

PPX MINING CORP

NEWS RELEASE

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Igor PFS shows Pre-Tax 64% IRR (59% Post-Tax), \$601/oz AuEq Cash Costs for PPX

Vancouver, British Columbia – December 4, 2018 – PPX Mining Corp. (the "Company" or "PPX") is pleased to announce that it has received the results of an independent Pre-Feasibility Study ("PFS") for an integrated underground mine and gold-silver recovery plant at the Company's Igor Project in Northern Peru. The PFS was prepared by Mine Development Associates ("MDA") of Reno, Nevada in accordance with the requirements of Canadian National Instrument 43-101 "Standards of Disclosure for Mineral Projects" (NI 43-101). Unless otherwise noted, the results below are expressed in US dollars, Canadian dollars are converted at an exchange ratio of 1.33.

Highlights of the PFS

- Pre-tax Internal Rate of Return ("IRR") of **64%** at \$1250/oz gold and \$16.50/oz silver, 59% post-tax; 76% pre-tax IRR with \$1350/oz gold and \$17.82/oz silver prices, 71% IRR post-tax.
- Average Life of Mine ("LOM") cash operating costs of **\$601/oz** gold equivalent ("AuEq") recovered and all-in sustaining costs ("AISC") of \$813/oz gold equivalent LOM.
- Pre-tax Net Present Value at a 5% discount rate ("NPV-5") of **\$37.7 million (Cdn\$50.1 million)** at \$1250/oz gold and \$16.50/oz silver, \$30.1million post-tax; \$46.1 million pre-tax NPV-5 (Cdn\$61.3 million) with \$1350/oz gold and \$17.82/oz silver prices, \$35.7 million post-tax.
- Post-tax Project pay-back period of approximately **twenty-four months and a mine life of seven years** after a three month ramp up and construction phase.
- LOM gold production is estimated to be 108,000 ounces of gold and 1,137,000 ounces of silver for a total of 122,000 AuEq ounces.
- Total Diluted Proven and Probable Reserves of 1,030,000 tonnes grading 4.10 gpt Au (136,000 ounces Au) and 104.08 gpt Ag (3,445,000 ounces Ag), or 154,000 AuEq ounces at a grade of 4.66 gpt AuEq.
- Total Measured and Indicated Resources of 1,470,000 tonnes, grading 4.72 gpt Au (223,000 ounces Au) and 109.5 gpt Ag (5.18M ounces Ag) equal to 246,000 AuEq ounces (5.21 gpt AuEq). Inferred Resources totaled 613,000 tonnes, grading 3.91 gpt Au (77,000 ounces Au), and 139.7 gpt Ag (2.75M ounces Ag) equal to 89,000 AuEq ounces. The reported Resources are inclusive of the Mineral Reserves.

"PPX is excited to complete this important step in advancing the Igor Project and Mina Callanquitas towards production" said Brian J. Maher, President and CEO of PPX Mining. "The low cash costs, rapid payback and strong base-case NPV can be attributed to PPX using low-cost heap leach precious metal recovery. We view the PFS as a base-case road map that outlines the initial production plan for the Igor

Project with multiple actionable opportunities to expand gold and silver production and cash flow in the near term.”

Project upside includes:

- As noted in the PFS, adding a conventional milling circuit to the processing plant in years 2-3 can add significant cash flow and tens of millions of dollars in NPV to the project, as silver grades increase with depth and higher recoveries offset mill capital. PPX will pursue this option by conducting additional technical analyses during the first years of the currently planned heap-leach production.
- Exploration drilling has identified an 800-metre extension of the Callanquitas structure at Portachuelos (please see PPX Press Release dated April 9, 2018) more than doubling the known strike length of the Callanquitas structure and opening up a large target for resource/reserve expansion that could support much higher production rates and/or increased mine life.
- Our exploration program during 2018 at Portachuelos, Tesoros and Domo has demonstrated that the Igor Project is a district-scale project with multiple styles of precious metal mineralization that could support high-grade underground mining and potentially, large scale surface mining as well.

