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## NEWS RELEASE

### **ARIZONA MINING REPORTS 42% AFTER-TAX IRR FROM PRELIMINARY ECONOMIC ASSESSMENT, UPGRADED RESOURCE AND PRODUCTION TARGET OF 2020**

**Vancouver, B.C., April 3, 2017 – Arizona Mining Inc. (TSX: AZ)** (“Arizona Mining” or the “Company”) is pleased to announce results from its Preliminary Economic Assessment (“PEA”) and a mineral resource update for its Taylor zinc-lead-silver sulfide deposit located on the 100%-owned Hermosa Project in Arizona. Based on current projections, the Company is targeting first production from a proposed 10,000 ton per day (“tpd”) operation in 2020.

#### **Highlights (in US\$)<sup>1</sup>**

- Substantial NPV<sup>8%</sup> of \$1.26 billion
- Robust after-tax IRR of 42%
- Initial capex of \$457 million
- Short 1.7 year payback
- Total operating costs of \$48/ton
- 19 year mine life based on conservative 60.8 million tons of ore production

“We are extremely pleased by the robust economics shown in the PEA for the Taylor deposit,” said Jim Gowans, President and CEO. “In addition, the resource has been significantly upgraded and has tremendous potential to expand further, recoveries have improved, and we continue to see keen, ongoing interest in our future concentrate from smelters and other potential offtake groups.”

Mr. Gowans added: “The project has been approved to progress to the feasibility stage and we expect to complete this work, initiate state permitting for operations on our patented land and break ground on the tailings facility by the end of 2017. Our permitting efforts are underpinned by strong existing local and state support built on early and extensive engagement.”

“With relatively low capex and a very robust IRR, our goal will be to fund the project with little to no equity. In light of the project’s strong cash flow, we should be able to attract significant conventional debt (\$250-\$300 million), offtake financing (\$75-\$150 million) and a silver stream (\$200-\$350 million). We will minimize equity dilution wherever we can to benefit all shareholders.”

“With first production now expected in 2020, Arizona Mining represents one of the best quality growth stories in the mining sector with exceptional leverage to strong zinc prices.”

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1. All tons are short tons unless noted otherwise throughout this press release. Financial and operating metrics are based on long term zinc, lead and silver prices of \$1.10 per pound, \$1.00 per pound and \$20 per ounce, respectively.

Table 1. Financial and Operating Summary (all figures in US\$)

<b>Financial Summary</b>		
After-tax NPV (8%)	\$000	\$ 1,260,764
After-tax IRR	%	42%
Payback	Years	1.7
Pre-production Capex	\$000	\$ 457,170
Sustaining Capex	\$000	\$ 500,196
LOM Capex	\$000	\$ 957,366
<b>Operating Summary</b>		
Average Annual Zinc Production <sup>1</sup>	m lbs	287
Average Annual Lead Production <sup>1</sup>	m lbs	286
Average Annual Silver Production <sup>1</sup>	m oz	5.5
Zinc concentrate treatment charge (base)	\$/dmt <sup>2</sup>	210
Zinc treatment charge (Mn penalty)	\$/dmt	13
Lead concentrate treatment charge (base)	\$/dmt	190
All concentrates transportation charge	\$/dmt	97
<b>Operating Costs per Ton</b>		
Mine	\$/t	\$ 35.35
Process	\$/t	\$ 10.73
G&A	\$/t	\$ 2.00
Total operating costs (mine, processing, G&A)	\$/t	\$ 48.08
C1 Zinc Co-Product Cost <sup>3</sup>	\$/lb	\$ 0.51
C1 Lead Co-Product Cost <sup>3</sup>	\$/lb	\$ 0.38
All-in Sustaining Cost (ZnEq) <sup>4</sup>	\$/lb	\$ 0.61

1. Recoverable average annual production at full production before smelter deductions of 15% for zinc, 5% for lead and 14.3% for silver.

2. Dry metric tonne.

3. Silver treated as a by-product.

4. Based on long-term prices of \$1.10/lb zinc, \$1.00/lb lead and \$20/oz silver, respectively. ZnEq Formula: payable zinc production plus lead revenue divided by zinc price plus silver revenue divided by zinc price.

Table 2. Sensitivities to a 10% Change in Zinc and Lead Prices

Lead Price \$/lb	After-tax NPV 8% (\$000)			After-tax IRR		
	Zinc Price \$/lb			Zinc Price \$/lb		
	\$0.99	\$1.10	\$1.21	\$0.99	\$1.10	\$1.21
\$0.90	\$ 998,437	\$ 1,133,762	\$ 1,268,226	36%	39%	42%
\$1.00	\$ 1,126,301	\$ 1,260,764	\$ 1,395,515	39%	42%	44%
\$1.10	\$ 1,253,302	\$ 1,387,922	\$ 1,522,880	41%	44%	47%

## Upgraded Resource Now Contains Significant Measured and Indicated Categories

The Mineral Resource is shown in Table 3 at a range of zinc equivalent (“ZnEq”) cut-off grades. The base case for the resource is at a ZnEq cut-off grade of 4%. Tons were rounded to the nearest thousand.

