

Yukon Zinc Cuts Costs in Uncertain Market Conditions

Vancouver, B.C. – June 27, 2013 – Yukon Zinc Corporation (“Yukon Zinc”) announces that as a result of an uncertain economic environment and a sharp decline in zinc and silver metal prices, it will reduce its production by 40 percent and workforce by 30 percent to reduce costs. The difficult moves come despite Yukon Zinc reaching its full design capacity rate of 1,700 tonnes per day at Wolverine Mine in the first quarter of 2013.

Workforce and expense reductions will be made at both its Wolverine Mine and Vancouver head office. The staff that will be affected include Yukon Zinc and its underground mine contractor. Approximately one third of filled positions are affected, open positions will not be filled and travel expenses and capital investment have been cut across the organization.

Yukon Zinc’s cost-reduction steps are a result of lower metal prices and market conditions. “The difficult decision to reduce production and lay off valued Yukon Zinc employees was made after an exhaustive review of our entire organization, and with the greatest reluctance,” said Jingyou Lu, Yukon Zinc’s President and CEO. “With current market conditions, these actions were necessary to responsibly stabilize our finances and put Yukon Zinc on a realistic path forward.”

At Wolverine Mine, the milling process will be processing in two week periods with two weeks of maintenance to conserve power. During the operating weeks, it will operate efficiently at 1900 tonnes per day. The underground mine operations will be run on a single shift basis daily to support production levels with approximately half the existing manpower. Administrative and technical staff levels will be provided re-assignment of duties for the anticipated short duration of the reduced operations in order to retain critical staff for increased operation levels when the metal prices increase. Yukon Zinc will review the economics in 90 days and evaluate the possibility to resume full production.

About Yukon Zinc

Yukon Zinc Corporation is an emerging mining and exploration company operating the Wolverine Mine in Yukon, Canada. Wolverine Mine produces zinc, copper and lead concentrates that contain silver and gold. Yukon Zinc is based in Vancouver, Canada and is privately owned by Jinduicheng Canada Resources Corporation Limited.

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