The Callanquitas underground mine is fully permitted and has been operating for over 18 months in a test mining and bulk sampling mode. The heap leach processing facility has nearly completed the permitting process, needing only the final Permit to Initiate Operations (“F2”) to begin operations. This permit is expected in December, 2018.

With the completion of the PFS, the Company is prepared to advance the Igor project into production as outlined in the PFS. PPX looks forward to completing our transition from developer to producer and becoming Peru’s newest gold and silver producer.

Financial Analysis:

The PFS base case uses a gold price assumption of \$1,250/oz and a silver price assumption of \$16.50/oz, and generates a discounted pre-tax net cash flow of \$37.7M (5%) over a seven-year mine life. PFS results are disclosed on a Pre-tax and Post-tax basis. Key economic metrics, with the base case highlighted are summarized below.

Gold & Silver Price per Ounce	\$1,150; \$15.18	\$1,250; \$16.50	\$1,350; \$17.82
Pre-tax IRR	51%	64%	76%
Pre-tax Cumulative Cash Flow	\$40.7	\$52.5	\$64.2
Pre-tax NPV (5% discount rate)	\$29.2	\$37.7	\$46.1
Pre-tax NPV (8% discount rate)	\$23.8	\$31.0	\$38.3
Post-tax IRR	48%	59%	71%
Post-tax Cumulative Cash Flow	\$34.0	\$41.7	\$49.7
Post-tax NPV (5% discount rate)	\$24.4	\$30.1	\$35.7
Post-tax NPV (8% discount rate)	\$19.8	\$24.8	\$29.8
Post-tax Payback Period (Months)	31.4	23.7	20.5

The financial analysis demonstrates a robust project, well insulated from reduced precious metal prices, with considerable upside exposure to gold and silver price increases.

Mining and Processing

Oxide ore will be obtained from Mina Callanquitas underground workings accessed by a series of ramps and development drifts. Ore will be stoped using mechanized cut and fill with broken ore transported to the surface via the ramp system. The PFS assumes that the mine will utilize a contract miner to provide equipment and personnel for underground mining. Broken ore will be transported by 20-tonne trucks to the processing plant where the ore will be crushed, screened and agglomerated. Crushed ore will be stacked on heap leach pads at an average rate of 430 tonnes per day at full production. Pregnant solutions from the heap leach pads will be treated in a Merrill Crowe processing plant in order to maximize silver recovery. Gold and silver recoveries have been estimated at 80% and 33% for the purposes of this PFS. The processing facility will produce gold-silver doré which will be sold for further refining.

Over an 87-month operating period (plus seven-year mine life), production will total 1,030,000 tonnes of ore with an average fully diluted mining grade, as delivered to the processing plant, of 4.10 gpt Au and 104.1 gpt Ag. Total gold and silver production, LOM, is projected to be 108,000 ounces of gold and 1,137,000 ounces of silver (122,000 ounces AuEq). At full steady state production after ramp-up, production will average 19,000 AuEq ounces per year, reaching a high of 27,000 AuEq ounces in year seven.

Capital and Operating Cost

The total capital cost for the processing plant was originally estimated at \$4.71M. The current remaining capital cost for the processing plant is estimated at \$3.64M, including contingencies, and reflects the \$1.07M expended to date.

<i>Processing Direct Costs</i>	Total Estimate	Current Estimate
Crushing and Grinding	\$871,600	\$ 654,000
Gold Recovery Plant	\$577,400	\$ 434,000
De-Oxygenation	\$258,200	\$ 194,000
Zinc Precipitation	\$399,800	\$ 300,000
Cyanide Addition	\$217,200	\$ 163,000
Smelting	\$277,900	\$ 209,000
Heap Leach Pad & Ponds	\$281,600	\$ 211,000
On-Site Infrastructure	\$380,700	\$ 286,000
Off-Site Infrastructure	\$541,400	\$ 407,000
Total Directs	\$3,805,800	\$ 2,858,000
<i>Processing Indirect Costs</i>		
EPCM	\$114,200	\$ 86,000
Contractor's Fees	\$76,100	\$ 57,000
Owners Costs	\$114,200	\$ 86,000
Transportation	\$114,200	\$ 86,000
First Fills	\$57,100	\$ 43,000
Total Indirects	\$475,800	\$ 358,000
Total Directs & Indirects	\$4,281,600	\$ 3,216,000
Contingency	\$428,200	\$ 428,200
Total Processing Capital	\$4,709,800	\$ 3,644,200

