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SOQUEM ANNOUNCES A NEW RESOURCE ESTIMATE FOR ITS B26 DEPOSIT

Val-d'Or, March 4, 2018. SOQUEM, a subsidiary of Ressources Quebec, is pleased to announce the results of an updated resource estimate for the B26 polymetallic deposit, 100% owned by SOQUEM, and located 90 km west of Matagami, Quebec. The update follows 33,044 m of additional diamond drilling (see news releases dated October 3, 2016, October 10, 2017, and November 20, 2017), and re-sampling of historical holes since the last resource estimate (see news release dated May 20, 2016). The new drilling focused on defining the geometry of the zinc rich massive sulfide horizon, and expanding the copper zone at depth.

Highlights

- Indicated resources total 6.97 Mt grading 1.32 % Cu, 1.80 % Zn, 0.60 g/t Au and 43 g/t Ag. Inferred resources total 4.41 Mt grading 2.03 % Cu, 0.22 % Zn, 1.07 g/t Au and 9 g/t Ag.
- In-pit indicated resources total 811 000t grading 1.48 % Cu, 0.43 % Zn, 0.89 g/t Au and 28 g/t Ag. In-pit inferred resources total 14 000t grading 1.33 % Cu, 0.01 % Zn, 0.19 g/t Au and 2 g/t Ag. In-pit resources are based on a Whittle-optimized pit shell based on metal prices of $5,500/t (Cu), $2,420/t (Zn), $1,200/oz (Au), and $16/oz (Ag), using a cut-off "grade" of $36.70/t (in-situ value of metal content Cu + Zn + Au + Ag). All metal prices and estimated costs are in US dollars.
- Underground indicated resources total 6.16 Mt grading 1.30 % Cu, 1.98 % Zn, 0.56 g/t Au and 45 g/t Ag, and underground inferred resources total 4.39 Mt grading 2.03 % Cu, 0.22 % Zn, 1.08 g/t Au and 9 g/t Ag at a cut-off "grade" of $100/t (in-situ value of metal content Cu + Zn + Au + Ag).
- The B26 deposit remains open at depth and laterally. Other mineralized occurrences with a similar signature are present on the property and an exploration program is planned in 2018 to evaluate their potential.

Olivier Grondin, president and CEO of SOQUEM, commented: *"We are extremely pleased with the results of the resource estimate, as it confirms the presence of a second deposit of significance in the area of the past-producing Selbaie mine. The geological hypothesis put forward by the SOQUEM team are more robust than ever and we expect future exploration programs to further increase the value of the B26 project".*

Two main types of mineralization characterize the volcanogenic B26 deposit. The northern part of the mineralized system is characterized by chalcopyrite veins and veinlets hosted in sericitized and chloritized rhyolite. The southern portion of the system contains mostly disseminated to massive sphalerite, pyrite and galena mineralization, hosted in horizons of aphyric rhyolite. The zones are parallel, oriented generally east-west, and dip 87° to the south.

Table 1 presents estimated resources for the B26 deposit and table 2 presents the metal content within the B26 deposit. A sensitivity analysis of different cut-off grades for the estimated resources is presented in table 3.

Table 1: Estimated resources in the B26 deposit

ZONE	Tonnage (t)	Classification		Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu eq (%)	Zn eq (%)
Feeder Cu	651,000	Indicated	In-pit	1.82	0.04	1.10	5	2.66	NC
	14,000	Inferred	In-pit	1.33	0.01	0.19	2	1.49	NC
	3,713,000	Indicated	Underground	2.01	0.10	0.87	7	2.74	NC
	4,232,000	Inferred	Underground	2.10	0.04	1.03	7	2.91	NC
Horizon Zn	160,000	Indicated	In-pit	0.06	2.04	0.03	120	*2.10 **	4.78
	2,244,000	Indicated	Underground	0.24	4.98	0.09	99	*3.42 **	7.78
	120,000	Inferred	Underground	0.14	4.80	2.93	66	*4.93 **	11.20
Remob Ag-Zn	203,000	Indicated	Underground	0.01	3.02	0.07	138	*2.68 **	6.09
	40,000	Inferred	Underground	0.01	4.85	0.10	137	*3.49 **	7.94
TOTAL	**811,000**	**Indicated**	**In-pit**	**1.48**	**0.43**	**0.89**	**28**	**2.55**	**NC**
	14,000	**Inferred**	**In-pit**	**1.33**	**0.01**	**0.19**	**2**	**1.49**	**NC**
	6,160,000	**Indicated**	**Underground**	**1.30**	**1.98**	**0.56**	**45**	**2.99**	**NC**
	4,392,000	**Inferred**	**Underground**	**2.03**	**0.22**	**1.08**	**9**	**2.97**	**NC**
	6,972,000	**Indicated**	**Total**	**1.32**	**1.80**	**0.60**	**43**	**2.94**	**NC**
	4,406,000	**Inferred**	**Total**	**2.03**	**0.22**	**1.07**	**9**	**2.97**	**NC**

