

Arizona Mining hits big at Taylor Deeps



Arizona Mining chief operating officer Don Taylor (left) and geologist Jack Mueller with drill core at Arizona Mining's Hermosa zinc-lead-silver project in Arizona. Credit: Arizona Mining.

POSTED BY: LESLEY STOKES

VANCOUVER — The latest drill results from **Arizona Mining** (TSX: AZ; US-OTC: WLDVF) at its Hermosa zinc-lead-silver project, 81 km southeast of Tucson, Ariz., could change how the company develops the project, says chief operating officer Donald Taylor.

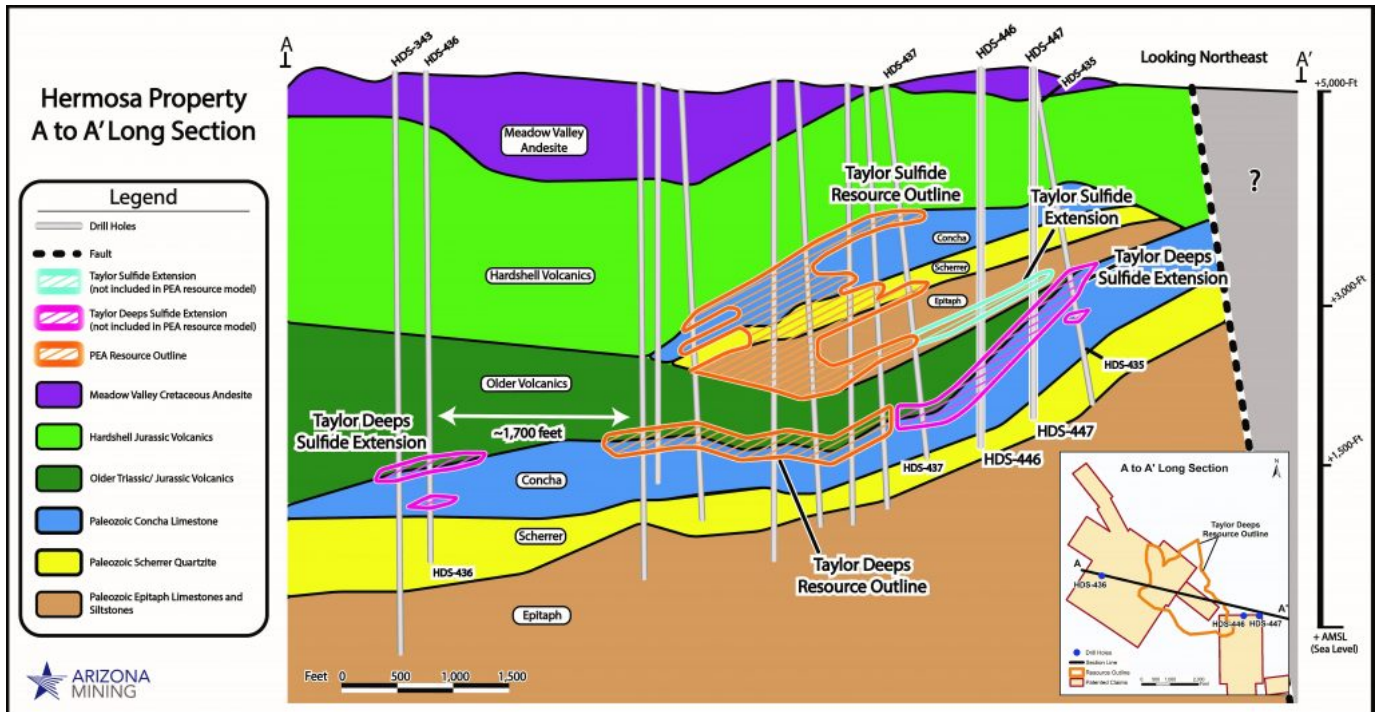
Drilling was aimed at the Taylor Deeps zone, a northeast-dipping bed of metal-drenched limestone that's separated from the company's flagship Taylor sulphide deposit by a low-angle thrust fault.

Two of the seven reported drill holes, 446 and 447, targeted the southeastern, up-dip extension of Taylor Deeps, 183 and 305 metres from its resource boundary.

The holes' locations were selected to infill the area between the resource and a 457-metre step-out hole drilled in April, hole 435, which returned 18.6 metres of 16.5% zinc, 13.8% lead and 307.5 grams silver per tonne.

Both new holes hit similar grades and thicknesses, with results of 20.4 metres of 20.5% zinc, 18.1% lead, and 234.4 grams silver in hole 446, and 45.4 metres of 4.7% zinc, 6.2% lead and 134.4 grams silver, including a 13.1-metre zone of 11.4% zinc, 18.6% lead and 384.4 grams silver in hole 447.