Mining Capital is mostly capitalized development over the life of the mine and adjustments (payments) to the mining contractor. Salvage at the end of mine life has been estimated at \$908,000.

Mining Capital

Capitalized Development	\$ 6,045,000
Other Mining Capital	\$ 190,000
Pre-Production Costs	\$ 382,000
Total Mining Capital	\$ 6,617,000
Contractor Adjustments	\$ 2,374,000
Salvage	\$ (908,000)
Total Mining Capital	\$ 8,083,000

Operating costs are subdivided into direct cash operating costs and All-In Sustaining Costs (“AISC”) which include capital, reclamation, and payments to RIVI Capital for the stream financing. The PFS projects direct cash operating costs of \$601/AuEq ounce and AISC of \$813/AuEq ounce which would place the project near the lower quartile globally in terms of operating costs (based on World Gold Council GoldHub Q3 2018 Production Costs AISC Chart).

<i>Operating Costs</i>	\$/tonne	\$/AuEq Oz
Expensed Mine Development	\$2.45	\$20.61
Underground Mining Costs - Ore	\$49.38	\$415.89
Processing Costs	\$17.13	\$144.29
G&A	\$2.42	\$20.39
Total Direct Cash Operating Costs	\$71.38	\$601.18
RIVI Stream Payments	\$10.09	\$85.00
Reclamation	\$3.69	\$31.11
Capital Costs	\$11.38	\$95.92
All-In Sustaining Costs (AISC)	\$96.54	\$813.21

Mineral Resource Estimate

MDA developed the update mineral resource estimate for the Igor Project that has been utilized in the PFS in accordance with the requirements of Canadian National Instrument 43-101 “Standards for the Disclosure of Mineral Projects”. The resource estimate is restricted to the Callanquitas gold and silver deposit within the Igor Project. Data from a total of 93 diamond core drill holes totaling 23,264 metres in length and 1,126 underground channel samples were used to prepare the resource estimate. The estimation methodology included establishing separate domains for higher and lower grade portions of the Callanquitas deposit, utilizing geologic criteria including structure to constrain resources. Individual model blocks are 0.5m x 2.0m x 2.5m in order to mimic the proposed and current mining method. The Inverse-Distance Cubed (“ID3”) method was used to estimate sample data into the block model. As-built surveys of underground workings were used to eliminate resource blocks that have already been mined as of October, 2018. A gold equivalent (“AuEq”) cutoff grade of 2.0 gpt AuEq was used to define the reported Mineral Resources. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserves. The results of the mineral resource estimate are summarized below.

2018 Igor Reported Resources (2.0 gpt AuEq cutoff)

Type	Class	Tonnes	gpt Au	oz Au	gpt Ag	oz Ag	gpt Au Eq	oz Au Eq
Oxide	Measured	109,000	5.32	19,000	61.7	215,000	5.59	20,000
	Indicated	1,361,000	4.67	204,000	113.4	4,962,000	5.17	226,000
	Meas. + Ind.	1,470,000	4.72	223,000	109.5	5,177,000	5.21	246,000
Oxide	Inferred	344,000	4.58	51,000	124.6	1,376,000	5.13	57,000
Sulfide	Inferred	269,000	2.97	26,000	159.1	1,378,000	3.68	32,000