Notes:

**: The copper equivalent values are presented for comparison purposes. These zones are rich in Zn and Ag but are generally poor in Cu.*

(1) The cut-off grade used in the pit is an in-situ value of 36.70 $/t (equivalent to 0.67 % Cu or1.52 % Zn).

(2) The cut-off grade used underground is an in-situ value of 100 $/t (equivalent to 1.82 % Cu or 4.13 % Zn).

(3 The mineral resources were estimated in compliance with Canadian Institute of Mining, Metallurgy and Petroleum standards. These mineral resources were reported in accordance with the NI 43-101 standards.

(4) Mineral resources do not constitute mineral reserves because they have not demonstrated economic viability.

(5) Inferred resources are exclusive of indicated resources.

(6) The effective date of these mineral resources is January 31, 2018.

(7) The resources are estimated with a cut-off on the combined value of a tonne of resource.

(8) The in-situ value of the resources as well as the Cu and Zn equivalents are calculated with 100 % recovery and prices of Cu: 5 500 $/t, Zn: 2 420 $/t, Au: 1 200 $/oz and Ag: 16 $/oz.

(9) All resources are presented in-situ and undiluted.

(10) NC signifies "not calculated".

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Table 2: Metal content within the B26 deposit

ZONE	Classification		Cu (t)	Zn (t)	Au (koz)	Ag (koz)
Feeder Cu	Indicated	In-pit	11,890	240	23	110
	Inferred	In-pit	190	0	0	0
	Indicated	Underground	74,720	3,880	104	880
	Inferred	Underground	89,060	1,830	140	910
Horizon Zn	Indicated	In-pit	100	3,260	0	620
	Indicated	Underground	5,490	111,740	7	7,120
	Inferred	Underground	170	5,750	11	250
Remob Ag-Zn	Indicated	Underground	20	6,150	0	900
	Inferred	Underground	0	1,960	0	180
TOTAL	**Indicated**	**In-pit**	11,990	3,500	23	720
	Inferred	**In-pit**	190	0	0	0
	Indicated	**Underground**	80,230	121,770	111	8,890
	Inferred	**Underground**	89,230	9,540	152	1,340
	Indicated	**Total**	92,220	125,270	134	9,620
	Inferred	**Total**	89,410	9,540	152	1,340

Notes:

(1) The metal content was calculated using the values presented in table 1.

(2) Notes (3) to (9) from table 1 apply to table 2.

Table 3: Sensitivity analysis of estimated resources with different cut off grades on the B26 deposit.

Cut off grades	Tonnage (t)	Classification	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)
Base case -20%	8,936,000	Indicated	1.25	1.54	0.53	37
	6,212,000	Inferred	1.80	0.17	0.90	8
Base case	6,972,000	Indicated	1.32	1.80	0.60	43
	4,406,000	Inferred	2.03	0.22	1.07	9
Base case +20%	5,174,000	Indicated	1.36	2.18	0.68	51
	2,897,000	Inferred	2.34	0.29	1.28	11

Notes:

(1) The sensitivity analysis was done on the total resources presented in table 1.

(2)The in-pit cut-off grade used (base case -20 %) is an in-situ value of 30 $/t (equivalent to 0.55 % Cu or 1.24 % Zn).

(3) The in-pit cut-off grade used (base case) is an in-situ value of 36.70 $/t (equivalent to 0.67 % Cu or 1.52 % Zn).

