



FOR IMMEDIATE RELEASE

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(VTT2018 – NR #7)

## **Vendetta Increases Pegmont Lead-Zinc Mineral Resource to 5.8 Million Tonnes Indicated and 8.3 Million Tonnes of Inferred. Open Pit Constrained Mineral Resource now at 54% Indicated**

**Vancouver, BC – August 9<sup>th</sup>, 2017** – Vendetta Mining Corp. (VTT-TSX:V) (“Vendetta” or the “Company”) is pleased to provide the results of the updated Mineral Resource estimate for the Pegmont Lead-Zinc sulphide project in Queensland, Australia. **This Mineral Resource will form the basis of the Pegmont Preliminary Economic Assessment (PEA), with a planned completion in the next 6 to 8 weeks.**

### **Highlights Include:**

- **Significant increase in the Indicated Mineral Resource from 1.6 Mt to 4.6 Mt. See Table 4.**
- **Maiden Mineral Resource for the underground Bridge Zone: Indicated 560 Kt at 9.5% Pb, 2.5% Zn, 15 g/t Ag and Inferred 309 Kt at 8.7% Pb 2.5% Zn, 14 g/t Ag. See Table 2.**
- **Open pit constrained Indicated Mineral Resource of 5.1 million tonnes at 6.2% Pb, 2.6% Zn, 15 g/t Ag and Inferred Mineral Resource of 4.4 million tonnes at 5.1% Pb, 2.2% Zn, 14 g/t Ag. See Table 3.**
- **Increasing overall grade as the Mineral Resource moves from Inferred to Indicated. Zinc grade increasing at depth. See Table 4.**

The updated Mineral Resource estimate was performed by AMC Mining Consultants (Canada) Limited (AMC). The estimate includes the addition of more than 22,400 m of resource development drilling conducted during 2017 by Vendetta and the results of the recent Locked Cycle metallurgical test work. The combined Mineral Resource for the open pit constrained and underground portions of the project are provided in Table 1.

**Table 1: July 2018 Mineral Resource Estimate (see notes for details)**

Classification	Material type	Tonnes	Pb	Zn	Ag
		(kt)	(%)	(%)	(g/t)
Indicated	Transition	1,111	4.9	2.3	8
	Sulphide	4,647	6.9	2.6	12
	<b>Total</b>	<b>5,758</b>	<b>6.5</b>	<b>2.6</b>	<b>11</b>
Inferred	Transition	1,829	5.2	2.0	7
	Sulphide	6,447	5.1	3.1	9
	<b>Total</b>	<b>8,277</b>	<b>5.1</b>	<b>2.8</b>	<b>8</b>

1. CIM Definition Standards (2014) were used to report the Mineral Resources.
2. Cut-off grade applied to the open pit Mineral Resources is 3% Pb+Zn and that applied to the underground is 5% Pb+Zn.
3. Based on the following metal prices: US\$0.95/lb for Pb, US\$1.05/lb for Zn, and US\$16.5/oz for silver.
4. Exchange rate of US\$0.75 : A\$1.0
5. Metallurgical recoveries vary by zone and material type as follows:
  - Lead to lead concentrate: from 80.6% to 91.3% for transition and 88.0% to 92.7% for sulphide.
  - Zinc to zinc concentrate: from 19.3% to 75.2% for transition and 61.8% to 78.5% for sulphide.
6. Using drilling results up to 15 April 2018.
7. Mineral Resource tonnages have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.

**Vendetta's CEO and President Michael Williams, stated:** *"This Mineral Resource Update achieved the goals we set at the start of the 2017 drilling program. We are excited to deliver on four fronts; an overall increase in the Mineral Resource at a higher grade, a maiden resource on the 2017 high grade underground Bridge Zone discovery and a significant increase in confidence of the open pit constrained Mineral Resource, which is now at 54% Indicated. These significant advances place us on a solid foundation for the PEA."*

*With the discovery of another high grade fold in Zone 3 and with the higher grade zinc Zone 5 still open for expansion, we expect that the Pegmont Deposit will continue to deliver significant results beyond this Mineral Resource estimate."*

**Table 2. Underground Mineral Resource Summary by Material Type and Zones (see notes for Table 1)**

Zone	Classification	Material type	Tonnes (kt)	Pb (%)	Zn (%)	Ag (g/t)
Zone 3	Indicated	Sulphide	23	5.0	2.0	11
	Inferred		750	6.2	2.3	12
Zone 4	Indicated	Sulphide	50	5.5	3.4	8
	Inferred		468	4.4	3.5	8
Zone 5	Indicated	Sulphide	10	5.9	3.5	9
	Inferred		2,353	4.5	4.1	6
Bridge zone	Indicated	Sulphide	560	9.5	2.5	15
	Inferred		309	8.7	2.5	14
<b>Total Underground</b>	<b>Indicated</b>	<b>Sulphide</b>	<b>644</b>	<b>9.0</b>	<b>2.6</b>	<b>14</b>
	<b>Inferred</b>		<b>3,880</b>	<b>5.1</b>	<b>3.6</b>	<b>4</b>