Table 3. Taylor Deposit Global Measured, Indicated and Inferred Resources<sup>1,2,3</sup>

Measured						
Cut-off ZnEq (%)	Short Tons	ZnEq (%)	Pb (%)	Zn (%)	Ag (opt)	Cu (%)
25	372,000	32.5	12.8	14.1	5.9	0.3
20	703,000	27.7	11.1	12.0	4.8	0.3
15	1,260,000	23.0	9.4	9.9	4.0	0.2
10	2,793,000	17.2	7.1	7.4	2.9	0.2
6	5,533,000	12.4	5.2	5.4	2.1	0.1
5	6,832,000	11.1	4.6	4.8	1.8	0.1
<b>4</b>	<b>8,613,000</b>	<b>9.7</b>	<b>4.0</b>	<b>4.2</b>	<b>1.6</b>	<b>0.1</b>
3	10,961,000	8.4	3.5	3.6	1.4	0.1
2	12,792,000	7.6	3.1	3.2	1.3	0.1
1	13,367,000	7.3	3.0	3.1	1.2	0.1
Indicated						
Cut-off ZnEq (%)	Short Tons	ZnEq (%)	Pb (%)	Zn (%)	Ag (opt)	Cu (%)
25	2,938,000	33.0	13.2	15.1	5.1	0.3
20	5,996,000	27.4	11.2	12.2	4.4	0.3
15	11,961,000	22.4	9.2	9.7	3.7	0.3
10	24,264,000	17.1	7.1	7.4	2.9	0.2
6	47,334,000	12.6	5.2	5.3	2.2	0.2
5	55,398,000	11.6	4.8	4.9	2.0	0.1
<b>4</b>	<b>63,840,000</b>	<b>10.6</b>	<b>4.4</b>	<b>4.5</b>	<b>1.9</b>	<b>0.1</b>
3	72,637,000	9.8	4.1	4.1	1.7	0.1
2	80,778,000	9.0	3.8	3.8	1.6	0.1
1	85,565,000	8.6	3.6	3.6	1.5	0.1
Measured + Indicated						
Cut-off ZnEq (%)	Short Tons	ZnEq (%)	Pb (%)	Zn (%)	Ag (opt)	Cu (%)
25	3,310,000	32.9	13.2	15.0	5.2	0.3
20	6,699,000	27.5	11.2	12.2	4.4	0.3
15	13,221,000	22.4	9.2	9.8	3.7	0.3
10	27,057,000	17.1	7.1	7.4	2.9	0.2
6	52,867,000	12.6	5.2	5.3	2.2	0.2
5	62,231,000	11.5	4.8	4.9	2.0	0.1
<b>4</b>	<b>72,453,000</b>	<b>10.5</b>	<b>4.4</b>	<b>4.3</b>	<b>1.7</b>	<b>0.1</b>
3	83,597,000	9.6	4.0	4.0	1.7	0.1
2	93,570,000	8.8	3.7	3.7	1.6	0.1
1	98,933,000	8.4	3.5	3.5	1.5	0.1
Inferred						
Cut-off ZnEq (%)	Short Tons	ZnEq (%)	Pb (%)	Zn (%)	Ag (opt)	Cu (%)
25	3,283,000	35.1	11.5	16.0	8.0	0.2
20	5,270,000	30.3	10.3	13.0	7.3	0.2
15	8,402,000	25.4	8.8	10.5	6.4	0.2
10	14,845,000	19.6	7.0	7.8	5.0	0.2
6	28,902,000	13.8	5.0	5.4	3.7	0.2
5	33,480,000	12.7	4.6	4.9	3.4	0.2
<b>4</b>	<b>38,627,000</b>	<b>11.6</b>	<b>4.2</b>	<b>4.4</b>	<b>3.1</b>	<b>0.1</b>
3	44,779,000	10.5	3.8	3.9	2.9	0.1
2	51,617,000	9.4	3.4	3.5	2.6	0.1
1	58,225,000	8.5	3.1	3.2	2.3	0.1

- For a full list of drill holes included in the updated resource, please refer to [www.arizonamining.com/projects/taylor-deposit/resources](http://www.arizonamining.com/projects/taylor-deposit/resources).
- Mineral Resources are reported as of 29 March 2017. Stated at a cut-off grade of 4% ZnEq based on prices, recovery and costs as follows: Prices of \$1.00/lb for zinc, \$0.95/lb for lead and \$20.00/oz for silver; Average processing recovery factors of 90% for zinc, 95% for lead, and 85% for silver; Total operating costs are estimated to be on the order of \$60/ton.
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of mineral resources will be converted to Mineral Reserves. Inferred Mineral Resources are based on limited drilling which suggests the greatest uncertainty for a resource estimate and that geological continuity is only implied. Additional drilling will be required to verify geological and mineralization continuity and there is no certainty that all of the Inferred Resources will be converted to Measured and Indicated Resources. Quantity and grades are estimates and are rounded to reflect the fact that the resource estimate is an approximation.

