

For Immediate Release

Yukon Zinc Provides Company Update

Vancouver, B.C. – August 13, 2012 – Yukon Zinc Corporation (“Yukon Zinc”) is pleased to provide an update on mine operations at its wholly-owned Wolverine Mine in southeast Yukon and its current corporate activities.

Yukon Zinc is currently focusing on safely ramping up to sustained full production capacity of 1,700 tonnes per day (tpd) at its polymetallic Wolverine Mine. Yukon Zinc has increased site wide safety management systems, safety training and reporting at Wolverine, which has led to a stronger safety culture. This continues to result in a significantly lower than average Lost Time Injury (LTI) rate compared to the Yukon LTI average.

In March 2012, Yukon Zinc achieved commercial production of 1,020 tonnes per day or 60% of rated mill capacity and the mine and mill has periodically reached 1,700 tpd since then. In August, mine production has averaged approximately 1,400tpd. Work continues on integrating new mining equipment, increasing mill concentrate grade and recoveries, and completing current construction of the tailings dam to reach its ultimate height.

Since completing mill commissioning in late 2010, production of high grade zinc along with copper and lead concentrates containing silver and gold has continued to increase. The concentrates are hauled south along the Yukon’s Robert Campbell Highway to Watson Lake, Yukon and then via Highway 37 to the port at Stewart, BC. Yukon Zinc continues to receive strong interest from international customers and has successfully executed sales agreements for its concentrate.

Recruitment for technical and trades staff remains a key priority and in particular qualified local Yukon residents and Kaska First Nation members. At the end of July, there were approximately 363 employees at Wolverine including Yukon Zinc and contractors and of that total, approximately 26 percent were Yukon based employees.

Yukon Zinc has recently secured a financing agreement with major investment banks and received \$80 Million to ensure the company’s operating strategies are executed. This financing ensures all payments to existing contractors and suppliers are current to support increased production and achieve targets at Wolverine. The proceeds also fund current capital projects and further procurement initiatives, including site equipment, to reach operational efficiencies.

About Yukon Zinc

Yukon Zinc Corporation is a mining, exploration and development company with mining reserves and resources in Yukon, Canada. Yukon Zinc is based in Vancouver, Canada and is owned by majority shareholder Jinduicheng Molybdenum Group Co. Ltd. (China).

For more information please contact:

Crystal Zhang
General Manager, Corporate Communications
Tel: 604.682.5474 ext. 349
czhang@yukonzinc.com

Shae Dalphond
Community & Economic Development Coordinator
Tel: 604.682.5474 ext. 243
sdalphond@yukonzinc.com