



EASTERN ZINC SIGNS DEFINITIVE AGREEMENT TO ACQUIRE THE SKAERGAARD PALLADIUM AND GOLD PROJECT

June 1, 2020 - Vancouver, BC – Eastern Zinc Corp. (“**Eastern Zinc**” or the “**Company**”) (CSE:EZNC | OTC:ETZCF) is pleased to announce that it has entered into a definitive purchase agreement with Platina Resources Limited (“**Platina**”) (ASX: PGM), dated June 1, 2020, for the acquisition of a 100% undivided ownership interest in the Skaergaard precious metals project (the “**Skaergaard Project**” or the “**Project**”) located on the East Coast of Greenland.

The Skaergaard Project

The Skaergaard Project is comprised of two exploration licences and contains a significant historical resource estimate of gold and platinum group metals (PGMs) dominated by palladium, importantly, outside of the major PGM producing areas of South Africa and Russia. This historical estimate is predominantly in the Inferred resource category.

The Project is located in the Kangerlussuaq region of eastern Greenland within the Skaergaard intrusion, which is a layered mafic igneous complex containing stratiform PGMs including palladium (Pd) and platinum (Pt), and gold and iron titanium oxide mineralization associated with base metal sulphides (PGM-bearing reef complex). Platina has historically invested more than \$16 million into the exploration and development of the Skaergaard Project including drilling, metallurgical testing, resource estimation, and technical studies. This includes the completion of 68 drill holes and 35,000 metres of diamond drilling, a historical resource estimate completed in July 2013 and reported in accordance with the Australasian Joint Ore Reserves Committee Code (“**JORC Code**”), and a Scoping Study completed on the project in November 2019.

The Company reports that a historical resource estimate (“**Historical Estimate**”) was completed for the Skaergaard Project in July 2013 using metal price assumptions of US\$1,400/oz for gold and platinum, and US\$560/oz for palladium. The historical estimate is shown in the table below including key assumptions and parameters used:

Resource Classification	Tonnes (kt)	Au (g/t)	Pd (g/t)	Pt (g/t)	AuEq (g/t)	Au (Moz)	Pd (Moz)	Pt (Moz)
Indicated	5,080	1.25	0.88	0.06	1.66	0.2	0.14	0.01
Inferred	197,140	0.87	1.35	0.11	1.51	5.49	8.53	0.68
TOTAL	202,220	0.88	1.33	0.11	1.52	5.69	8.67	0.69

Notes:

- Source and date of historical estimate: Platina Resources Ltd. - ASX news release - 23 July 2013 “*New Resource Estimate for Skaergaard Gold and PGM Project, East Greenland*”. This historical estimate was completed and reported under JORC Code (2012) standards, as such no technical report was completed;
- AuEq metal equivalent calculation = Au + Pt + (Pd \times 0.4); metal price assumptions include a Au price of

US\$1,400/oz, Pt price of US\$1,400/oz and Pd price of US\$560/oz. This metal equivalent calculation assumes 100% metallurgical recovery;

- Cut-off grade = 1g/t AuEq; and
- Minimum thickness = 1m; parts below 1m thickness have been diluted to 1m. 10% reduction globally applied, to reflect dyke intersections.

This historical estimate is considered relevant as it demonstrates the three-dimensional continuity of the three main reef complexes within the Skaergaard Project that host PGM (palladium and platinum) and gold mineralization. However, the Company cautions readers that this historical estimate was not completed using 2014 CIM Definition Standards on Mineral Resources and Reserves and is not supported by a technical report completed in accordance with National Instrument 43-101 (“**NI 43-101**”). In addition, under the JORC (2012) Code standards, Measured, Indicated, and Inferred mineral resource tonnages can be aggregated, which is not permitted under NI 43-101. A Qualified Person has not done sufficient work to classify this historical estimate as current mineral resources and Eastern Zinc is not treating this historical estimate as current mineral resources. A significant amount of work is required to verify the historical estimate as current resources including: (1) upgrading the geological model with any additional drilling data acquired since the historical estimate was completed, (2) completing a full data verification of historical drill hole sampling procedures, analytical results, and metallurgical test results, and (3) additional metallurgical test work to determine processing and recovery characteristics including the possible recovery of titanium, ilmenite, vanadium, copper and gallium. Eastern Zinc is not aware of any additional historical estimates for the Skaergaard Project.

Terms of the Acquisition

Pursuant to the terms of the purchase agreement, Eastern Zinc shall acquire the Skaergaard Project in consideration for the payment to Platina of C\$500,000 in cash and the issuance of 55,000,000 common shares in the capital of Eastern Zinc at a deemed issue price of \$0.10 per share (the “**Payment Shares**”). The Payment Shares shall be subject to a lock-up agreement entered into between Platina and Eastern Zinc which provides for the release of the Payment Shares from escrow in equal installments at each of the dates that are 6, 12, 18, and 24 months from the date of issuance of closing. The Payment Shares are subject to accelerated release from escrow tied to share price performance, changes in structure, and Platina undertaking an in-specie distribution of the shares.

A finder’s fee is payable to arm’s length parties in connection with the closing of the acquisition. All shares issued pursuant to the purchase agreement and finder’s fee are subject to a statutory hold period expiring four months and one day after the issuance of common shares.

The completion of the acquisition is subject to a number of conditions, including, but not limited to, completion of satisfactory due diligence, approval of the shareholders of Platina (if required), and approval of the Government of Greenland of the transfer of the Skaergaard Project exploration licences.

Upcoming Work

Post-closing of the acquisition, Eastern Zinc intends to immediately commence work on the Skaergaard Project including historical data verification, a site visit, updating the geological model, and completing a resource estimate in accordance with CIM and NI 43-101 standards. Eastern Zinc intends to complete this work by the end of 2020.

Qualified Person Statement

All scientific or technical information contained in this news release was prepared and approved by Paul Ténière, P.Geo., President & CEO of Eastern Zinc Corp, who is a Qualified Person as defined in NI 43-101.

On behalf of the Board of Directors

EASTERN ZINC CORP.

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About Eastern Zinc Corp.

Eastern Zinc is a Canadian junior mining and exploration company operating out of Vancouver, British Columbia. Eastern Zinc is engaged in the business of acquiring, exploring and developing natural resource properties with a focus on zinc properties/projects.

Eastern Zinc is listed on the Canadian Securities Exchange (“**CSE**”) and its common shares trade under the ticker symbol "EZNC." For more information on Eastern Zinc, please visit our website at www.easternzinc.com. Additional information relating to Eastern Zinc is available on SEDAR at www.sedar.com as well as on the CSE at www.theCSE.com.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-looking Information Statement

This press release may include “forward-looking information” (as that term is defined by Canadian securities legislation). Forward-looking information is based on certain expectations and assumptions made by Eastern Zinc, including future plans for the exploration and development of mineral properties. Although Eastern Zinc believes that such expectations and assumptions are reasonable, investors should not rely unduly on such forward-looking information as the company cannot give any assurance that they will prove to be correct. Forward-looking statements in this press release are made as of the date of this press release. Eastern Zinc disclaims any intent or obligation to publicly update any forward-looking information (whether as a result of new information, future events or results, or otherwise) other than as required by applicable securities laws