"The up-dip part of Taylor deeps is thick, high-grade and closer to surface — about the same elevation as the Taylor sulphide deposit," Taylor tells *The Northern Miner* during a phone interview. "These results could affect our future mine plan. If we can bring the southeast end of Taylor Deeps up front in the mine plan, the high grades will boost the economics considerably. It has wonderful grades to start a mine on."

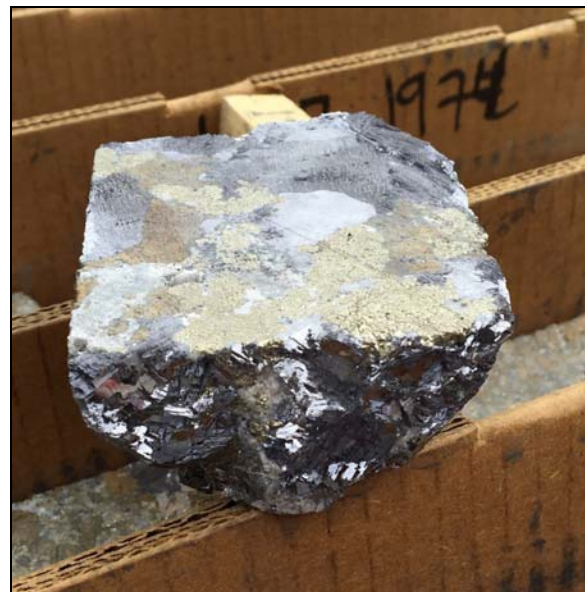


A cross-section map of Arizona Mining’s Taylor and Taylor Deep’s carbonate-replacement zinc-lead-silver deposits showing recent drilling. The company has confirmed that stratabound, high-grade mineralization at Taylor Deeps extends 457 metres from the deposit’s known resource boundary. Credit: Arizona Mining.

In the northwest, drilling intercepted the target horizon, with mixed results. Intercepts include 4.9 metres of 0.8% zinc, 6.3% lead and 868.8 grams silver in a 600-metre step-out from the resource boundary (hole 410), 1.2 metres of 2.8% zinc, 1.3% lead and 290.6 grams silver in a 75-metre step-out (hole 451), and 5.9 metres of 4.1% zinc, 2.4% lead and 28.4 grams silver located 400 metres southwest (hole 420).

“Mineralization in the northwest looks really good, but it’s sitting a kilometre below the surface. It will be 15 years before it comes into the mine plan, so it won’t affect the net present value of the project, not like the southeast zone will. We’ll continue to drill it this year, but we don’t need to put a lot of effort into it quite yet,” Taylor says.

With nine drill rigs on the property, and perhaps ramping up to 11 in the coming months, he says the company is in good shape to produce a feasibility study ideally by next June.



High-grade zinc-lead-silver in drill core at Arizona Mining’s Hermosa project in Arizona. Credit: Arizona Mining.

“We haven’t even found the edges of the system we’re drilling now, so there’s a lot of work to do,” he says. “We’re going to infill the southeast zone and extend that farther out to see how far it goes, then we’ll build up the inferred tonnes and get that into measured.”

A preliminary economic assessment (PEA) of the deposit envisages a 10,000-tonne-per-day underground mine operating over a 19-year mine life using resources from the Taylor sulphide deposit, which contains 50.1 million tonnes of 4.9% zinc, 4.2% lead and 53.1 grams silver, and a part of Taylor Deeps.

Taylor Deeps contains 15.7 million measured and indicated tonnes of 2.8% zinc, 4.8% lead and 78.1 grams silver. Inferred resources add 12.1 million tonnes of 2.1% zinc, 3.5% lead, 84.4 grams silver.

The PEA demonstrated a US\$1.26-billion after-tax net present value, assuming an 8% discount rate, and an anticipated 42% after-tax internal rate of return, based on US\$1.10 per lb. zinc, US\$1 per lb. lead and US\$20 per oz. silver.

“A lot of what we’ll do in the feasibility study will be predicated on drilling results and what we find. The system here is so robust and the metal budget is just tremendous. Personally, I could say with great confidence that we haven’t found the only deposit on our land package. I know there will be more. This is a 100-year district — it won’t be a single mine,” he says.

Taylor adds that the company is working to obtain permits to drill on unpatented mining claims. These claims currently limit the company from drilling north of the reported drill holes in the southeast zone.

(According to Rick Goshen, geologist at the Coronado National Forest, there is no specific time frame for obtaining such drilling permits, as it depends on input from the general public, the specifics of the individual claims, and the scope of any proposed work.)

Shares of Arizona Mining have traded in a 52-week range of \$1.58 to \$3.49, and closed at \$2.80 at press time. The company has 297.1 million shares outstanding for an \$819-million market capitalization.