

VANCOUVER, BC--(Marketwired - May 16, 2017) - [Arizona Mining Inc.](#) (TSX: AZ) ("Arizona Mining" or the "Company") is pleased to announce it has closed the private placement with South32 International Investment Holdings Pty Ltd ("South32"), an affiliate of [South32 Ltd.](#), for 45 million common shares in the Company (the "Shares") at a price of C\$2.45 per Share for gross proceeds of C\$110.3 million (the "Placement").

"The Company is now fully funded to complete its plans over the next year including advancing the Company's Taylor Deposit to the feasibility and permitting stage and an aggressive drilling campaign to further test the size of the Taylor Deposit," said Jim Gowans, President and CEO.

As a result of this purchase, South32 beneficially owns approximately 15% of the issued and outstanding shares of the Company on a non-diluted basis (see Early Warning Disclosure below).

#### *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. A recently completed preliminary economic assessment on the Hermosa-Taylor project showed robust economics, including a 42% after-tax internal rate of return, an after-tax NPV of \$1.26 billion and a 1.7 year payback. 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.

#### *About South32*

South32 is a globally diversified metals and mining company with high-quality and well maintained operations which mine and produce bauxite, alumina, aluminium, energy and metallurgical coal, manganese, nickel, silver, lead and zinc in Australia, Southern Africa and South America. More information about South32 is available on their company's website at [www.south32.net](#).

South32 did not beneficially own any securities of the Company prior to this investment.

The Company has been advised by South32 that the Shares were acquired by South32 for investment purposes, that South32 will evaluate its investment in the Company from time to time and may, based on such evaluation, market conditions and other circumstances, increase or decrease shareholdings as circumstances require through market transactions, private agreements, or otherwise.

South32 will have a pre-emptive right to participate in future equity financings to maintain its ownership percentage at 15% on a non-diluted basis, and will be restricted from selling any Shares for one year from the closing date of the Placement. South32 will also have the right to nominate one Director to the Company's Board of Directors provided it maintains a minimum 12.5% ownership in Arizona Mining's Shares on a non-diluted basis.

A copy of South32's early warning report will appear with the Company's documents on the System for Electronic Document Analysis and Retrieval and may also be obtained by contacting South32's Company Secretary at +61 8 9324 9000.

South32's address is South32 International Investment Holdings Pty Ltd, Level 35, 108 St Georges Terrace, Perth WA 6000 Australia.

#### *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 closing of the South32 private placement and the Company's intentions for its Hermosa Project in Arizona, USA including, without limitation, financing, 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.

## Contact

For additional information please contact:

Susan Muir  
Vice-President, Investor Relations & Corporate Communications  
Telephone: 416-505-7606  
Email: [smuir@arizonamining.com](mailto:smuir@arizonamining.com)