



Arizona Metals Corp.

Arizona Metals Corp Provides Corporate and Exploration Updates

TORONTO, January 3, 2023 – Arizona Metals Corp. (TSX:AMC, OTCQX:AZMCF) (the “Company” or “Arizona Metals”) is pleased to provide a year-end review and updates on both its Kay and Sugarloaf Projects. During 2022, the Company completed approximately 33,000 metres of core drilling at the Kay Mine Deposit (some highlights below), received drill permits for both the Central and Western Targets, and initiated drilling on targets outside the Kay Mine Deposit.

Marc Pais, CEO, commented *“As we begin 2023, I want to take a moment to reflect on the past year and share some of our accomplishments. First, I want to thank our shareholders for your continued support and belief in Arizona Metals. Your trust and investment has allowed us to achieve many milestones and make significant progress in achieving our goals.*

This past year has been a challenging one, with the global pandemic continuing to delay some aspects of our work programs. Despite these challenges, our team has remained focused and dedicated to delivering on our commitments and adapting to the changing landscape. We are pleased to report that towards the end of 2022 we did see a marked improvement in permitting timelines, and the Kay Mine Project is now fully-permitted to complete the Phase 3 drill program of 76,000 metres.

Looking forward, we remain optimistic about the future and are confident in our ability to navigate any challenges that may arise. We will continue to focus on delivering value and driving long-term growth for our shareholders, alongside the Kay and Sugarloaf local communities.

The Company is fully-funded to continue drilling at the Kay Mine Deposit, while also undertaking the first detailed exploration of the Central and Western Targets in the known history of the property.”

The Company is fully-funded (with \$58 million in cash at Sept 30, 2022) to complete the remaining 8,600 meters planned for the Phase 2 program at Kay (budgeted at \$3.6 million), as well as an additional 76,000 meters in the Phase 3 program (budgeted at \$32 million), which will be used to test the numerous parallel targets heading west of the Kay Mine Deposit, as well as possible northern and southern extensions of the Kay Mine Deposit.

2022 Highlights:

December 2022: Roadwork to Western Target commenced

November 2022: Initiated drilling from Central pads

November 2022: Completed Central Target roads and pads

October 2022: Received Western Target drill and road permits

October 2022: Welcomed Rosa Rojas Espinosa, MSc, as an Independent Director to the Board

October 2022: Graduated from the TSX Venture Exchange to TSX

September 2022: Surpassed 70,000 m drilling on the Kay project

June 2022: Included in the TSX Battery Metals Index

June 2022: Received Central Target drill and road permits

April 2022: Warrant exercises increased working capital by \$15 million

2022 Kay Mine Project Drilling Highlights:

KM-22-60: **93.3 m at 8.3 g/t AuEq, incl. 17.5 m at 29.6 g/t AuEq**

KM-22-58: **68.4 m at 6.7g/t AuEq, incl. 7.3 m at 10.1g/t AuEq and 10.5 m at 21.1g/t AuEq**

KM-22-57C: **100.9 m at 2.5% CuEq, incl. 8.5 m at 8.6% CuEQ and 5.3 m at 6.6% CuEq**

KM-22-74: **39.0 m at 4.2 g/t AuEq, incl. 7.2 m at 6.0g/t AuEq and 9.8 m at 6.1g/t AuEq**

KM-22-57B: **125.3 m at 3.2% CuEq, incl. 1.8 m at 9.9% CuEq and 7.3 m at 7.7% CuEq**

Kay Mine Project Update

Exploration Drilling

In October 2022, the Company announced that it had received permit approval from the Bureau of Land Management (“BLM”) for two new drill pads, located approximately 1,200 metres west of the Kay Mine Deposit (pads W1 and W2 in Figure 1 below). These new pads will allow for testing of the Western Target, while also allowing for drilling of additional coincident anomalies located between the Central and Western Targets. The Central and Western Targets were previously defined based on coincident structural, geochemical, and geophysical anomalies (through extensive ground mapping, electromagnetic and gravity surveys).

A bond in the amount of US\$21,398 for pads W1 and W2 was posted with the BLM and approved in December 2022. Road construction for the Western pads commenced in December 2022, with completion expected in Q1’2023. Construction of the Central Target drill roads and pads were also completed in November 2022, and drilling from Central pad C1 commenced in November 2022.

There are currently 6 holes with assays pending from the Kay Mine Deposit and 9 holes from testing targets north and south of the main Kay deposit (from pads 4, 5, and 6). For the Central Target, there are 6 holes pending from pad 7, drilled from east to west, and one hole from pad C1, drilled from west to east.

