



News Release

Crown Mining Corp. Announces PEA Results for the Moonlight Copper Project

March 02, 2018 - TORONTO, ONTARIO- Crown Mining Corp. (TSX VENTURE:CWM) (“Crown” or “the Company”) is pleased to report strong results of the Preliminary Economic Assessment (PEA) completed by Tetra Tech, regarding the Company’s Moonlight Copper Project located in Plumas County, California, USA.

Highlights of the PEA Include:

- Pre-tax Net Present Value (NPV): US\$ 237M at 8% discount rate.
- Pre-Tax Internal Rate of Return (IRR): 16.4%
- Pre-tax Payback Period: 4.8 years
- After-tax NPV of US\$179M and after tax IRR of 14.6% for the base case
- Initial Capital Cost: US\$513M, including a contingency provision in the amount of US\$71M
- Plant Processing Rate: 60,000 tons per day (STPD)
- Average Copper Recovery: 86.0%
- Copper concentrate Production: Averaging 163,000 tons per year (STPY) with an average grade of 28%.
- Mine Life: 17 years, based on the existing Mineral Resource estimate
- Projected Direct Employment: 332 employees (163 process and G&A; 169 mining)
- Life of mine copper production of 1.5 billion pounds

The PEA was prepared under National Instrument 43-101 standards by independent consultant, Tetra Tech, and the full technical report will be filed on SEDAR within 45 days of this news release. The Company also engaged Cameron Resource Consulting, LLC (CRC) for the resource modeling.

Crown’s President & CEO, Stephen Dunn commented: “The Company is very encouraged with the results of the PEA as they support the concept that the Moonlight Project can be developed as a profitable mining operation at current copper prices.”

“The current study only focuses on the Moonlight deposit and does not factor in the other two deposits or the several untested exploration targets on our property. Additional exploration success at Moonlight and the inclusion of these other deposits could have a significant influence on the size, value and timing of the overall development plan as we move forward.”

“We are also very excited with the potential for job opportunities for Plumas County and surrounding regions. The PEA estimates approximately 330 year round jobs will be created during mine operations. This will be an important economic boost for the local communities near our property that currently have limited opportunities for long term employment.”

“With the recent rally in copper prices and given the projected doubling in demand for copper over the next 20 years from the electric-vehicle revolution, renewable energy technologies, population growth and global urbanization, we expect renewed attention on undeveloped copper deposits like our Moonlight-Superior project. We at Crown Mining remain focused on unlocking the full potential of the Moonlight-Superior project and look forward to advancing our project to the development stage.”

Mineral Resource Estimate

The Moonlight Deposit, part of the Moonlight-Superior Project in the historic Lights Creek District of Plumas County, California, is a disseminated copper deposit hosted by the Lights Creek stock of early Jurassic age and intruded metavolcanic rocks. The deposit lies at the northern end of the Sierra Nevada physiographic province at its juncture with the Late-Tertiary-to-Recent Cascade volcanic province to the north and the Basin and Range province immediately to the east. The Lights Creek stock is a roughly circular, tourmaline-rich quartz monzonite intrusive with areal extent of approximately 7sq mi. Copper mineralization, mostly comprising chalcopyrite and bornite or their near-surface oxidation products, is preferentially located in stockwork zones with fractures of multiple orientations, or at the intersection of structures and lithologic contacts.

The Mineral Resource estimate for the Moonlight Copper Project has been prepared for Crown Mining Corp (CM) by CRC with an effective date of December 15, 2017. The Mineral Resource estimate incorporates geologic interpretations and a database compiled from historic drilling campaigns. The resource database comprises 202 drill holes with 11,005 copper assays, 10,555 gold assays and 10,675 silver assays. Of the total, 189 holes are vertical N- and B-sized diamond drill holes drilled by American Exploration Inc. (AMEX) from 1966 – 1970. Sheffield Resources Ltd. (Sheffield) completed 13 angled HQ-sized diamond drill holes in 2005 – 2006, making up the remainder. Many of the historic drill hole collars can be located on the surface; several collar locations were confirmed by CRC as part of the field data verification for this study. CRC performed spot check sampling and assaying of remaining drill core and select mineralized surface exposures. Drill hole logs and assays from the historic drill campaigns were checked by CRC against information contained in the drill hole database used for Mineral Resource estimation. An historic estimate for the deposit was filed in a 43-101 Technical Report on SEDAR in 2007, but is superseded by the Mineral Resource estimate reported here.