- *CIM Definitions and Standards were followed for Mineral Resource estimates;*
- *Equivalent gold (AuEq) values are based on a 75:1 gold:silver price difference (US\$1,300 Au and US\$17.30 Ag) and 3:1 gold:silver recovery difference;*
- *Mineral Resources are inclusive of Mineral Reserves;*
- *The Mineral Resource estimate was prepared by Paul Tietz, C.P.G., an independent consultant and Qualified Person for the purpose of NI 43-101.*
- *Some apparent discrepancies are due to rounding.*

An historical resource estimate for the Callanquitas gold and silver deposit was presented in a Technical Report, amended September 27, 2013 and available on the Company's website or SEDAR. The 2013 historical resource estimate consisted entirely of Inferred Mineral Resources reported at a cutoff grade of 1.5 gpt AuEq. The 2013 Technical Report also included tabulated Inferred Resources using a 2.0 gpt AuEq cutoff. Compared to the historical resource calculated at a 2.0 gpt AuEq, the current resource estimate shows that:

- 69% of the current resources are in the Measured and Indicated categories, compared to nil in the historical resource estimate, reflecting the results of the recent in-fill drilling and underground sampling program. The conversion of a large portion of the Callanquitas resource to the Measured and Indicated categories is important as only Measured and Indicated Resources may be used to calculate Proven and Probable Reserves.
- The average AuEq grade of the current Measured and Indicated Resources reported herein is 192% higher than the historical estimate, 5.21 gpt AuEq compared to 2.71 gpt AuEq (the historical AuEq value is calculated using the same 3:1 gold:silver recovery ratio used in the current estimate).

Mineral Reserves

Proven and Probable Mineral Reserves were estimated by Joseph B. Seamons, P.E. of MDA, in accordance with the requirements of Canadian National Instrument 43-101. Proven and Probable reserves were estimated based on a \$1,250 per ounce gold price and \$16.50 per ounce silver price. The reserves estimate utilized Deswik™ Stope Optimizer Software (Deswik.SO™) to define mineable shapes based on a 2.5 gpt AuEq cutoff grade.

Dilution of 10% (tonnage) was added. Gold and silver grades of the dilution tonnes were based on a 0.5m shell outside of the mineable stope shapes. Measured and Indicated grades within the dilution shell were

calculated for each level, and the metal content of the dilution was reduced by 50% to represent waste due to mucking on top of fill. A mining extraction of 95% was used to represent a 5% ore loss.

2018 Igor Reported Reserves

Type	Class	Tonnes	gpt Au	oz Au	gpt Ag	oz Ag	gpt AuEq	oz AuEq
Oxide	Proven	8,000	4.56	1,000	32.3	8,000	4.74	1,000
	Probable	1,022,000	4.09	134,000	104.6	3,437,000	4.66	153,000
	Prov. + Prob.	1,030,000	4.10	136,000	104.1	3,445,000	4.66	154,000

- *CIM Definitions and Standards were followed for Mineral Resource estimates;*
- *Proven and Probable reserves are based on Measured and Indicated resources;*
- *Reserves are reported as fully diluted and reflect a 95% extraction rate (5% ore loss);*
- *Reserves are reported based on \$1,250 per ounce gold and \$14.50 per ounce silver prices;*
- *Equivalent gold are reported based on metal prices and 80% recovery of gold and 33% recovery of silver;*
- *Some apparent discrepancies are due to rounding.*

Metallurgical Testing

Five sets of metallurgical testing have been performed on samples from the Callanquitas deposit. The first testing was done during 2014 and 2015 and consisted of bottle roll and agitated leach tests. The results showed that Callanquitas gold and silver mineralization is amenable to CN extraction. In 2015, two sets of samples were subjected to column leach testing over a variety of leach times and utilizing agglomeration and non-agglomerated ore samples. The best results from the 2015 column leach came from ore crushed to ½ inch size with the fines agglomerated. A final set of column leach tests were performed in 2017 with similar results, the best precious metal recoveries occurred in samples crushed to ½ inch size. Gold dissolution was rapid in the 2017 test work, with most of the gold being extracted within the first five days of leaching. The opposite was true for silver, with dissolution being slow and continuing to increase throughout the 35-day leach cycle. Based on the full body of test work completed to date, the process design in the PFS considers gold recovery of 80% and silver recovery of 33% over the full leach cycle. The test work shows that silver recovery can be variable and additional testing is recommended to understand the source of this variability. Metallurgical test work is summarized below:

Laboratory	Year	Test Type	Crush Size	Leach Time	% Recovery Au	% Recovery Ag
OM Mining	2014	Bottle Roll	86% -200 Mesh	96 hours	96.1	89.2
Certimin S.A.	2014	Bottle Roll	NA	24 hours	87.5	66.1
Alex Stewart Intl.	2014	Bottle Roll	NA	120 hours	81.4	8.0
BMI Ingenieros S.A.C.	2015	Bottle Roll	70% -200 Mesh	24 hours	83.7	28.6
BMI Ingenieros S.A.C.	2015	Bottle Roll	70% -200 Mesh	48 hours	83.8	31.0
BMI Ingenieros S.A.C.	2015	Bottle Roll	70% -200 Mesh	24 hours	88.3	77.7
BMI Ingenieros S.A.C.	2015	Column Leach	1/2 Inch	10 days	76.1	19.7
BMI Ingenieros S.A.C.	2015	Column Leach	1/2 Inch	20 days	74.4	25.7
BMI Ingenieros S.A.C.	2015	Column Leach	1/2 Inch	30 days	75.8	23.2
BMI Ingenieros S.A.C.	2015	Column Leach	1/2 Inch	20 days	85.4	14.7
METTS	2017	Column Leach	2 Inch	35 days	66.8	9.3
METTS	2017	Column Leach	1 Inch	35 days	65.1	7.9

METTS	2017	Column Leach	1/2 Inch	35 days	67.5	7.6
METTS	2017	Column Leach	2 Inch	35 days	76.2	20.2
METTS	2017	Column Leach	1 Inch	35 days	79.7	22.7
METTS	2017	Column Leach	1/2 Inch	35 days	80.4	33.0

Qualified Persons

The following people have reviewed this press release and all are independent Qualified Persons as defined by NI 43-101 in their specified areas of expertise:

Disclosure related to process plant design, capital and operational costs: Ernest Burga, P.E.

Disclosure related to metallurgy and process design: Dr. Diogenes Uceda, Ph.D., P.E.

Disclosure related to mining and Reserve estimation: Joseph B. Seamons, P.E. of MDA,

Disclosure related to Mineral Resource estimation: Paul Tietz, C.P.G. of MDA,

Disclosure related to economic analysis: Thomas L. Dyer, P.E. of MDA.

All scientific and technical information in this press release not within the areas of expertise described above has been reviewed and approved by Quentin J. Browne, P.Ge., Independent Consulting Geologist to PPX Mining Corp., who is a qualified person under the definitions established by National Instrument 43-101.

About PPX Mining Corp

PPX Mining Corp. (TSX.V: PPX.V, SSE: PPX, BVL: PPX) is a Canadian-based exploration and development company with assets in northern Peru. Igor, the Company's 100%-owned flagship gold and silver project, is located in the prolific Northern Peru gold belt in eastern La Libertad Department. PPX is developing the Callanquitas Mine and heap leach facility to exploit high grade, underground-minable gold and silver ore. Based on the Company's Prefeasibility Study, PPX expects the Callanquitas mine to produce up to 26,000 AuEq ounces per year over a seven-year mine life at cash cost of less than US\$610/AuEq ounce. Simultaneously, PPX is accelerating its exploration program at Igor in order to fully evaluate the resource potential of the entire Igor project area. The Callanquitas structure is open along strike and at depth, parallel structures are unexplored. New discoveries at Portachuelos, coupled with the Domo and Tesoros exploration targets, emphasize that the Igor Project is evolving into a district-scale project with multiple deposits and mineralized zones.

On behalf of the Board of Directors
Brian J. Maher
President and Chief Executive Officer

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