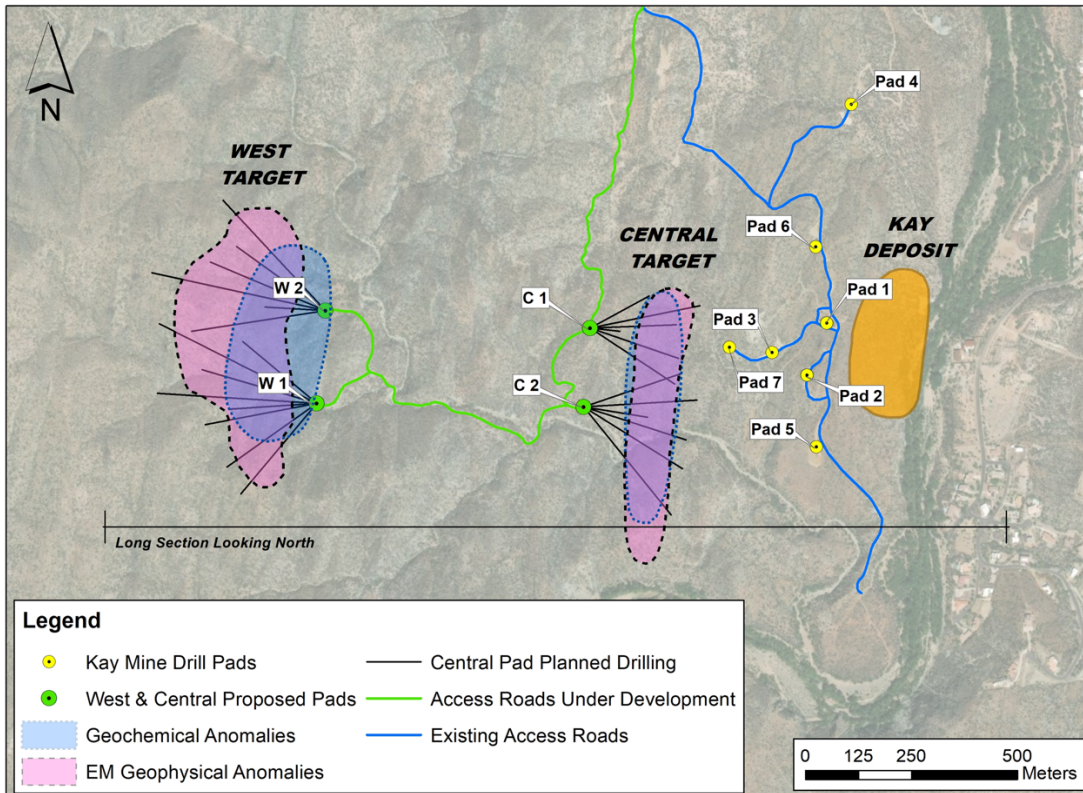


Figure 1. Road construction for pads W1 and W2 at the Western Target commenced in December 2022, with completion expected during Q1'2023. Drilling commenced at pad C1 in November 2022.

