

1 Summary

1.1 Introduction

AMC Mining Consultants (Canada) Ltd. (AMC) was commissioned by Arizona Mining Inc. (AZ) to prepare an updated Mineral Resource estimate and updated Preliminary Economic Assessment (PEA) and report according to National Instrument 43-101 Technical Report (NI 43-101 Technical Report or Report) for the Taylor Zn-Pb-Ag deposit located on the Hermosa Property, (Property). The Property is located in Santa Cruz County near the town of Patagonia, southern Arizona, USA.

The Property hosts two known mineral deposits, the Taylor Deposit and the Central Deposit. The latest Technical Report for the Property was completed by AMC, dated 11 April 2017 and titled “Hermosa Property, Taylor Zn-Pb-Ag Deposit Preliminary Economic Assessment” for Arizona Mining Inc., with an effective date of 29 March 2017, (March 2017 Technical Report). Prior to that the Taylor Deposit was also the subject of an NI 43-101 report dated 29 November 2016 and reported additional Mineral Resources for the Taylor Deposit, (November 2016 Technical Report). The Property is 100% owned by Arizona Minerals Inc. (AMI) a wholly owned subsidiary of AZ. This Technical Report provides an update of the Mineral Resource estimate for both the Central and Taylor Deposits and reports the updated results of the PEA.

AMC are responsible for managing and preparing the Technical Report with inputs from Ms D. Nussipakynova AMC, Mr G. Methven AMC, Mr C. Kottmeier AMC, Mr Q. Jin, SGS North America Inc., Mr R. Michael Smith, Newfields Mining Design and Technical Services, Mr E. Christenson of WestLand Resources Inc., Mr D. Bartlett of Clear Creek Associates, Ms L. Bloom, Analytical Solutions Ltd., and Mr C. Kaye, Mine and Quarry Engineering Services Ltd.

The economic analysis in the PEA is preliminary in nature and is based, in part, on 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. There is no certainty that the results of the PEA will be realized.

All currency amounts and commodity prices are in United States (US) dollars unless stated otherwise. Quantities are stated in both Imperial and SI units. Commodity weights of measure are in ounces per short ton (oz/ton) or percent (%) unless stated otherwise.

1.2 Location, ownership, and history

The Property is located approximately 50 miles (81 km) southeast of Tucson, Arizona; 15 miles (24 km) northeast of Nogales in Santa Cruz County, Arizona, and eight miles (13 km) north of the international border with Mexico. The area has a semi-arid climate. Available water well information and preliminary hydrological analysis suggests adequate water supplies are available for project requirements. Experienced, skilled workers are readily available within a reasonable commuting distance. All major services and supplies are available in Tucson.

AZ holds 100% ownership interest in the Property through its wholly owned subsidiary AMI, a Nevada corporation, which was registered on 4 October 2005 with the Arizona Corporation Commission to do business within the State of Arizona.

The Property was explored by ASARCO intermittently from 1940 through 1991. Pan American Silver held the Property between 1994 and 2002 but confined their activity to internal economic evaluations. AZ has been active on the Property since 2006.

1.3 Geology and mineralization

Southeastern Arizona lies within a belt of 1600 to 1700 Ma-age Proterozoic rocks. Late Precambrian-Early Paleozoic rifting split the Proterozoic basement into a number of separate continental blocks with passive continental margins. Phanerozoic shelf-type sediments overlie the Precambrian basement.