Moonlight deposit drill spacing comprises a fairly regular 300 x 300 ft grid aligned with the overall deposit trend. Drill spacing opens up near the bottom of the deposit due to variable drill hole depths. Separate mineralized pods with northwest trend align to form an overall north-northeast deposit trend, discerned as part of exploratory data analysis using contours of copper, gold and silver bench composites. The two trends are sub-parallel to faults mapped on the surface beyond the edges of the deposits. Structural complication by faulting inside the deposit outline does not appear to be major.

Most copper assaying by AMEX was in 10 ft lengths; Sheffield data, composing approximately 15% of the resource database, comprises 6.5 ft (2m) sample lengths and assays for copper, silver and gold. AMEX gold and silver assays were performed on 100 ft composites. Sheffield assay data is supported by laboratory assay certificates, stored drill core and records from its quality control (QA-QC) program. AMEX assay data is only supported by handwritten assays on drill logs and comparable results from a Sheffield twin-hole program. The review of the AMEX data by CRC supports its use for estimation of copper and silver. Approximately 80% of assays are from quartz monzonite, and nearly all of the rest are in relatively low-grade metavolcanic wall-rocks. Less than 10% of the assays are from oxidized rocks. Copper assays were composited for estimation to the proposed bench height (50 ft); gold and silver were composited to 100 ft intervals consistent with the general assay lengths for these metals.

Geologic units interpreted in three dimensions from plans and sections include the principal quartz monzonite stock host, a metavolcanics solid, Tertiary sediment cover, and a late basalt plug. An oxide lower surface was also interpreted from the drill logs to permit removal of oxide material from the mine plan. An outer 0.1% Cu grade shell was constructed by contouring indicator estimate results on sections and reconciling (smoothing) the sectional interpretation on closely-spaced plans. The geologic interpretation was used to domain the deposit based on further statistical analysis, capping and variography. Reliable directional variograms were obtained for copper and omnidirectional variograms for silver. The quartz monzonite was found to contain approximately 90% of mineralization >0.1% Cu.

A block model was constructed with dimensions of 100 x 100 x 50 ft high to cover the Moonlight deposit from the surface to a maximum depth at 4200 ft elevation. Grade estimates were by ordinary kriging methods for copper and silver, and inverse distance methods (ID3) for gold using Micromine software. Gold estimates outside the areas infill-drilled by Sheffield were assigned the mean value of the blocks estimated by Sheffield data. A single specific gravity value was assigned to the block model based on a statistical analysis of measurements collected by Sheffield from drill cores. Mineral Resources estimates were validated graphically, for absence of global and local bias, and for change-of-support. A summary of the estimates for the Moonlight deposit is listed in the Mineral Resource statement below:

Moonlight Mineral Resources as of December 15, 2017^{1,2,3,4,5,6,7}

Class	Tons (000's)	Cu (%)	Au (opt)	Ag (opt)	Cu Tons (000's)	Au Oz (000's)	Ag Oz (000's)
Indicated	252,000	0.25	0.0001	0.07	636	18	18,400
Inferred	109,000	0.24	0.0001	0.08	267	9	9,000

(1) Mineral Resources are estimated using CIM Best Practices guidelines and 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves.

(2) The Qualified Person for the Mineral Resources is Donald E. Cameron, Registered Geologist, Society of Mining Engineers (SME).

(3) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

(4) It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

(5) Rounding as required by reporting guidelines may result in apparent differences between tons, grade and contained metal content.

(6) Mineral Resources are reported above a \$6.25 net smelter return (NSR) cut-off (NSR=44.08*Cu + .348*31.10348*Ag) and within a conceptual pit shell using copper, gold and silver prices of US\$ 3.00/lb, \$1275/oz and \$17.5/oz, respectively, and preliminary operating costs as of the effective date of this Mineral Resource.

(7) Effective date of Mineral Resource is December 15, 2017.

Moonlight Mineral Resources are moderately sensitive to the selection of the reporting cut-off grade. In comparison with the historical 43-101 Mineral Resource (2007), the current Mineral Resource estimates are based on an updated drill hole database, are supported by a more developed lithologic model and addition of an oxidation model, and use grade caps to reduce metal-at-risk rather than an indicator approach. Classification is based on drill hole spacing, confidence criteria and a pit shell to demonstrate reasonable prospects for economic extraction, whereas in the historical estimate classification was based mainly on estimation pass.