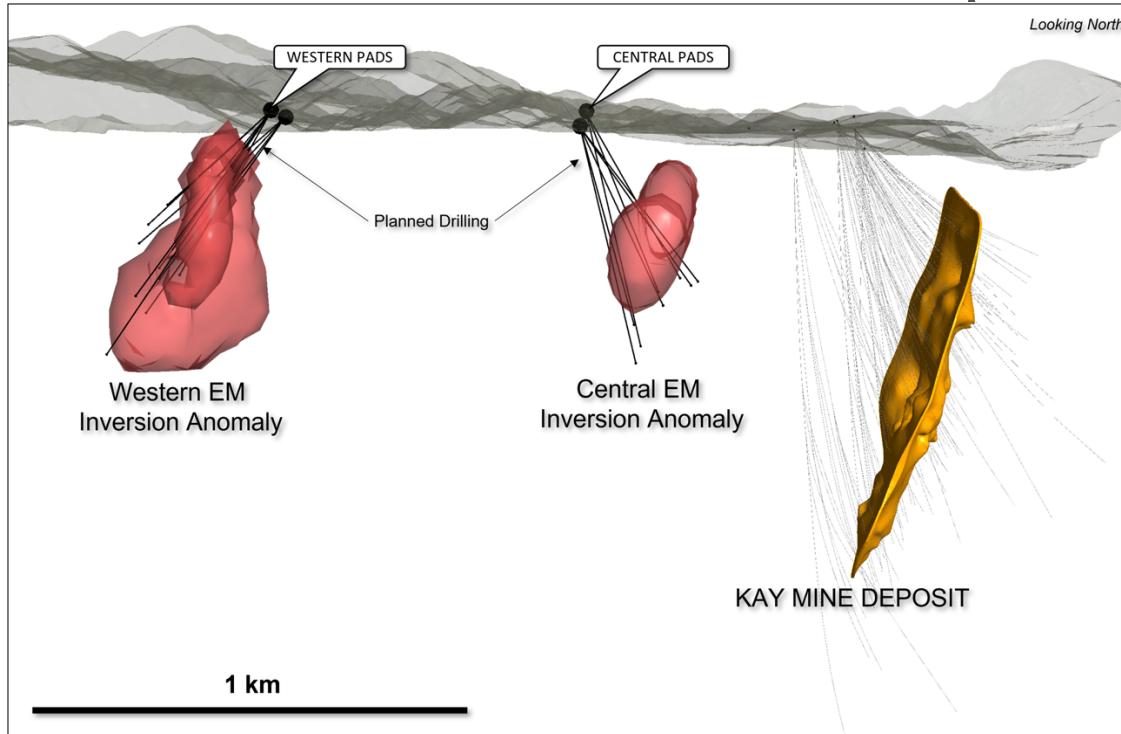


Figure 2. Section view looking north, showing planned drill holes to test the Central Target (located 300 m west of Kay) and Western Target (located 1,200 m west of Kay).

Kay Metallurgical Testing

SGS Canada Inc. has created four composites from Kay drill hole samples, which include copper mineralization, zinc-lead mineralization, zinc-lead-copper mineralization, and high-grade gold mineralization. Test work underway includes bond work index, flotation, density, gravity recovery, and detailed characterization of mineralogy. Results are expected in H2'2023.

Sugarloaf Metallurgical Testing

As a follow up to successful Bottle Roll tests completed on Sugarloaf drill core in 2021 (average recoveries of 76% Au with cyanide leaching), approximately 700 kg of additional drill core is undergoing conventional crushing, high-pressure grinding, agglomeration, and cyanide leaching at Kappes Cassiday and Associates' facilities in Nevada. Results are expected during H1'2023.

Table 1: 2022 Kay Mine Project Drilling Highlights

Hole ID	From m	To m	Length m	Analyzed Grade					Analyzed Metal Equivalent			Metal Equivalent		
				Cu %	Au g/t	Zn %	Ag g/t	Pb %	Cu eq %	Au eq g/t	Zn eq%	Cu eq %	Au eq g/t	Zn eq%
KM-22-57B	736.7	862.0	125.3	2.40	0.90	1.29	18.7	0.13	3.62	5.93	9.42	3.20	5.25	8.33
including	739.7	741.6	1.8	9.42	2.37	0.32	8.5	0.03	11.06	18.12	28.76	9.93	16.28	25.84
including	798.3	805.6	7.3	6.35	0.81	3.76	19.5	0.14	8.47	13.89	22.04	7.72	12.65	20.08
KM-22-57C	784.3	885.1	100.9	1.24	1.54	1.56	25.8	0.14	3.02	4.95	7.85	2.54	4.16	6.61
including	829.4	837.9	8.5	1.60	7.71	9.04	100.9	0.35	10.66	17.47	27.72	8.62	14.14	22.43
including	852.2	857.6	5.3	6.81	0.10	0.09	23.3	0.02	7.10	11.63	18.46	6.55	10.73	17.03
KM-22-58	614.2	682.6	68.4	1.30	3.42	3.85	47.2	0.50	5.35	8.78	13.93	4.40	7.22	11.45
including	640.7	648.0	7.3	0.79	4.34	10.20	51.9	0.56	7.90	12.94	20.54	6.60	10.83	17.18
including	668.1	678.6	10.5	5.30	12.19	6.67	194.7	1.88	17.26	28.30	44.90	13.98	22.92	36.37
including	668.1	669.6	1.5	2.55	43.20	7.76	856.0	0.80	38.86	63.69	101.08	28.62	46.90	74.43
KM-22-60	554.7	648.0	93.3	1.36	5.65	3.25	32.6	0.34	6.39	10.47	16.62	5.08	8.32	13.21
including	591.6	597.7	6.1	0.58	5.62	12.00	56.3	1.40	9.37	15.37	24.38	7.78	12.75	20.24
including	627.0	644.5	17.5	5.22	25.37	4.71	100.6	0.59	23.44	38.42	60.98	18.05	29.59	46.95
including	634.3	635.5	1.2	5.63	273.00	0.18	715.0	0.28	177.99	291.74	462.98	126.03	206.57	327.82
KM-22-74	649.2	688.2	39.0	0.40	1.77	3.39	30.5	0.32	3.09	5.07	8.05	2.56	4.20	6.67
including	652.6	659.8	7.2	0.68	2.57	5.13	18.0	0.11	4.39	7.19	11.42	3.67	6.02	9.55
including	678.5	688.2	9.8	0.15	3.08	5.67	32.0	0.51	4.57	7.50	11.90	3.74	6.13	9.73

