Arizona Mining’s Updated PEA Indicates US$2.0 Billion NPV, First 5 Years Average Annual Silver Production in Concentrate of 9.5 Million Ounces

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Figure 1. Taylor Updated PEA ZnEq Grade & Tonnage vs Select Globally Significant Primary Zn Assets

Figure 2. Taylor Will be One of the World's Top 5 Zinc Mines

Figure 3. Annual and Cumulative After-Tax Cash Flows from Taylor Over First Five Years

Figure 4. Taylor Contained Silver in Total Mineable Silver Resources vs Reserves of Select Primary Silver Companies

Figure 5. Significantly Enhanced Silver Production in Concentrate - First 10 Years of Mine Life

Figure 6. Change in Zinc Equivalent Production and Grades Relative to Prior PEA - First 8 Years

Figure 7. Exploration Targets

- After-Tax Net Present Value ("NPV")[8%] of $2.0 billion[1], a 57% Increase Relative to the 2017 PEA
- Improved After-Tax Internal Rate of Return (“IRR”) of 48%[1] vs 42% Previously
- Rapid 1.6 Year After-Tax Payback on Higher Grades in Early Mine Plan[1;] Four Payback Periods in First Five Years of Production
- Impressive After-Tax Cash Flow of More Than $2.0B[1] Over First Five Years
- 946 Million Pounds of Average Annual Zinc Equivalent (“ZnEq”) Production in the First Five Years of Production[1], Making Taylor One of the World’s Top 5 ZnEq Producers
- 51% Increase in Average Annual Silver Production in Concentrate to 9.5 M Oz over First Five Years
- World-Class M&I Resource Estimate of 101M Tons Grading 10.4% ZnEq, Up 39% from 2017 PEA, Inferred Resource of 44M Tons Grading 11.9% ZnEq, up 13%
- Mine Life Increased By 10 Years to 29 Years
- Further Resource Expansion Potential – 9 Drill Rigs Dedicated to Expanding Taylor, Which Remains Open in Multiple Directions

Arizona Mining Inc. (TSX:AZ) (“Arizona Mining” or the “Company”) is pleased to announce a significantly enhanced, updated Preliminary Economic Assessment (“PEA”) and mineral resource estimate for its Taylor zinc-lead-silver sulfide deposit located on the 100%-owned Hermosa Project in Arizona. Based on the updated study, the Company continues to target first mineralized material-to-plant from a proposed 10,000 ton per day (“tpd”) operation in 2020.

“As part of the PEA update, we completed an additional 71,000 metres of drilling in 2017 from March

to November which led to a 39% increase in Measured and Indicated Mineral Resources, and essentially maintained the zinc equivalent grade. That tells us we have yet to identify the outer limits of the deposit – this is what excites me most about the project,” said Jim Gowans, President & CEO. “Additionally, the drilling identified more high-grade material that we were able to sequence into the initial 10 years of the mine plan, which had a favourable impact to our financial metrics. Detailed metallurgical studies are ongoing and will be included with the feasibility study, however we have seen some positive results to date, including a coarser grind size.”

“We remain well funded to execute our 2018 objectives. The next key milestones are to deliver the Feasibility Study for the Taylor Project by mid-year and begin the exploration decline by the third quarter.”

Additional Details

- In addition to significantly increasing the total amount of tons in the mine plan, drilling in 2017 has also helped boost silver to approximately 198 million recovered ounces (214 million contained ounces), an increase of 106%.
- Silver grades for Measured and Indicated Mineral Resource tons have correspondingly increased by 24%, to 2.1 ounces per ton (“opt”).
- Average annual silver production in concentrate in the first five years has risen 51% to 9.5 million ounces. Annual life of mine (“LOM”) production of silver in concentrate is up 35% to 6.8 million ounces.
- Pre-production capex of $519 million, a 14% increase from the previous PEA, is principally due to the acceleration of spend relating to shaft development and the requirement for additional mining equipment to access the higher-grade Taylor Deeps mineralization in the early years of the mine life. Accessing this higher-grade material up-front in the mine plan provides a substantial benefit to overall project economics.
- Life-of-mine sustaining capital is projected to be $725 million. The increase in sustaining capital is directly related to the increase in mineable resource and extended mine life.
- Total site-level cash operating costs of $51/ton have increased by a modest 5% relative to the prior PEA principally to accommodate higher costs associated with smaller and more selective stope designs, partially offset by a decrease in estimated processing costs resulting from a coarser grind size (primary grind size is now 150 microns compared to 105 microns previously).
- The updated economic analysis incorporates the impact of Public Law No. 115-97, the US Tax Reform which included a major decrease in federal corporate income taxes from 35% to 21%. The bill was signed into law by the President of the United States on December 22, 2017.