(4) The in-pit cut-off grade used (base case +20 %) is an in-situ value of 45 $/t (equivalent to 0.82 % Cu or 1.86 % Zn).

(5) The underground cut-off grade used (base case -20 %) is an in-situ value of 80 $/t (equivalent to 1.45 % Cu or 3.31 % Zn).
(6) The underground cut-off grade used (base case) is an in-situ value of 100 $/t (equivalent to 1.82 % Cu or 4.13 % Zn).
(7) The underground cut-off grade used (base case +20 %) is an in-situ value of 120 $/t (equivalent to 2.18 % Cu or 4.96 % Zn).
(8) Notes (3) to (9) from table 1 apply to table 2.

Resources were estimated using the following parameters:

- The database includes 254 drill holes for a total of 115,311 m. Of these, 191 were drilled by SOQUEM since 2013, and 63 are considered historical.
- The database includes 41,606 assays with an average core length of 1.33 m per sample for a total assayed length of 55,195 m. Core drilled by SOQUEM is NQ-sized and was assayed by Actlabs in 2014-2014, AGAT in 2015 (re-sampling), and ALS in 2016-2017.
- The resource estimate was performed using inverse-distance squared (ID2).
- Block size is 10 x 2 x 10 m.
- The model was built using 84 cross-sections with a variable spacing of 8 to 50 m depending on data density (average spacing of 20 m). A total of 37 solids were modeled, of which 28 were mostly mineralized in Cu, 3 in Zn, and 6 in Ag. Minimum intercept length in a drill hole is 3 m, which approximately corresponds to 2 m of horizontal thickness.
- No capping was used for Cu and Zn, as no extreme values were observed. Au was capped at 18 g/t, resulting in a metal content loss of 2%. Ag was capped at 800 g/t, resulting in a metal content loss of 3%. Capping was applied to only one Au value and 6 Ag values.
- Rock density is 2.8 for Cu-rich and Ag-rich solids. Density is 2.95 for Zn-rich solids. These values are based on 2,349 measurements by SOQUEM between 2013 and 2017, as recommended through discussions between SOQUEM and SGS.
- Pit optimization parameters are:
    - Prices:
        - Cu: $5,500/t
        - Zn: $2,420/t
        - Au: $1,200/oz
        - Ag: $16/oz
    - Costs:
        - Ore mining: $4.50/t
        - Waste mining: $4/t
        - Overburden removal: $3/t
        - Processing: $25/t
        - G&A: $3/t
    - Mining recovery: 95%
    - Milling recovery: 90%
    - Mining dilution: 10%

- Royalty: 0%
- Waste density: 2.8
- Overburden density: 2.0
- Pit angles:
  - In rock: 45°
  - In overburden: 25°

- The economic cut-off was applied to the in-situ value of the sum of the 4 metals carrying the economic potential using the following prices:
  - Cu: $5,500/t
  - Zn: $2,420/t
  - Au: $1,200/oz
  - Ag: $16/oz
- The formula to calculate the in-situ value is the following:
  - 55 ($/%) x Cu(%) + 24.2 ($/%) x Zn(%) + 38.6 ($/g) x Au(g/t) + 0.4676 ($/g) x Ag (g/t)

Yann Camus P.Eng. of SGS Canada Inc., is the independent qualified person responsible for the technical information presented in this news release, as defined by NI 43−101 Standards of Disclosure for Mineral Projects, including the verification of released data.

Olivier Grondin, géo., M.Sc., president and CEO of SOQUEM, is a qualified person as defined by NI 43−101 Standards of Disclosure for Mineral Projects, and is responsible for the technical data presented in this news release, with the exception of the resource estimate results.

Strict QA/QC protocols were used during all exploration programs performed by SOQUEM on the B26 project, including the insertion of certified reference material and blanks.

About SOQUEM

SOQUEM, a subsidiary of Ressources Québec, is a leading player in mineral exploration in Québec. Its mission is to explore, discover and develop the mineral resources of Québec. SOQUEM has participated in more than 350 exploration projects and contributed to major discoveries of gold, diamonds, lithium and other minerals.

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