and technical information that forms the basis for this press release.

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