[1] *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.*

Note: The preliminary economic assessment is preliminary in nature, includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. The basis for the preliminary economic assessment and any qualifications and assumptions are made by the qualified person as disclosed in this release.

Table 1. Financial and Operating Summary *(all tons are short tons unless otherwise noted)*

Financial Summary		Jan 2018	Apr 2017	% Chg
After-tax NPV (8%)	$(000's)	$1,979,101	$1,260,764	57 %
After-tax IRR	%	48%	42%	6 %
Payback	Years	1.6	1.7	6 %
Pre-production Capex	$(000's)	$518,959	$457,170	14 %
Sustaining Capex	$(000's)	$725,261	$500,196	45 %
LOM Capex	$(000's)	$1,244,220	$957,366	30 %
Operating Summary				
Mineable Resource	m tons	96,671	60,846	59 %
Mine Life	years	29	19	53 %

Zinc Equivalent Head grade	% ZnEq	10.44	10.34	1	%
Zinc Head grade	% Zn	4.01	4.43	-9	%
Lead Head grade	% Pb	4.34	4.31	1	%
Silver Head grade	opt Ag	2.22	1.71	30	%
LOM Avg. Annual Payable Zinc Production[1]	m lbs	211	224	-6	%
LOM Avg. Annual Payable Lead Production[1]	m lbs	262	250	5	%
LOM Avg. Annual Payable Silver Production[1]	m oz	5.6	4.3	30	%
Zinc concentrate treatment charge (base)	$/dmt[2]	210	210	0	%
Zinc treatment charge (Mn penalty)	$/dmt	13	13	0	%
Lead concentrate treatment charge (base)	$/dmt	190	190	0	%
All concentrates transportation charge	$/dmt	97	97	0	%
Operating Costs per Ton					
Mining	$/t	$38.02	$35.35	8	%
Processing	$/t	$10.54	$10.73	-2	%
Site-G&A	$/t	$2.00	$2.00	0	%
Total operating costs (mine, processing, G&A)	$/t	$50.56	$48.08	5	%
C1 Zinc Co-Product Cost[3]	$/lb	$0.49	$0.51	-4	%
C1 Lead Co-Product Cost[3]	$/lb	$0.37	$0.38	-3	%
All-in Sustaining Cost (ZnEq)[4]	$/lb	$0.61	$0.61	0	%

1. Average annual payable metal for Life of Mine.

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.

“The updated PEA illustrates a world-class project, with all key financial metrics improved relative to the previous study, and will be one of the world’s largest zinc resources as well as a top 5 zinc equivalent producer. It is positioned as a unique asset with high margins, a multi-decade life, and low capital intensity,” said Tom Whelan, Chief Financial Officer.

Figure 1. Taylor Updated PEA ZnEq Grade &Tonnage vs Select Globally Significant Primary Zn Assets is available at http://www.globenewswire.com/NewsRoom/AttachmentNg/33aa8853-8364-4977-a1e7-fc17d2cbc833

Note: Mt. Isa not plotted (660 Mt @ 9.83% ZnEq)

Note: All Amounts in Metric Tonnes. Conversion prices as per SNL on 15 Jan 2018; ZnEq calculated on in-situ value per SNL.