“The new mineral estimate has been significantly upgraded and the total resource is now 65% classified in the Measured and Indicated category as compared to 27% in the Indicated category in the October 2016 resource estimate,” said Don Taylor, Chief Operating Officer. “We have a much greater degree of confidence in the updated resource given that it is now grade shell-constrained and is based on a much closer average drill spacing of approximately 150 feet, an improved specific gravity model and significantly stricter parameters for the resource interpolation.”

The deposit now comprises 8.6 million tons in the Measured category grading 9.7% ZnEq, plus 63.8 million tons in the Indicated category grading 10.6% ZnEq and 38.6 million tons in the Inferred category grading 11.6% ZnEq. The resource is based on assay results from 96 holes totaling 358,250 feet (109,189 meters) of drilling, which have all intersected sulfide vein or strata-bound carbonate replacement sulfide mineralization within the Taylor Deposit. The updated Mineral Resource estimate and mine plan was prepared by AMC Mining Consultants (Canada) Ltd. (“AMC”) of Vancouver, B.C.

A conservative total of 60.8 million tons of production was used as the foundation for the PEA out of a total of 72.5 million tons in the Measured and Indicated categories, of which 22% is contained in the Concha Formation, 12% in the Scherrer Formation, 42% in the Epitaph Formation and 24% in the Taylor Deeps Zone.

### **Advanced Metallurgical Work Shows Significantly Increased Recoveries**

As reported on March 29, 2017, a series of locked cycle tests returned significantly improved recoveries for all target metals compared to initial metallurgical testing. In addition, the testing indicated silver is expected to be payable in both concentrates.

Table 4. Taylor Deposit Advanced Metallurgical Results

	<b>% Change</b>	<b>April 2017</b>	<b>October 2016</b>
<b>Recoveries in Zinc Concentrate</b>			
Zinc	+8	92.7	85.5
Silver	+55	23.2	15.0
<b>Recoveries in Lead Concentrate</b>			
Lead	+3	95.4	92.9
Silver	-9	69.3	76.0
<b>Concentrate Grades</b>			
Lead in concentrate	-7	69.7	75
Zinc in concentrate	n/a	56.1	56

While all mineralized zones were tested, the final results of this phase of testing focused on the Epitaph Zone, which hosts approximately 50% of the resource, to develop the optimized flowsheet and scheme of reagents. The full metallurgical test work program, completed at SGS Lakefield, was done on more than 12 composite samples, comprised of head grade ranges from 5% combined lead-zinc in increments up to and including 20% combined lead-zinc for each of the three main mineralized horizons – Concha, Scherrer, and Epitaph. Lead recoveries were excellent in all cases, typically over 90% and increasing with increasing grades of lead in the feed, as expected. The lead mineral, galena, and zinc mineral, sphalerite, are typically found in coarse crystals which make for generally good recoveries and concentrate grades.

Based on indicated grades, the Taylor zinc and lead concentrates are suitable for most smelters, and analyses indicates these concentrates can be considered of good quality and high grade, with valuable levels of payable silver in both concentrates and no significant deleterious elements which might affect their marketability, including manganese. The Company has had several positive meetings with concentrate buyers. None of the parties expressed concern about the levels of manganese in the zinc concentrate, and some indicated that there may be a minor penalty levied in

the range of what was previously reported (refer to December 12, 2016 news release). No concerns whatsoever have been expressed about the saleability of the zinc concentrate.