The true width of mineralization is estimated to be 50% to 99% of reported core width, with an average of 76%. (2) Assumptions used in USD for the copper and gold Metal Equivalent calculations were metal prices of \$4.63/lb Copper, \$1937/oz Gold, \$25/oz Silver, \$1.78/lb Zinc, and \$1.02/lb Pb. Assumed metal recoveries (rec.), based on a preliminary review of historic data by SRK and ProcessIQ¹, were 93% for copper, 92% for zinc, 90% for lead, 72% silver, and 70% for gold. The following equation was used to calculate copper equivalence: CuEq = Copper (%) (93% rec.) + (Gold (g/t) x 0.61)(72% rec.) + (Silver (g/t) x 0.0079)(72% rec.) + (Zinc (%) x 0.3844)(93% rec.) + (Lead (%) x 0.2203)(93% rec.). The following equation was used to calculate gold equivalence: AuEq = Gold (g/t)(72% rec.) + (Copper (%) x 1.638)(93% rec.) + (Silver (g/t) x 0.01291)(72% rec.) + (Zinc (%) x 0.6299)(93% rec.) + (Lead (%) x 0.3609)(93% rec.). Analyzed Metal Equivalent calculations are reported for illustrative purposes only. The metal chosen for reporting on an equivalent basis is the one that contributes the most dollar value after accounting for assumed recoveries.

About Arizona Metals Corp

Arizona Metals Corp owns 100% of the Kay Mine Property in Yavapai County, which is located on a combination of patented and BLM claims totaling 1,300 acres that are not subject to any royalties. An historic estimate by Exxon Minerals in 1982 reported a “proven and probable reserve of 6.4 million short tons at a grade of 2.2% copper, 2.8 g/t gold, 3.03% zinc, and 55 g/t silver.” The historic estimate at the Kay Mine was reported by Exxon Minerals in 1982. The historic estimate has not been verified as a current mineral resource. None of the key assumptions, parameters, and methods used to prepare the historic estimate were reported, and no resource categories were used. Significant data compilation, re-drilling and data verification may be required by a “qualified person” (as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*) before the historic estimate can be verified and upgraded to be a current mineral resource. A qualified person has not done sufficient work to classify it as a current mineral resource, and Arizona Metals is not treating the historic estimate as a current mineral resource.

The Kay Mine is a steeply dipping VMS deposit that has been defined from a depth of 60 m to at least 900 m. It is open for expansion on strike and at depth.

The Company also owns 100% of the Sugarloaf Peak Property, in La Paz County, which is located on 4,400 acres of BLM claims. Sugarloaf is a heap-leach, open-pit target and has a historic estimate of “100 million tons containing 1.5 million ounces gold” at a grade of 0.5 g/t (Dausinger, 1983, Westworld Resources).

The historic estimate at the Sugarloaf Peak Property was reported by Westworld Resources in 1983. The historic estimate has not been verified as a current mineral resource. None of the key assumptions, parameters, and methods used to prepare the historic estimate were reported, and no resource categories were used. Significant data compilation, re-drilling and data verification may

¹ SRK Consulting (Canada) Inc., March 2022, Updated Metallurgical Review, Kay Mine, Arizona. Report 3CA061.004



be required by a qualified person before the historic estimate can be verified and upgraded to a current mineral resource. A qualified person has not done sufficient work to classify it as a current mineral resource, and Arizona Metals is not treating the historic estimate as a current mineral resource.

Qualified Person

The qualified person who reviewed and approved the technical disclosure in this release is David Smith, CPG, a qualified person as defined in National Instrument 43-101—Standards of Disclosure for Mineral Projects. Mr. Smith supervised the preparation of the scientific and technical information that forms the basis for this news release and has reviewed and approved the disclosure herein. Mr. Smith is the Vice-President, Exploration of the Company.

Disclaimer

This press release contains statements that constitute “forward-looking information” (collectively, “forward-looking statements”) within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that discusses predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements contained in this press release include, without limitation, statements regarding drill results and future drilling and assays, the resumption of drilling and the effects of the COVID-19 pandemic on the business and operations of the Company. In making the forward-looking statements contained in this press release, the Company has made certain assumptions. Although the Company believes that the expectations reflected in forward-looking statements are reasonable, it can give no assurance that the expectations of any forward-looking statements will prove to be correct. Known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: availability of financing; delay or failure to receive required permits or regulatory approvals; and general business, economic, competitive, political and social uncertainties. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.

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