Source: SNL Metals & Mining

Figure 2. Based on the PEA, Taylor Will Be One of the World’s Top 5 Zinc Mines is available at http://www.globenewswire.com/NewsRoom/AttachmentNg/05ec5175-790f-4045-8730-c4ab9227a7d7

Notes:

1. Assumes metal prices of US$1.10/lb Zn, US$1.00/lb Pb, US$20.00/oz Ag, $1,250/oz Au.

2. ZnEq production estimates from SNL Metals & Mining for 2018 and illustrated for mines wherein >50% of the value of combined metal production is sourced from zinc.

Source: SNL Metals & Mining.

Mr. Whelan added: “The high-grade nature of the resource will lead to over $2.0 billion of after-tax cashflows to be generated in just the first 5 years of the 29-year mine-life, with the project boasting a very quick 1.6-year payback. We believe these superior financial metrics position the project very well to obtain the optimal mix of required project funding from traditional lenders and/or other potential strategic third parties.”

Figure 3. Annual and Cumulative After-Tax Cash Flows from Taylor Over First Five Years[1] is available at

http://www.globenewswire.com/NewsRoom/AttachmentNg/f52eb5c9-205d-42ad-8ff6-7f4dfe07687c

1. Cumulative after-tax cash flows begin after first production.

The project remains well positioned to benefit from the current strong and rising metal price environment, with a 20% increase in base metal pricing relative to the base case translating to a $2.7 billion NPV (refer to Table 2).

Table 2. Sensitivities to a 20% Change in Zinc and Lead Prices

After-Tax NPV 8% (000's)

Lead Price (US$/lb)	Zinc Price (US$/lb) $ 0.88	$ 1.10	$ 1.32
$ 0.80	$ 1,249,304	$ 1,614,331	$ 1,978,019
$ 1.00	$ 1,615,413	$ 1,979,101	$ 2,342,339
$ 1.20	$ 1,980,148	$ 2,343,183	$ 2,706,086

After-Tax IRR (%)

Lead Price (US$/lb)	Zinc Price (US$/lb) $ 0.88	$ 1.10	$ 1.3
$ 0.80	37.0 %	43.4 %	49
$ 1.00	42.5 %	48.4 %	53
$ 1.20	47.6 %	53.0 %	58

The Taylor project has globally significant contained silver of 214 million mineable ounces which places it among the world’s top primary silver companies, as shown in Figure 4. This does not include the nearly 200 million-ounce endowment in the Central oxide deposit.

Figure 4. Taylor Contained Silver in Total Silver Resources vs Reserves of Select Primary Silver Companies is available at http://www.globenewswire.com/NewsRoom/AttachmentNg/318095f9-b8ee-4d12-9534-704e3e8cfcdf

Source: S&P Global SNL Metals and Mining Market Intelligence

Figure 5 illustrates that Arizona Mining will be a significant silver producer at an average of 9.5 million ounces of silver in concentrate in the first five years of production.

Figure 5. Significantly Enhanced Silver Production in Concentrate – First 10 Years of Mine Life is available at http://www.globenewswire.com/NewsRoom/AttachmentNg/032c2ff4-d4c2-4a9c-ba7e-59d61ef3eb6b

Significant Upgrade to Taylor Resource

Exploration and infill drilling in 2017 has significantly upgraded and expanded the total resource. At a 4% zinc equivalent cut off, drilling has increased the total measured and indicated tons by 39% to 101 million tons grading 10.4 ZnEq and the inferred resource has grown by 13% to a total of 43.6 million tons grading 11.9% ZnEq.

The Mineral Resource is shown in Table 3 at a range of zinc equivalent cut-off grades. Tons were rounded to the nearest thousand. The resource is based on assay results from 161 drill holes totaling 592,190 feet (180,499 meters) of drilling. The updated Mineral Resource estimate and mine plan was prepared by AMC Mining Consultants (Canada) Ltd. (“AMC”) of Vancouver, B.C.