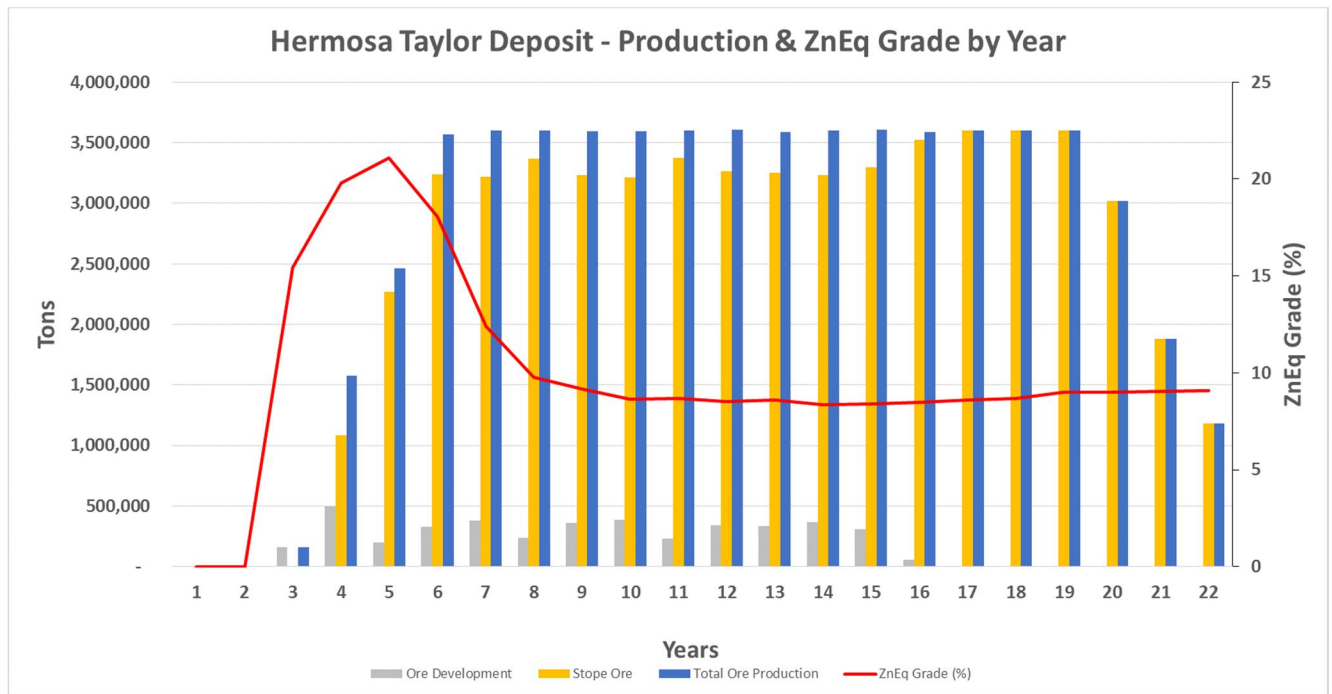
**Proposed Mine Plan – 10,000 Tpd Underground Operation**

The PEA for the Taylor Sulfide Deposit is based on an underground mine plan with initial production beginning in 2020 and ramping up to 10,000 tpd in 2023. The zinc-lead-silver ores will be hoisted to the surface by a vertical shaft and processed through a 10,000 tpd concentrator located on the Trench patented property. The initial mine plan is based on a conservative subset of 60.8 million tons (of the 72.5 million tons of Measured and Indicated Resources) grading 4.4% zinc, 4.3% lead and 1.7 opt silver.

Processing of the lead-zinc ores will be through a 10,000 tpd standard crushing and grinding circuit followed by froth flotation, concentrate thickening and filtration. The operation will produce two concentrates: a lead (galena) concentrate that will assay approximately 69% lead and approximately 1,100 g/t silver, and a zinc (sphalerite) concentrate that will assay approximately 56% zinc and approximately 350 g/t silver, with an approximate gross revenue split of 42% zinc, 43% lead and 15% silver. Both concentrate specifications have been reviewed by industry experts and potential offtake partners. Tailings or waste material from the mining and processing will be filtered to minimize water losses. Approximately 45% of the tailings will be mixed with cement and used as structural backfill in the underground operations. The remaining tailings will be dry-stacked in a lined and permitted facility on the patented Trench property.

The major components of estimated pre-production capital of \$457 million include \$99 million for the process plant, \$84 million for the shaft, \$67 million for underground development, \$63 million for contingency, \$61 million for site infrastructure and \$32 million for mining equipment. Sustaining capital is projected to be \$500 million.

Figure 1. Life of Mine Production and Zinc Equivalent Grade



## Opportunities and Exploration Potential

The Taylor deposit is not fully delineated and hence the current resource estimate only represents a portion of the potential resource on the property. Exploration drilling continues on Arizona Mining's extensive land package with six drill rigs. Prominent targets for resource expansion and near-term exploration potential include:

1. Significant potential to upgrade the 38.6 million tons of Inferred resources into the mine plan, which would add approximately 11 years to the mine life, and improving the mine planning.
2. The Taylor Deeps Zone, which remains open in all directions. Recent drilling in that zone continues to return high grade zinc, lead and silver as evidenced in the three recently released holes (see press release dated March 16, 2016), none of which are included in the current resource.
3. The volcanic-hosted Trench Vein System, which ranges up to one mile in strike length, 1,000-2,000 feet of vertical extent and widths of up to 50 feet. Some of the notable previously reported intervals are as follows:

