

VANCOUVER, March 21, 2016 /CNW/ - [Arizona Mining Inc.](#) (TSX: AZ) ("Arizona Mining" or the "Company") is pleased to announce it has entered into a term sheet with [Osisko Gold Royalties Ltd.](#) ("Osisko") for a 1% net smelter royalty on any lead/zinc/silver sulfide ores mined from its Hermosa Project for proceeds of \$10.0 million. In addition, Osisko and certain of its insiders will subscribe for a total of 9.99 million units (each a "Unit") at a price of \$0.56 per Unit, calculated using the five day volume weighted average share price, for gross proceeds of \$5.59 million. Each Unit consists of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant is convertible into one common share of the Company at a price of \$0.75 for a period of 18 months from closing.

Proceeds from the financings when combined with the Company's recent private placement for \$2.8 million will be primarily used for an aggressive drill campaign on the Taylor Deposit and for general working capital purposes. The royalty is subject to negotiation of a definitive agreement. Closing of the private placement is subject to regulatory approval.

Jim Gowans, Arizona Mining's President and CEO commented "the drilling to-date that comprises the current resource on the Taylor Deposit only tests a small portion of the prospective terrain as defined by geology, geophysics and historic drilling. This drill program will give us a much better idea of the size and grade potential of the deposit. We have two drills currently on-site and expect to add an additional three."

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 Company has entered into a letter of intent to acquire the remaining 20% interest in the Hermosa Project, which is subject to shareholder approval. The Taylor Deposit, a lead-zinc-silver carbonate replacement deposit, has a resource of 39.4 million tonnes in the Inferred Mineral Resource category grading 11% zinc equivalent ("ZnEq") utilizing a 6% ZnEq cutoff grade calculated in accordance with NI 43-101 guidelines. 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 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'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, closing the royalty transaction and private placement, conducting drilling on the Taylor Deposit and closing the acquisition of the 20% of the Hermosa Project that the Company does not currently own. 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.

SOURCE [Arizona Mining Inc.](#)

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