Table 3. Taylor Deposit Measured, Indicated and Inferred Resources[1,2,3]

Measured						Indicated				
Cut-off ZnEq (%)	Short Tons	ZnEq (%)	Pb (%)	Zn (%)	Ag (opt)	Cut-off ZnEq (%)	Short Tons	ZnEq (%)	Pb (%)	Zn (
25	568,000	30.3	13.0	12.7	4.9	25	3,974,000	31.9	12.8	13.1
20	1,098,000	26.5	11.2	11.4	4.2	20	8,232,000	27.0	10.8	10.9
15	2,141,000	22.0	9.2	9.4	3.6	15	16,111,000	22.2	9.0	8.9
10	4,827,000	16.6	6.9	7.0	2.8	10	32,981,000	17.1	7.0	6.8
6	10,047,000	11.9	5.0	5.0	2.0	6	61,282,000	12.8	5.3	5.1

5	12,355,000	10.7	4.5	4.5	1.8	5	72,394,000	11.6	4.8	4.6
4	15,208,000	9.6	4.0	4.0	1.6	4	85,750,000	10.5	4.3	4.2
3	18,910,000	8.4	3.5	3.5	1.4	3	101,120,000	9.5	3.9	3.7
2	23,031,000	7.3	3.1	3.1	1.3	2	118,650,000	8.4	3.5	3.3
1	26,499,000	6.6	2.7	2.8	1.1	1	135,116,000	7.6	3.1	3.0

Measured + Indicated						Inferred				
Cut-off ZnEq (%)	Short Tons	ZnEq (%)	Pb (%)	Zn (%)	Ag (opt)	Cut-off ZnEq (%)	Short Tons	ZnEq (%)	Pb (%)	Zn (
25	4,542,000	31.7	12.8	13.0	6.2	25	3,632,000	32.8	13.2	10.2
20	9,330,000	26.9	10.9	11.0	5.4	20	6,913,000	27.8	11.3	9.0
15	18,252,000	22.2	9.0	9.0	4.4	15	11,466,000	23.6	9.6	7.9
10	37,807,000	17.0	7.0	6.8	3.4	10	18,889,000	19.2	7.9	6.3
6	71,329,000	12.6	5.2	5.1	2.5	6	31,079,000	14.7	5.9	4.9
5	84,748,000	11.5	4.7	4.6	2.3	5	36,578,000	13.3	5.3	4.4
4	100,958,000	10.4	4.3	4.1	2.1	4	43,609,000	11.9	4.8	3.9
3	120,030,000	9.3	3.8	3.7	1.9	3	52,904,000	10.4	4.1	3.4
2	141,680,000	8.2	3.4	3.3	1.7	2	64,478,000	9.0	3.6	2.9
1	161,615,000	7.4	3.0	3.0	1.5	1	80,345,000	7.5	3.0	2.5

1. For a full list of drill holes included in the updated resource, please refer to www.arizonamining.com/projects/taylor-deposit/resources.

2. Mineral Resources are reported as of 30 November 2017. Stated at a cut-off grade of 4% ZnEq, and based on long- 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 pro recovery factors of 92% for zinc, 95% for lead, and 90% for silver; total operating costs are estimated to be $51/ton.

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

Proposed Mine Plan ‒ 10,000 tpd Underground Operation

The updated PEA for the Taylor Sulfide Deposit is based on an underground mine plan with first mineralized material-to-plant beginning in 2020 and ramping up to 10,000 tpd in 2023. The zinc-lead-silver resource will be hoisted to the surface by a shaft and processed through a 10,000 tpd concentrator. The initial mine plan is based on 96.7 million tons of Measured, Indicated, and Inferred Resources grading 4.0% zinc, 4.3% lead and 2.2 opt silver.

Figure 6. Change in Zinc Equivalent Production and Grades Relative to Prior PEA – First 8 Years is available at http://www.globenewswire.com/NewsRoom/AttachmentNg/62c943ea-28cf-4309-b35f-a5a01ae208f4

Processing of the zinc-lead-silver resource 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 grams per tonne (“g/t”) silver. Both concentrate specifications have been favorably 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 60% of the tailings will be mixed with cement and used as structural backfill in the underground operations, compared with an estimated 45% in the original PEA. The remaining tailings will be dry-stacked.