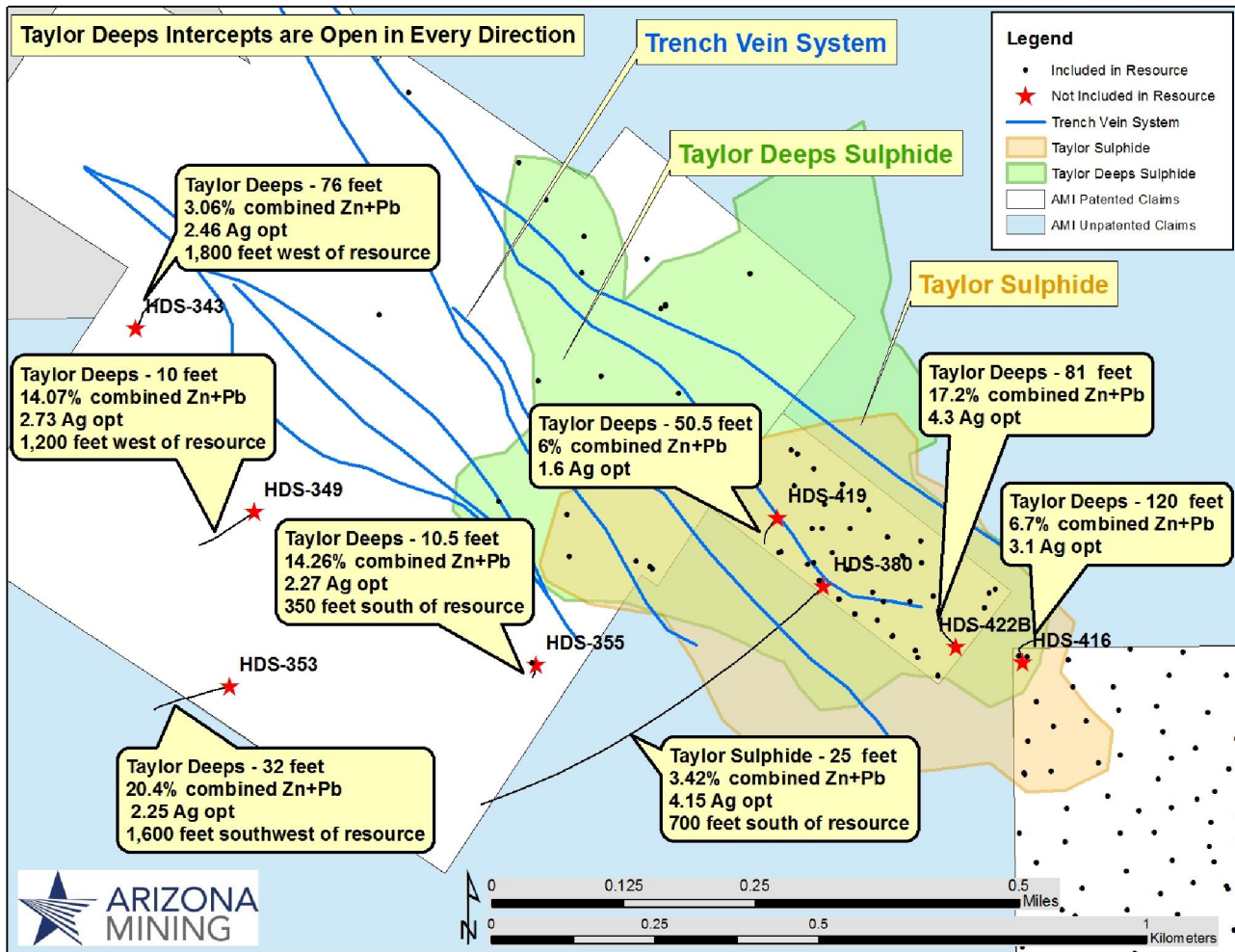
Table 5. Highlights of Vein System Drillhole Results

<i>DH_ID</i>	<i>From (ft)</i>	<i>To (ft)</i>	<i>Interval (ft)</i>	<i>From (m)</i>	<i>To (m)</i>	<i>Interval (m)</i>	<i>Ag opt</i>	<i>Pb%</i>	<i>Zn%</i>	<i>Cu%</i>	<i>Zone</i>
HDS-331	572	604	32	174.3	184.1	9.8	4.13	5.18	9.57	0.02	Vein
HDS-348	1167	1242	75	355.7	380.1	22.9	1.74	3.44	5.89	0.12	Vein
HDS-354	1310.5	1360	49.5	399.4	414.5	15.1	4.79	8.04	13.63	0.11	Vein
HDS-359	1313.5	1346.5	33	400.3	410.4	10.1	12.19	20.17	22.78	0.13	Vein

Sulfide drill intervals are down-the-hole drill widths but are considered to be within +5% of true width based on the dip of the mineralized stratigraphy at 22 degrees. The exception to this are the intervals noted as veins. It is not possible to determine the true width of the veins based on the drill density and no representation is made here regarding true width of the veins.

4. Outlying targets identified by drill holes that have intersected additional Taylor Sulfide-style of mineralization. These targets will become a focus now that the resource infill drilling has been completed. As evidenced by the drill results highlighted in Figure 2, significant mineralized intersections of zinc-lead-silver have been intersected by several drill holes nearly 2,000 feet (610 m) from the existing resource volume.