**Table 3. Open Pit Constrained Mineral Resource Summary by Material Type and Zones (see notes for Table 1)**

Zone	Classification	Material type	Tonnes	Pb	Zn	Ag
			(kt)	(%)	(%)	(g/t)
BHZ	Indicated	Transition	72	4.2	2.2	7
		Sulphide	286	4.7	3.0	9
		<b>Sub-total</b>	<b>357</b>	<b>4.6</b>	<b>2.9</b>	<b>8</b>
	Inferred	Transition	5	3.9	2.0	6
		Sulphide	125	6.3	3.1	11
		<b>Sub-total</b>	<b>131</b>	<b>6.2</b>	<b>3.1</b>	<b>11</b>
Zone 1	Indicated	Transition	342	5.9	2.7	10
		Sulphide	1,466	6.4	2.4	12
		<b>Sub-total</b>	<b>1,808</b>	<b>6.3</b>	<b>2.5</b>	<b>11</b>
	Inferred	Transition	969	5.0	1.9	8
		Sulphide	1,161	4.7	1.8	10
		<b>Sub-total</b>	<b>2,131</b>	<b>4.8</b>	<b>1.8</b>	<b>9</b>
Zone 2	Indicated	Transition	689	4.5	2.2	7
		Sulphide	1,819	6.9	2.7	12
		<b>Sub-total</b>	<b>2,508</b>	<b>6.3</b>	<b>2.6</b>	<b>10</b>
	Inferred	Transition	556	6.1	2.1	5
		Sulphide	330	5.3	2.3	9
		<b>Sub-total</b>	<b>887</b>	<b>5.8</b>	<b>2.2</b>	<b>6</b>
Zone 3	Indicated	Transition	8	3.9	1.7	8
		Sulphide	433	6.5	2.6	11
		<b>Sub-total</b>	<b>441</b>	<b>6.4</b>	<b>2.6</b>	<b>11</b>
	Inferred	Transition	298	4.2	2.4	7
		Sulphide	950	5.2	2.8	9
		<b>Sub-total</b>	<b>1,248</b>	<b>4.9</b>	<b>2.7</b>	<b>8</b>
Total Open pit	Indicated	<b>Transition</b>	<b>1,111</b>	<b>4.9</b>	<b>2.3</b>	<b>8</b>
		<b>Sulphide</b>	<b>4,003</b>	<b>6.5</b>	<b>2.6</b>	<b>11</b>
		<b>TOTAL</b>	<b>5,114</b>	<b>6.2</b>	<b>2.6</b>	<b>11</b>
	Inferred	<b>Transition</b>	<b>1,829</b>	<b>5.2</b>	<b>2.0</b>	<b>7</b>
		<b>Sulphide</b>	<b>2,567</b>	<b>5.0</b>	<b>2.3</b>	<b>10</b>
		<b>TOTAL</b>	<b>4,396</b>	<b>5.1</b>	<b>2.2</b>	<b>8</b>



**Table 4. Comparison of the 2017 and 2018 Mineral Resource Estimates**

Classification	Material Type	2017				2018			
		Tonnes (kt)	Pb (%)	Zn (%)	Ag (g/t)	Tonnes (kt)	Pb (%)	Zn (%)	Ag (g/t)
Indicated	Transition	685	5.2	2.5	9	1,111	4.9	2.3	8
	Sulphide	1,560	5.7	2.7	11	4,647	6.9	2.6	12
	<b>TOTAL</b>	<b>2,245</b>	<b>5.6</b>	<b>2.6</b>	<b>10</b>	<b>5,758</b>	<b>6.5</b>	<b>2.6</b>	<b>11</b>
Inferred	Transition	1,035	5.3	2.6	8	1,829	5.2	2.0	7
	Sulphide	8,612	4.9	2.9	8	6,447	5.1	3.1	9
	<b>TOTAL</b>	<b>9,647</b>	<b>5.0</b>	<b>2.9</b>	<b>8</b>	<b>8,277</b>	<b>5.1</b>	<b>2.8</b>	<b>8</b>

### Details of the Mineral Resource Estimate

An inverse distance estimate was run using Datamine's dynamic anisotropy search to estimate lead, zinc and silver into the block model. The new block model is built using 1% Pb+Zn 3D wireframe envelope positioned within a geological 3D envelope constructed using both geology and background grades, nominally 0.2% Pb+Zn. A 3D model of the cross cutting post mineral amphibolite dyke is superimposed on the model at zero grade. The zones are broadly based on their geometry, and are for reporting purposes only.

- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of mineral resources will be converted to mineral reserves. Quantity and grades are estimates and are rounded to reflect the fact that the resource estimate is an approximation.
- The Mineral Resource update has been prepared by independent qualified persons ("QPs") J.M. Shannon P.Geol, D Nussipakynova P.Geol, M. Angus MAIG, P. Lebleu P.Eng, of AMC and A Riles MAIG, of Riles Integrated Resource Management Pty Ltd., and has an effective date of 31 July 2018, incorporating drill results to 15 April 2018, including 22,163 m in 107 new holes drilled in 2017 and early 2018.
- Quality Assurance/Quality Control ("QA/QC") protocols were carried out during Vendetta's 2014, 2016 and 2017 drill programs to assess the quality of the drilling assay results and the confidence that can be placed in the assay data. The QA/QC data available demonstrate the analytical data are of sufficient quality to be used in estimating Mineral Resources.
- Bulk density is applied based on oxidation state and zone to capture variation in mineralogy between the zones. These are individually calculated on grade for each zone and the range at greater than 3% Pb+Zn for transition material is 3.22 to 3.60 t/m<sup>3</sup>. The range for sulphide is between 3.91 and 4.08 t/m<sup>3</sup>. At greater than 5% Pb+Zn for the Bridge Zone the average bulk density is 4.19 t/m<sup>3</sup>

Financial considerations used in determining cut off's:

- Commodity price assumptions: Lead US\$0.95/lb, Zinc US\$1.05/lb and Silver US\$16.50/oz.
- Australian Dollar (A\$) to USA Dollar (US\$) exchange rate of 0.75.
- Concentrate transport costs of A\$37/t Lead concentrates and AU\$49/t Zinc concentrates.

- Lead concentrate terms: treatment and refining charges of US\$170/t, payables of 95% Lead, 50% Zinc, 95% Silver, with minimum deductibles of 3% Lead, and 50g/t Silver and a US\$1.25/oz Silver refining charge.
- Zinc concentrate terms: treatment and refining charges of US\$180/t, payables of 50% Lead, 85% Zinc and 70% Silver, with minimum deductibles of 8% Zinc, and 93g/t Silver and a US\$1.25/oz Silver refining charge.
- Queensland Government net smelter return royalties of 4.28% on Lead and 2.92% on Zinc and a vendor net smelter return royalty of 1.5% on all minerals.

Specific details relating to the open pit constrained and underground Mineral Resources are found below.

### **Additional Notes on Open Pit Constrained Mineral Resource**

AMC Consultants performed the open pit optimisation using the Lerch-Grossman algorithm coded into the Whittle software. The open pit shell used to constrain the Mineral Resource was based on a net smelter return (NSR) cut-off of A\$32.42/t determined using the parameters defined above and the following assumptions:

- 55° pit slopes were used, based on experience with similar rocks and conditions within the region.
- Zones 1, 2, 3 and BHZ sulphide and Zone 1 transition metallurgical recoveries and concentrate grades (locked cycle) are as per Vendetta News Release dated March 5<sup>th</sup>, 2018.
- BHZ transition metallurgical recoveries and concentrate grades (open cycle) are as per Vendetta News Release dated March 6<sup>th</sup>, 2017.
- An 8% discount rate is applied.
- Open pit mining costs of A\$3.50/t ore and A\$2.50/t waste, A\$1/t ore ROM rehandle, A\$4.50/t ore mine supervision and technical services, AU\$2/t ore surface general and administrative overheads and processing costs of A\$23.92/t ore.

Within the open pit shell the Mineral Resource is stated at a 3% lead + zinc cut off, based on a comprehensive cut off approach, approximately equal to the A\$32.42/t NSR cut off used to generate the pit shells.

Oxide lead-zinc mineralisation is not included in the current Mineral Resource as with the sequential flotation processing flow sheet envisaged it is considered that there is no effective method for mineral processing of oxide mineralisation and hence no economic basis for its inclusion.

