



Corporate Profile

Yukon Zinc Corporation is a mining and exploration company operating the Wolverine Mine in Yukon, Canada. The Wolverine Mine produces zinc, copper and lead concentrates that contain silver and gold. Yukon Zinc has mining reserves and resources in the southeast Yukon and has taken Wolverine from exploration through development into operation.

Wolverine Mine Update

Yukon Zinc is currently operating its Wolverine Mine at a planned 75% design capacity. The underground mine production rate is 1,400 tonnes per day (tpd) and the mill is operating three weeks out of four, which averages out to 1,350 tpd.

The focus areas for 2014 include:

- › **Ensuring safety is our number one priority**
- › **Maximizing head grades, recovery and concentrate quality** - our efforts to evaluate and implement initiatives have led to improved recovery rates
- › **Increasing our mining resource** - underground drilling is planned for this summer, which will better define our mineable area and ongoing mine life

Summary of 2013 and early 2014

Decreasing metal prices, in particular silver, along with uncertain market conditions created a challenging economic situation for Yukon Zinc during 2013 and into early 2014. In order to responsibly manage our operation, Yukon Zinc reduced output to 60% during Q3 and increased it to the current level of 75% during Q4.

In early 2014 our company secured an additional financing arrangement, which increases our economic stability going forward. ***“We want to express our appreciation to everyone who supported our ongoing operations and company during this challenging time,”*** said Floyd Varley, Yukon Zinc’s VP Operations & Mine GM.

Back in the first quarter of 2013 Wolverine Mine reached its production target of 100% design capacity (1,700 tpd). The milestone was overshadowed by the changing economic environment and our decreased output level, however we want to once again recognize the efforts of everyone involved in Yukon Zinc’s development.

Yukon based contributions in 2013

80 Yukon vendors were utilized by Yukon Zinc

\$31.7 Million estimated direct spending towards goods / services / payments to Yukon communities, specifically Whitehorse, Watson Lake and Ross River

145 Yukon residents (45 Kaska First Nation) employed by Yukon Zinc and Wolverine Mine contractors ESS Support Services, Procon Mining and Maple Leaf Loading throughout the year

30 Kaska scholarships provided to help support Kaska First Nation members’ education goals

www.yukonzinc.com



A jumbo drills a rock face underground at Wolverine Mine



The Whitehorse Horse by Daphne Mennell

Health + Safety



Details

- › Wolverine's Health and Safety Management System incorporates key safety plans, programs and company policies that comply with safety standards and best work practices
- › Committed to providing a safe and healthy working environment and to a Zero-Harm safety culture in which all employees participate

Recent Progress

- › Site safety training is a priority at Wolverine and examples of ongoing training includes: First Aid, Job Hazard Assessment, Mobile Equipment, Front Line Supervisor
- › Mine rescue teams are in place on each shift in the event they need to respond to underground and surface incidents. The teams regularly conduct mock exercises as well as inspect all rescue equipment (see picture above)

Focus

- › Risk prevention and engaging employee feedback to reduce occupational injuries
- › Ongoing safety training and site orientations for all visitors and new employees
- › Adhering to the Safety Action Items Registry to remain diligent on any corrective actions required
- › Maintaining open communication and standardized site reporting amongst all employees and contractors



Check-in procedure for entering underground

Environment



Details

- › Wolverine's Environmental Management System incorporates license and permit requirements, company policies and industry best practices and is supported by the following plans:
 - **Environmental Protection Plans:** Spill Contingency, Heritage Resource Protection, Monitoring and Surveillance, Wildlife Protection, Waste Management
 - **Operating Plans:** Mine Development and Operating, Mill Operating, Reclamation and Closure, Tailings Facility Operation, Maintenance and Surveillance Manual

Eco Initiatives

- › More than 90% of water in our tailings facility is used for mill processing
- › Waste heat from generators is used to heat workers' areas

Recognition

- › Yukon Zinc was honoured to receive the 2011 and 2012 Robert E. Leckie Award from the Yukon Government's Energy, Mines and Resources Minister. Our company is committed to furthering its environmental and social responsibility

Focus

- › Continue to meet compliance with all licenses and permits
- › Continue work with Inotec Inc. and Envirogen on test work for design of a full-scale tailings water treatment plant
- › Continue partnership with Yukon Research Centre to research new methods of water management and treatment

Operations



Details

- › Underground mine with on-site processing facility and assay lab
- › Producing zinc, copper and lead concentrates that contain silver and gold
- › As planned, the mill output is averaging 1,350 tonnes per day (75% design) and mine is averaging 1,400 tpd

2013 Progress

Mine:

- › Commissioned new equipment that led to more efficient operations
- › Total mined was ~509,000 tonnes

Mill:

- › Improved metal recoveries through optimization of circuits and consistent operating output levels
- › Total milled was ~520,000 tonnes
- › Both mine and mill tonnages increased from 2012 totals

Surface:

- › Ensured power supply, services and inventory met demands for our varying production levels

Focus

Mine:

- › Continue to improve mine planning and infrastructure to optimize output and conducting underground drilling at Wolverine to increase resources

Mill:

- › Fine tuning circuits for optimal concentrate recoveries and maintaining output levels

Surface:

- › Exploring energy saving initiatives, maintaining site infrastructure, equipment and inventory supply

Community



Details

- › We support social, cultural, environmental and economic initiatives in local communities near our operation
- › Signed Socio-economic Participation Agreement and Traditional Knowledge Agreement with Kaska First Nation in 2005 and continue to work together on common goals

Recent Collaboration + Engagement

Yukon Zinc Held Events (2013)

- › Hosted Groundwork for Employment Workshops and Resource Groups (for employees' spouses) in Ross River and Whitehorse to help improve employment success
- › Hosted Open House in Ross River with Procon Mining

Mine Education (2013)

- › Hosted tour and provided work experience for Introduction to Mine Operations students from Yukon College

Yukon Community Events

- › Events attended: Mining and Geology Week (Whitehorse) 2013, First Nation Resource Conference in 2013 (Whitehorse), Liard First Nation Development Corp.'s Job Fair in 2013/14 (Watson Lake, see picture above), Ross River Job Fair in 2014 and Yukon Procurement Forum 2013/2014

Focus

- › Kaska First Nation scholarships. Since 2011, 54 Kaska members have received Yukon Zinc scholarships
- › Working with Kaska communities to increase recruitment and retention rates
- › Continuing to hire local employees, purchase from Yukon suppliers and support local initiatives



Scholarship recipient Tanya Ball graduated with a Certificate in Earth and Environmental Studies

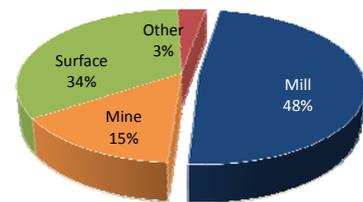
Yukon is Home Base for Many Employees at Wolverine

At the end of May 2014, there were 288 staff (including contractors) employed at Wolverine Mine and over 28% of those are from Yukon and 21% are First Nations. Yukon Zinc has 62 Yukon-based staff employed in many key areas at site from entry level, supervisory and technical to its VP of Operations and Mine General Manager Floyd Varley.

A breakdown of the main work areas is shown in the chart to the right. The range of positions related to our work areas include:

- › **Mill** - millwright, operator, sample preparation, labour, mill helper
- › **Mine** - senior geologist, intermediate mine engineer, mine planner, project coordinator, production geologists, surveyor
- › **Surface** - supervisors, heavy duty mechanic, equipment operators, maintenance planner, environmental tech, warehouse, batch plant operator, labourer
- › **Other** - VP operations & mine GM, community liaison

Work Areas of Yukon Zinc Employees based in Yukon (as of May 2014)



Wolverine Mine Career Opportunities

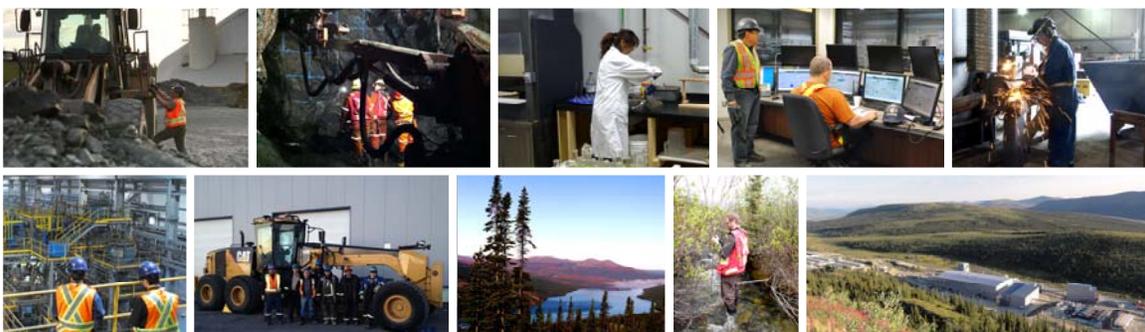
Yukon Zinc is always looking for enthusiastic, safety-minded individuals who are interested in joining our team.

Yukon Zinc offers a range of benefits including:

- › Competitive salaries, RRSP matching, medical, dental and vision coverage, employee assistance program, training and development
- › Charter flights from Whitehorse, Ross River, Watson Lake, Vancouver, Prince George, Campbell River, Smithers and Terrace
- › Wolverine Mine provides clean facilities and amenities including individual rooms with cable TV, excellent food options, recreation opportunities including gym and hiking trails in addition to regular social events



Visit us at www.yukonzinc.com for information on all of Yukon Zinc's current career opportunities



For more information or to apply visit www.yukonzinc.com

Fax resumes can be sent to 1-866-887-7517

For community / communications inquiries contact Shae Dalphond at: sdalphond@yukonzinc.com or toll-free phone at: 1-877-682-5474 ext. 243