Proposed Mining Plan

Mining will be open pit-only using drill and blast, truck and shovel methods. Mining is planned to be conducted using 50 ft benches with a maximum overall pit slope of 45 degrees. The mine plan developed for the PEA is based on Geovia Whittle™ optimization. Over the mine life 650 million tons will be moved which includes 365 million tons as mill feed and 286 million tons as waste rock and rejected low grade material below cut-off grade.

The mining fleet includes 244 ton trucks, loaded by 29 yd³ diesel hydraulic shovel and 26 yd³ wheel loader. Drill and blast will be done with track mounted drill rigs drilling 10 inch holes. Explosives are planned as down hole service by explosives supplier. Haul roads are designed to be 100 ft wide to allow for two-way traffic at a maximum gradient of 8%.

Strip ratios vary over life of mine ranging from 0.2 to 1.4 with an average of 0.78.

Proposed Processing Plant

The treatment technology proposed for the project is the conventional flotation concentration. The processing plant will consist of crushing and grinding circuits, followed by a flotation process to recover and upgrade copper and silver from the feed material.

The mill feed will be crushed by one 63" x 89" or equivalent gyratory crusher to 80% passing approximately 6". Crushed material will be fed into a stockpile of 55,000-ton live capacity and then be further crushed by three cone crushers (each with an installed power of 1,000 hp, two in operation and one standby) followed by two high pressure grinding rolls (HPGR, each with an installed power of 7,500 hp). The product from the HPGR circuit will be further ground to 80% passing 110 micron by two ball mills (each with an installed power of 25,000 hp). The slurry from the hydrocyclones will feed one bank of rougher flotation cells, each with 10,500 ft³ volume. The rougher concentrate will be reground to 80% passing approximately 50 micron prior to three stages of cleaner flotation by conventional flotation cells. The flotation concentrate will be thickened and filtered and sent to the concentrate stockpile for subsequent shipping to the smelter. The tailings produced will be impounded in a tailings management facility (TMF) located at south of the processing plant.

At this stage of the study, value of gold has not been included in the economic evaluation. Further investigation on gold credits should be conducted during the next phase of the study.

Tetra Tech used the metallurgical test work results and the report provided by Allihies Engineering Inc. in collaboration with Continental Metallurgical Services, for processing plant design. The metallurgical results were disseminated in the January 04, 2018 Press Release titled “Crown Mining Reports Results from Metallurgical Study”.

Infrastructure

The Project site is currently accessible via the existing network of logging roads, designed for accommodating heavy equipment and vehicles used for logging activities. The power will be drawn from the existing network of transmission lines located in Westwood, CA, which is approximately 10 miles northwest of the project site.

The major buildings on site will include the process plant, primary crushing facility, secondary and tertiary crushing, concentrate storage and loadout, truck shop complex, warehouse, administration, assay laboratory and substation. A connecting network of roads that are required to access the various facilities including the laydown area, the open pit, the process plant, ancillary buildings, the primary crusher, the TMF, and the mining operations staging points will be constructed.

The project is expected to provide direct employment to approximately 330 hourly and staff personnel, which are expected to be from the surrounding communities to provide supports to the project. During the construction phase, the peak work force is expected to reach 450. The project construction will provide additional employment opportunities to the surrounding communities.

Economic Analysis and Sensitivity Analysis

The operating assumptions for the financial model for the project are as follows:

Item	Units	LOM Total
Life of mine	years	17
Annual tons processed (LOM average)	ktons	21,469
Total tons mined including waste rock	ktons	650,846
Total tons processed	ktons	364,967
Total tons concentrate produced (dry mass)	ktons	2,763
Copper recovered to concentrate	ktons	774
Silver recovered to concentrate	koz	19,141
Net revenue from sales	US\$ millions	4,468
Life of mine operating costs		
Mining*	US\$ millions	856
Processing & tailings management	US\$ millions	1,740
General and administrative	US\$ millions	237
Total life of mine operating costs	US\$ millions	2,832
Life of mine unit operating costs		
Mining	US\$/ton mined	1.32
Mining	US\$/ton processed	2.35
Processing & tailings management	US\$/ton processed	4.77
General and administrative	US\$/ton processed	0.65
Total life of mine operating costs	US\$/ton processed	7.76
Cash flow		
Copper price	US\$ per lb.	3.15
Pre-tax operating cash flow	US\$ millions	851
Pre-tax net present value at 8%	US\$ millions	237
Pre-tax internal rate of return	%	16.4
Post-tax operating cash flow	US\$ millions	708
Post-tax net present value at 8%	US\$ millions	179
Post-tax Internal rate of return	%	14.6

*Includes pre-production mining cost.