Figure 2. Resource Location and Exploration Potential



**Path Forward – State Permitting Expected to be Initiated in H1 2017**

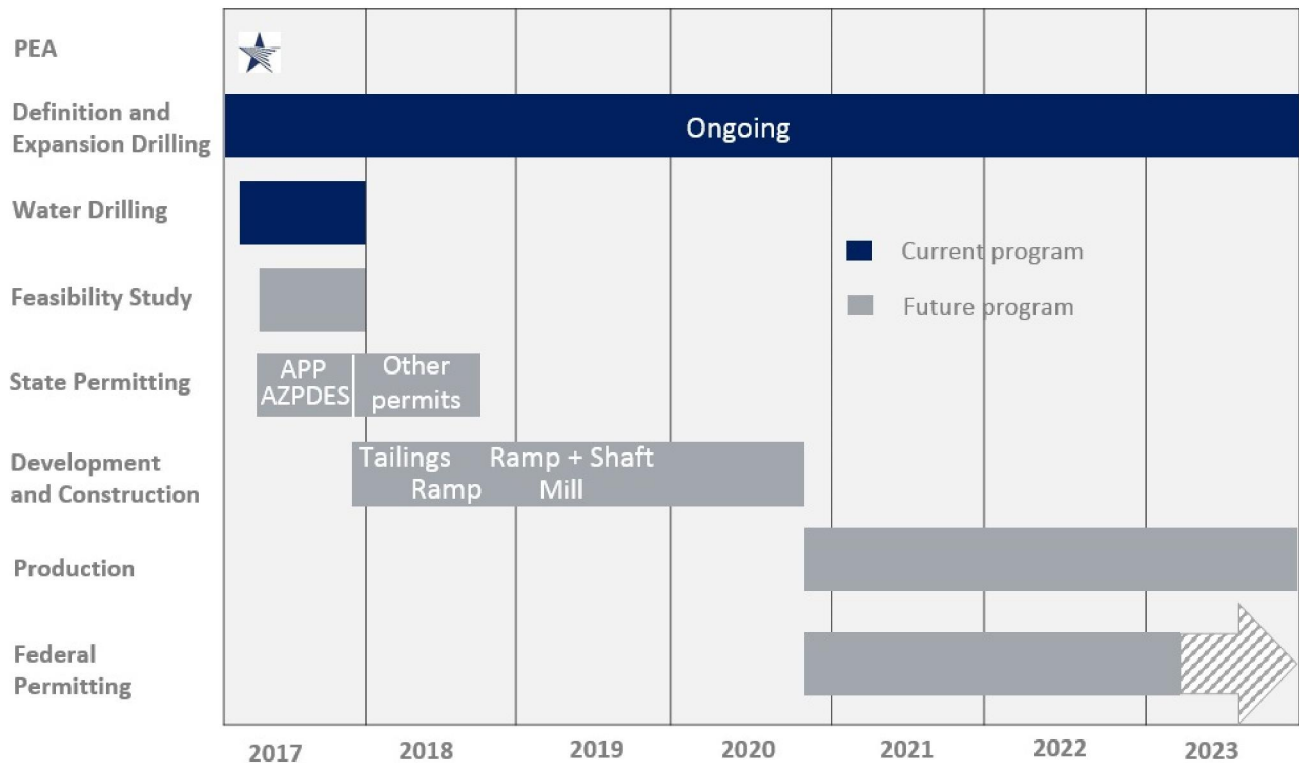
The Company intends to initiate permitting with the State of Arizona in the first half of 2017 with the expectation, based on extensive discussions with regulators, that the full state permitting process on the Company’s patented properties should take in the order of 12-18 months. The project will require a number of state approvals in order to operate on patented ground, including an Aquifer Protection Permit (“APP”), Air Permit, and Arizona Pollutant Discharge Elimination System (“AZPDES”) from the Arizona Department of Environmental Quality (“ADEQ”) and the Arizona State Mine Inspector (“ASMI”). The APP and AZPDES are required in order to break ground later this year. Of note, the Company has received confirmation from the Army Corps of Engineers that no Waters of the U.S. (federal nexus) applies to the Trench property, which will host all of the significant infrastructure, including the tailings, decline, mill and shaft headframe.

As an underground mine, the operation will have a small surface footprint, further minimized by the plan to return nearly half of the tailings underground for cemented structural backfill and the use of dry stack tailings, which maximizes water recovery. The Company expects to have sufficient water for operation from a number of water wells and a 1.5-3.0 million-gallon water reservoir left by a former operator on the Trench block. The Company anticipates it will require about 650 gallons per minute of fresh and recycled water for operations. Environmental and other baseline studies are well advanced based on the initiation of work in 2006 when the Company was advancing the Central deposit. This work has identified several listed animal and plant species but none of these are on the endangered list.