### **Additional Notes on Underground Mineral Resource**

Mineral Resources outside of the open pit shell are considered to be potentially minable using underground mining methods. Underground Mineral Resources have been defined using a 5% lead + zinc cut-off based on a cut-off calculation determined from the parameters defined above and the following assumptions:

- Zone 3 and Bridge Zone metallurgical recoveries and concentrate grades (locked cycle) are as per Vendetta News Release dated March 5<sup>th</sup>, 2018
- Zone 5 metallurgical recoveries and concentrate grades (open cycle) are as per Vendetta News Release dated March 6<sup>th</sup>, 2017.
- Underground mining costs of A\$45.00/t ore and G&A of A\$5.00/t ore and processing costs of A\$23.92/t ore.





## **2018 Resource Development Drilling Update**

Logging and sampling of the first phase of the 2018 drilling program has been completed, interpretation and assay results are pending. The recent program has further tested a new high grade structure in Zone 3 that was identified at the close of the 2017 Program. This new discovery was not included in this Mineral Resource estimate, nor will it be included in the PEA.

A metallurgical drilling program was also conducted in one of the pits contemplated to be mined first, although the results of this test work will not be available for the PEA they are an important part of further de-risking the project for the next phase of study work.

### **About Pegmont**

Pegmont is a stratiform, Broken Hill-Type deposit that outcrops with an overall shallow dip to the south east and is hosted in a magnetite-rich banded iron formation within high grade metamorphic rocks. The project consists of three granted mining leases and one exploration permit that cover an area of approximately 8,290 ha.

Pegmont is situated in the Mount Isa – McArthur Mineral Province, which hosts one of the world's richest endowments of lead-zinc-silver mineralization, including several world-class lead-zinc-silver mines.

Pegmont is located 25 km west of South 32's Cannington silver-lead-zinc operation, one of the world's largest producers of lead and silver and 28 km north of Chinova Resources' Osborne copper-gold operations. Pegmont is proximal to existing infrastructure including public roads, mine haul roads, rail, and a natural gas pipe line for power generation.

### **About Vendetta Mining Corp.**

Vendetta Mining Corp. is a Canadian junior exploration company focused on advanced stage exploration and development at the Pegmont Lead Zinc Project in Australia. Vendetta has an option to acquire a 100% interest by completing certain work requirements and making option and advance royalty payments. Additional information on the Company can be found at [www.vendettaminingcorp.com](http://www.vendettaminingcorp.com)

### **Qualified Person**

Peter Voulgaris, MAIG, MAusIMM, a Director of Vendetta, is a non-independent Qualified Person as defined by NI 43-101. Mr. Voulgaris has reviewed the technical content of this press release, and consents to the information provided in the form and context in which it appears.

John Morton Shannon P.Geo., Principal Geologist at AMC Mining Consultants (Canada) Limited, is an independent qualified person, as defined in NI 43-101. Mr. Shannon has reviewed the technical content relating to the Mineral Resource disclosure of this press release, and consents to the information provided in the form and context in which it appears.

## **ON BEHALF OF THE BOARD OF DIRECTORS**

"Michael Williams"

Michael Williams

President & CEO



### *Forward Looking Information*

*The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.*

*Certain statements within this news release, other than statements of historical fact relating to Vendetta Mining Corp., are to be considered forward-looking statements with respect to the Company's intentions for its Pegmont project in Queensland, Australia. Forward-looking statements include statements that are predictive in nature, are reliant on future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "considers", "significant", "intends", "targets", "estimates", "seeks", "attempts", "assumes", and other similar expressions.*

*The forward-looking statements are based on a number of assumptions which, while considered reasonable by Vendetta Mining Corp., are, by their nature, subject to inherent risks and uncertainties and are not guarantees of future performance. Factors that could cause actual results to differ materially from those in forward-looking statements include: the interpretation of previous and current drill, further results from the 2018 drilling program, the accuracy of exploration results, the accuracy of Mineral Resource Estimates, the anticipated results of future exploration, the forgoing ability to finance further exploration, delays in the completion of exploration, delays in the completion of the updated Mineral Resource Estimate, the future prices of lead, zinc, and other metals, and general economic, market and/or business conditions. There can be no assurances that such statements and assumptions will prove accurate and, therefore, readers of this news release are advised to rely on their own evaluation of the information contained within. In addition to the assumptions herein, these assumptions include the assumptions described in Vendetta Mining Corp.'s Management's Discussion and Analysis for the nine months ended February 28, 2018..*

*Although Vendetta Mining Corp. has attempted to identify important risks, uncertainties and other factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those expressed in or implied by the forward-looking statements, there may be other risks, uncertainties and other factors that cause future performance to differ from what is anticipated, estimated or intended. Unless otherwise indicated, forward-looking statements contained herein are as of the date hereof and Vendetta Mining Corp. does not assume any obligation to update any forward-looking statements after the date on which such statements were made, except as required by applicable law.*