The initial and sustaining capital costs are presented as follows:

Capital costs		
Initial capital costs	US\$ millions	513
Mining equipment leasing costs (life of mine)*	US\$ millions	148
Life of mine sustaining costs	US\$ millions	97
Reclamation costs	US\$ millions	60
Total	US\$ millions	818

* Includes pre-production leasing cost.

Breakdown of the initial capital cost is as below:

Item	US\$ million
Site Development	40.4
Mining (excludes leased equipment)	15.6
Process	185.3
Tailings & Waste Rock Management	12.2
Utilities	7.7
Buildings	59.8
Plant Mobile Equipment & Misc.	3.9
Indirect Construction Costs	104.9
Owner's Costs	12.4
Contingency	70.7
Total	512.9

A sensitivity analysis was performed, to test the impact of changes to copper price included in the economic model, with the following results:

Cu Price	Ag Price	Pre-tax NPV	Pre-tax IRR	Post-tax NPV	Post-tax IRR
US \$/lb.	US \$/oz	US \$ Million	%	US \$ Million	%
3.00	18.00	132	12.9	91	11.5
3.15	18.00	237	16.4	179	14.6
3.25	18.00	307	18.6	236	16.6
3.50	18.00	482	23.9	376	21.1
4.00	18.00	832	33.5	653	29.4

Environmental Assessment

Baseline data availability for the Moonlight Project is not robust, however, the surface water sampling that has been done shows that water quality criteria are not exceeded in the main stems of the major drainages receiving runoff from developed or undeveloped portions of the property. Acid base accounting

of waste rock and tailings from existing impacts and recent drilling shows that acid generation will not be a significant issue and that metals leaching is low. This supports the water quality results. No other baseline data have been collected for the project.

Permitting will take place under federal and state regulatory regimes as property ownership is both private and federally managed. For this, environmental impact assessments are mandated and will need to assess the full range of anticipated impacts from mining, transportation and waste disposal. Significant additional baseline data collection for this process will be required. California law includes a requirement for backfilling of open pits with available material. This will need to be considered in reclamation planning and bonding.

Qualified Persons

The technical disclosures in this press release have been reviewed and approved by Mr. George Cole of Crown Mining Corp., together with the following independent qualified persons;

- Donald Cameron, Reg. Geologist, SME, consultant, CRC, responsible for Mineral Resource estimate.
- Mark Horan, P.Eng., consultant, Tetra Tech, responsible for mine planning and economic analysis.
- Dr. John Huang, P.Eng., consultant, Tetra Tech, responsible for process.
- Hassan Ghaffari, P.Eng. , consultant, Tetra Tech, responsible for metallurgy, infrastructure and cost estimation.

Cautionary Notes

Please note that the PEA is preliminary in nature, that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

About Crown Mining Corp.

Crown controls approximately 15 square miles of patented and unpatented federal mining claims in the Light's Creek Copper District in Plumas County, NE California; essentially, the entire District. The District contains substantial copper (silver) sulfide and copper oxide resources in three deposits – Moonlight, Superior and Engels, as well as several partially tested and untested exploration targets.

The Superior and Engels Mines operated from about 1915-1930 producing over 161 million pounds of copper from over 4 million tons of rock containing 2.2% copper with silver and gold credits. The Moonlight Deposit was discovered and drilled by Placer Amex during the 1960's.

Other than the Moonlight Mineral Resource mentioned above, the Superior and Engels deposits host the following National Instrument 43-101 (“NI 43-101”) Mineral Resources, estimated using ordinary kriging and reported at a cutoff grade of 0.20% copper:

Superior and Engels Mineral Resources as of November 15, 2013*

Deposit	Tons (000’s)	Cu (%)	Cu Tons (000’s)
Superior (Inferred)	59,500	0.41	244
Engels – oxide (Inferred)	2,800	1.05	29

*Re-stated in Imperial units

Further details of these resources and the parameters used to calculate them can be found in the Technical Report on the Superior Project dated November 7, 2014 filed on Sedar.com. Additional historical resource estimates are also disclosed in these reports.

Mr. George Cole is the Qualified Person pursuant to NI 43-101 responsible for the technical information contained in this news release, and he has reviewed and approved this news release.

For more information please see the Crown website at www.crownminingcorp.com.

For Further Information Contact:

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