The Company's permitting director, Johnny Pappas, has extensive experience and was previously with Romarco Minerals Inc. (now OceanaGold Corporation), which obtained a federal permit for the now operating Haile mine in three and a half years.

Figure 3. Hermosa-Taylor Proposed Timeline



Feasibility work will focus on upgrading the current resource to proven and probable reserves and will also include additional metallurgical testing with the goal of further improving recoveries. The mine plan was designed to maximize zinc and lead grades in the early years of mining, while minimizing dilution and maintaining lower unit mining costs. The feasibility study will assess additional opportunities in these areas.

The Company expects to file a Technical Report in respect of the updated Resource and Preliminary Economic Assessment within 45 days.



### Mineral Resource Estimation Results

The Mineral Resource has been stated in terms of Zinc Equivalent. The ZnEq formula and the underlying parameters used in its formulation are set out in Table 6. Although the grade of copper was estimated, it was not used as a component of the ZnEq formula because of its relatively low abundance and uncertain mineral processing route.

Table 6. Zinc Equivalent Parameters and Formula<sup>1</sup>

Metal	Price (US\$)	Recovery (%)
Lead	0.95/lb	95.0
Zinc	1.00/lb	92.0
Silver	20.00/oz	90.0

1.  $ZnEq = (((PB\%/100) * 0.95 * 2000 * 0.95) + ((ZN\%/100) * 1 * 2000 * 0.92) + (AG\_OPT * 0.9 * 20)) / ((1 * 2000 * 0.92) / 100)$

### Mineral Resource Estimation Parameters

The Taylor Deposit Mineral Resource update was carried out using both Ordinary Kriging (OK) and Inverse Distance Squared (ID<sup>2</sup>) estimations. Tonnages and grades of lead, zinc and silver were estimated for six separate lithological domains. Sample data was composited to 10 feet in length for the Concha, Scherrer, Epitaph and Taylor Deeps domains. Drill core sample data that was used for estimation of the shallower Trench Vein System and the Sub-Taylor Deeps domains were composited to nominal five-foot lengths because of their comparatively narrow dimensions. The compositing process honored lithological domain boundaries. In all cases boundaries between domains were treated as “hard”, meaning that grades from adjacent domains were not used to influence the estimation of grades within a given domain.

Mineral Resources were classified as Measured, Indicated and Inferred. For a block to be classified as Measured, it was necessary that a minimum of 16 (16) composites were located within 250 feet of the block centroid; for a block to be classified as Indicated, it was necessary that a minimum of eight (8) composites were located within 500 feet of the block centroid and for a block to be classified as Inferred, it was necessary that a minimum of two (2) composites be located within 750 feet of the block centroid or three (3) composites within 1,500 feet of the block centroid.

Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of mineral resources will be converted to Mineral Reserves. Inferred Mineral Resources are based on limited drilling which suggests the greatest uncertainty for a resource estimate and that geological continuity is only implied. Additional drilling will be required to verify geological and mineralization continuity and there is no certainty that all of the Inferred Resources will be converted to Measured and Indicated Resources. Quantity and grades are estimates and are rounded to reflect the fact that the resource estimate is an approximation.

### Qualified Persons

The results of the Arizona Mining Inc. drilling have been reviewed, verified and compiled by Donald R. Taylor, MSc., PG, Chief Operating Officer for Arizona Mining Inc., a qualified person as defined by National Instrument 43-101 (NI 43-101). Mr. Taylor has more than 25 years of mineral exploration and mining experience, and is a Registered Professional Geologist through the SME (registered member #4029597).

The QP for the Mineral Resource estimate is G. Z. Mosher, P.Geo, an associate of AMC. The Mineral Resource estimate has been prepared under the guidelines of National Instrument 43-101 (“NI 43-101”) for reporting of Mineral Resources.

The results of the metallurgical tests have been reviewed, verified and compiled by Qinghua Jin, MSc., P.E., Senior Process Engineer for SGS North America Inc., a qualified person as defined by National Instrument 43-101 (NI 43-101). Mr. Jin has more than 26 years of mineral processing experience and is a member of the Association of Arizona State Board of Technical Registration (License #53463), and a registered member of the Society for Mining, Metallurgy & Exploration (04138753).

### **Assays and Quality Assurance/Quality Control**

To ensure reliable sample results, the Company has a rigorous QA/QC program in place that monitors the chain-of-custody of samples and includes the insertion of blanks, duplicates, and certified reference standards at statistically derived intervals within each batch of samples. Core is photographed and split in half with one-half retained in a secured facility for verification purposes.

