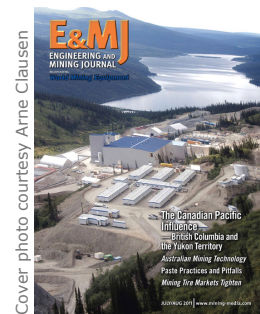




Corporate Update

Yukon Zinc Corporation is a mining, exploration and development company. In spring 2011, Yukon Zinc's majority shareholder Jinduicheng Molybdenum Group Co. Ltd. and shareholder Northwest Nonferrous International Investment Company Ltd. were joined by four new shareholders including Fosun Gold Holdings Limited, Arich Investments Ltd., Silvercorp Metals Inc., and Northern Mineral Investment Corporation. The new shareholders will further complement Yukon Zinc's international mining and business expertise and are very committed to supporting Yukon Zinc's operational and growth strategies. The key priorities for Yukon Zinc in 2011 are to ramp up production at its Wolverine Mine, and to explore company growth opportunities.

Yukon Zinc is featured in the July/August 2011 edition of the Engineering & Mining Journal, which can be viewed at: <http://www.e-mj.com/index.php/magazine/online-edition.html>



Cover photo courtesy Arne Clausen

Wolverine Mine Operations Update

- During the spring and summer Wolverine employees have been focused on safety and increasing production. The mill was in operation for 24 hours starting mid-June, which allowed for circuit optimization and focus on improving concentrate recovery and grade. *"We look forward to continuing the focus on maintaining a high level of safety while striving to achieve more successes and milestones for the second half of 2011"*, Ray Mah - Chief Operating Officer, Yukon Zinc.
- In May, Yukon Zinc welcomed the addition of Don Strickland as Mine General Manager and Jack Korppi as Underground Mine Manager to the Wolverine team. Collectively Don and Jack bring 38 years of mining experience to the company. Previously, Don worked at Placer Dome and Barrick Gold and Jack at Cameco, Inco, and Placer Dome.
- The assay lab is now operational and on-site mineral sample testing is conducted before and after mill processing. The truck shop, where surface and underground vehicles will be repaired, will be operational in fall 2011.



Loaded haul truck coming to surface



Testing in new assay lab

Mine Site Safety and Training

Yukon Zinc is committed to providing a safe and healthy working environment and to a zero-incident safety culture in which all employees participate. During the first half of 2011, Yukon Zinc's safety department facilitated site safety and job specific training that included

confined space entry, mill reagents, the surface safety card system and first aid. Mine Rescue training for certification was delivered to 15 employees from Yukon Zinc and Procon. *Front Line Supervisor* training is starting, which is a new Yukon WCB requirement.



A group of mine rescue trainees

In partnership with Northern Safety Network Yukon and Yukon Mine Training Association, Yukon Zinc has started on-site heavy equipment operator (HEO) certification. Six Kaska First Nation employees from Yukon Zinc will be trained by senior operator Remi Pelletier, who completed the Train-The-Trainer program in Whitehorse. This is the first HEO certification offered remotely in the Yukon and it allows the trainees to complete on-the-job training in addition to their regular site duties.



Community Involvement and Support

- In May, Yukon Zinc's HR Superintendent Neil Jones and HR Coordinator Aldea Lavallie facilitated a 2-day pre-employment workshop, *Groundwork for Employment*, in Watson Lake, Yukon. The objectives were to increase the participants understanding of working conditions at Wolverine and skill sets required for employment success, as well as discuss potential impacts on families and employees as a result of rotational shift work. A site tour of the Wolverine Mine was also provided to improve employment candidates understanding of the working environment. A workshop in Ross River will be held in the near future.
- In July, Kaska leaders from Ross River Dena Council and Liard First Nation attended a meeting at the Wolverine Mine. Yukon Zinc continues to provide benefits to the local communities through employment and supply & service contracts.
- Yukon Zinc would like to thank the volunteers from Ross River, L.A. Transport (Watson Lake), ESS Compass and site personnel for their assistance in mobilizing approximately \$15,000 in equipment and building materials from the now dormant exploration camp on Wolverine Lake to Ross River for a Cultural Exchange event. A member of the event organizing committee (Marie Skidmore - CEO, Dena Nezziddi) thanked Yukon Zinc and said, "Without the stoves and buffets, we would not have been able to feed the 400 plus people who showed up each day".



New Mine General Manager Don Strickland leading Kaska site tour

New Community Liaison

In August, Yukon Zinc welcomed the addition of Sandra Bob as Community Liaison Coordinator to assist with employee recruitment, committees and events within Kaska communities. Sandra will have a regular presence in Ross River and Watson Lake and at the Wolverine Mine. Sandra's office is located in Ross River at the Mackenzie Building on Kulan Street (across from the RCMP station).



Liaison office - Ross River, YT

Wolverine Employment Opportunities

Yukon Zinc has a range of career opportunities at the Wolverine Mine and is looking for enthusiastic, safety-oriented individuals who want to be part of the team at Yukon Zinc's first mine.

- Wolverine Mine is a fly-in/fly-out underground mine operation located ~280 km by air northeast of Whitehorse. Flights are provided from Whitehorse, Watson Lake, Ross River, Prince George, Smithers, Terrace, Campbell River and Vancouver. It is a "dry camp" and shifts are on a 2 weeks on and 2 weeks off basis.
- Yukon Zinc offers competitive salaries and exposure to a newly operating mine environment. With an expected 10 year mine life, Yukon Zinc is encouraging career growth through ongoing training and development support.

For current job postings visit www.yukonzinc.com. If you are interested in becoming a member of the Yukon Zinc team, please send your resume by email to: careers@yukonzinc.com or fax: **604-682-5404**.

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