The major components of estimated pre-production capital of $519 million includes $126 million for the shaft, $98 million for the process plant, $90 million for site infrastructure, including backfill plant and tailings storage facility, $58 million for underground development, $64 million for contingency, and $44 million for mining

equipment.

Opportunities and Exploration Potential

The Taylor deposit is not fully delineated and hence the current Mineral Resource estimate only represents a portion of the potential on Arizona Mining’s extensive land holdings. Exploration drilling continues on the Company’s patented land with 9 drill rigs. Prominent targets for resource expansion and near-term exploration potential include:

1. Drilling in the Taylor Deeps Zone, which remains open in several directions, and continues to return high grade zinc, lead and silver over significant mineable thicknesses. Of particular interest in the zone are the extensions to the northwest and southeast where the zone appears to be much higher grade.
2. Outlying targets identified by drilling, geophysics, alteration or a combination thereof remain a high priority in 2018 and are shown in Figure 7. These targets will become more of a focus now that the resource infill drilling has been essentially completed. As evidenced by the drill results highlighted in Figure 7, significant mineralized intersections of zinc-lead-silver have been intersected by several drill holes away from the existing resource and the mineralization remains open in multiple directions.

Figure 7. Exploration Targets is available at
http://www.globenewswire.com/NewsRoom/AttachmentNg/5770446b-9711-4329-ba24-943bc99b8135

Going Forward

In 2018, the Company is funded to complete the major items budgeted for the year. That work will include completing the tailings remediation work and constructing an active water treatment plant and underdrain collection pond, initiating an exploration decline into the Taylor Deposit and completing a Feasibility Study. Exploration drilling will continue through 2018 in order to increase our understanding of the deposit and determine its limits.

The Company expects to file a Technical Report in respect of the updated Resource and Preliminary Economic Assessment within 5 days from the date of this Press Release but certainly within 45 days.

Revisions for the updated PEA were compiled and approved by AMC.

Arizona Mining will host a conference call and webcast to discuss the results of the PEA at 5 pm Eastern time on January 16, 2018. Dial-in details are as follows:

Conference Call Dial In:

Canada/USA Toll Free: +1-800-319-4610

International Toll: +1-604-638-5340

The webcast and presentation materials will be available on Arizona Mining’s website at www.arizonamining.com. The conference call will be available for replay by phone at 1-855-669-9658 (U.S. and Canada toll free) and +1-412-317-0088 (international), access code 1968.

APPENDIX

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 4. 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 4. Zinc Equivalent Parameters and Formula[1]

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^2) 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 sixteen (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.

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 Mineral Resources will be converted to Measured and Indicated Mineral Resources. Quantity and grades are estimates and are rounded to reflect the fact that the Mineral 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 (“QP”) 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 Dinara Nussipakynova, P.Geo, an employee 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 and compiled by Mr. Chris Kaye, President and Principal Process Engineer of Mine and Quarry Engineering Services Inc., a qualified person as defined by National Instrument 43-101 (NI 43-101). Mr. Kaye has more than 35 years of mineral processing experience and is a Registered Member of the Society for Mining, Metallurgy & Exploration; and a Fellow of the AusImm.

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 15.2 million tons in the Measured Mineral Resource category grading 4.0% zinc, 4.0% lead and 1.6 opt silver, or 9.6% ZnEq, plus 85.8 million tons in the Indicated Mineral Resource category grading 4.2% zinc, 4.3% lead and 2.2 opt silver, or 10.5% ZnEq, and 43.6 million tons of Inferred Mineral Resources grading 3.9% zinc, 4.8% lead and 3.4 opt silver or 11.9% ZnEq, all reported in accordance with NI 43-101 guidelines utilizing a 4% ZnEq cutoff grade. The Taylor and Taylor Deep Deposits 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.

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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.

(All amounts expressed in US$ and short tons unless otherwise indicated)