Sample preparation (crushing and pulverizing) has been performed at ALS Minerals Laboratories, an ISO/IEC accredited lab located in Tucson, Arizona. ALS Minerals Laboratories prepares a pulp of all samples and sends the pulps to their analytical laboratory in Vancouver, B.C. Canada for analysis. ALS analyzes the pulp sample by ICP following a 4-acid digestion (ME-ICP61 for 33 elements) including Cu (copper), Pb (lead), and Zn (zinc). All samples in which Cu (copper), Pb (lead), or Zn (zinc) are greater than 10,000 ppm are rerun using four acid digestion with an ICP – AES finish (Cu-OG62; Pb-OG62; and Zn-OG62) with the elements reported in percentage (%). Silver values are determined by ICP (ME-ICP61) with all samples with silver values greater than 100 ppm repeated using four acid digestion with an ICP-AES finish (Ag-OG62) calibrated for higher levels of silver contained. Any values over 1,500 ppm Ag trigger a fire assay with gravimetric finish analysis. Gold values are determined by a 30 gm fire assay with an ICP-AES finish (Au-ICP21).

### **About Arizona Mining**

Arizona Mining Inc. (an augustagroup company) is a Canadian mineral exploration and development company focused on the exploration and development of its 100%-owned Hermosa Project located in Santa Cruz County, Arizona. The Taylor Deposit, a zinc-lead-silver carbonate replacement deposit, has a resource of 8.6 million tons in the Measured Mineral Resource category grading 4.2% zinc, 4.0% lead and 1.6 opt silver, or 9.7% ZnEq, plus 63.8 million tons in the Indicated Mineral Resource category grading 4.5% zinc, 4.4% lead and 1.9 opt silver, or 10.6% ZnEq, and 38.6 million tons of Inferred Mineral Resources grading 4.4% zinc, 4.2% lead and 3.1 opt silver or 11.6% ZnEq, all reported in accordance with NI 43-101 guidelines utilizing a 4% ZnEq cutoff grade. The Taylor Deposit remains open to the north, west and south over land controlled by the Company and will be aggressively drilled to test the limits of the resource. The Company's other project on the Hermosa property is the Central Deposit, a silver-manganese manto oxide project.

For additional information please contact:

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## **Cautionary Note Regarding Forward-Looking Information**

Certain information contained in this press release constitutes forward-looking statements. All statements, other than statements of historical facts, are forward looking statements including statements with respect to the Company's intentions for its Hermosa Project in Arizona, USA including, without limitation, future drilling and other work on the Taylor Deposit. The Company would also like to caution the reader that the preliminary economic assessment ("PEA") on the Company's Taylor Deposit that supports the technical feasibility or economic viability of the Taylor Deposit, including the marketability of the concentrate, mining methods, costs, recoveries and any other technical aspects related to the Taylor Deposit, is preliminary in nature and there is no certainty that the PEA will be realized. Forward-looking statements are often, but not always, identified by the use of words such as may, will, seek, anticipate, believe, plan, estimate, budget, schedule, forecast, project, expect, intend, or similar expressions.

The forward-looking statements are based on a number of assumptions which, while considered reasonable by Arizona Mining, are subject to risks and uncertainties. In addition to the assumptions herein, these assumptions include the assumptions described in Arizona Mining's management's discussion and analysis for the year ended December 31, 2016 ("MD&A"). Arizona Mining cautions readers that forward-looking statements involve and are subject to known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from those expressed in or implied by such forward-looking statements and forward-looking statements are not guarantees of future results, performance or achievement. These risks, uncertainties and factors include general business, economic, competitive, political, regulatory and social uncertainties; actual results of exploration activities and economic evaluations; fluctuations in currency exchange rates; changes in project parameters; changes in costs, including labour, infrastructure, operating and production costs; future prices of zinc, lead, silver and other minerals; variations of mineral grade or recovery rates; operating or technical difficulties in connection with exploration, development or mining activities, including the failure of plant, equipment or processes to operate as anticipated; delays in completion of exploration, development or construction activities; changes in government legislation and regulation; the ability to maintain and renew existing licenses and permits or obtain required licenses and permits in a timely manner; the ability to obtain financing on acceptable terms in a timely manner; contests over title to properties; employee relations and shortages of skilled personnel and contractors; the speculative nature of, and the risks involved in, the exploration, development and mining business; and the factors discussed in the section entitled "Risks and Uncertainties" in the MD&A.

Although Arizona Mining has attempted to identify important risks, uncertainties and other factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those expressed in or implied by the forward-looking information, there may be other risks, uncertainties and other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended. Unless otherwise indicated, forward-looking statements contained herein are as of the date hereof and Arizona Mining disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable law.

## **About Reserves and Resources**

This press release uses the terms measured, indicated and inferred resources as a relative measure of the level of confidence in the resource estimate. Readers are cautioned that: (a) mineral resources are not economic mineral reserves; (b) the economic viability of resources that are not mineral reserves has not been demonstrated; and (c) it should not be assumed that further work on the stated resources will lead to mineral reserves that can be mined economically. In addition, inferred resources are considered too geologically speculative to have any economic considerations applied to them. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies or economic studies except for certain preliminary economic assessments.