

VANCOUVER, Jan. 26, 2016 /CNW/ - [Arizona Mining Inc.](#) (TSX: AZ) ("Arizona Mining" or the "Company") is pleased to announce it has closed the acquisition of approximately 300 acres of patented mining claims that was previously announced on July 24, 2015. The addition of the land package, which is adjacent to the Company's Hermosa Taylor Deposit, will greatly enhance Arizona Mining's surface lands available for further exploration of the Taylor Deposit and any future mining operations.

As consideration for the acquisition, the Company has assumed the environmental liabilities relating to the site that resulted from historic mining activity. The Company submitted a remediation work plan that addresses the environmental liabilities, which has been approved by the Arizona Department of Environmental Quality. In accordance with the plan, the Company will construct a passive water treatment system estimated to cost US\$2.9 million of which the Company's share is US\$1.9 million with the US\$1.0 balance contributed by a former owner of the claims. In addition, the Company has posted two bonds totaling US\$1.97 million to secure the future operating performance of the passive water treatment system. The Company has posted US\$0.86 million with the bond surety company as collateral for the bonds.

In connection with the acquisition, the Company has borrowed \$4.0 million from a company controlled by Richard Warke, a Director of the Company and the Company's Executive Chairman. The loan is unsecured, repayable on the earlier of: one year from the date of advance; the date of any change of control of the Company; or the date the Company completes a financing of \$10,000,000 or more by way of sale of securities from treasury or through the issuance of debt or other form of financing. The loan bears interest at 16% per annum, compounded monthly and is subject to a cash fee of 1% with an additional 1% fee payable after three months if the loan remains outstanding. In addition, 1,000,000 warrants have been issued to the lender with each warrant exercisable for an additional common share of the Company at a price of \$0.30 per common share for a period of five years from the date of issue.

About Arizona Mining

[Arizona Mining Inc.](#) is a Canadian mineral exploration and development company focused on the exploration and development of its 80% owned Hermosa Project located in Santa Cruz County, Arizona. The Taylor Deposit, a lead-zinc-silver carbonate replacement zone mineral exploration project, has a resource calculated in accordance with NI 43-101 and is being drilled to test the limits of that resource. The Company released the results of the first seven holes of the current drill program that showed high grade lead, zinc and silver intercepts over significant thicknesses. The Company recently completed metallurgical test work on drill core from the Taylor Deposit that projects overall recoveries of 92.9% Pb; 85.5% Zn and 91% Ag using industry standard froth flotation processing technology. The Company is currently completing an updated resource estimate based on the drill results to date. The Company's other project on the Hermosa property is the Central Deposit, a silver-manganese manto oxide development project that has a prefeasibility study completed in December 2013.

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, completing an updated resource estimate on the Taylor Deposit. 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, 2014 ("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.

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