

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. **Name and Address of Company**

Pima Zinc Corp. (the “**Company**”)
365 Bay Street, Suite 400
Toronto, Ontario M5H 2V1

2. **Date of Material Change**

August 9, 2018

3. **News Release**

A press release disclosing the material change was released on August 9, 2018 through the facilities of Newsfile Corp.

4. **Summary of Material Change**

The Company has entered into a share purchase agreement dated August 8, 2018 between 1139432 B.C. Ltd. and the Company (the “**Purchase Agreement**”) to acquire all of the issued and outstanding shares of 1139432 B.C. Ltd.

5. **Full Description of Material Change**

The material change is fully described in the Company’s press release which is attached as Schedule “A” and is incorporated herein.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

7. **Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer.**

For further information, contact Glenda Kelly, Corporate Communications of the Company at (403) 830-1436.

9. **Date of Report.**

This report is dated at Toronto, this 10th day of August, 2018.

SCHEDULE "A"
Pima Zinc Corp.

Pima Zinc Corp. to Acquire Pima Zinc Property

Toronto, Ontario – August 9, 2018 – Pima Zinc Corp. (the "**Company**") (OTC: RAEWF), formerly Rae-Wallace Mining Company, is pleased to announce that it has entered into a share purchase agreement (the "**Purchase Agreement**") to acquire all of the issued and outstanding shares of 1139432 B.C. Ltd. (the "**Acquisition**").

1139432 B.C. Ltd. controls a 100% interest in the Pima Zinc property (the "**Pima Zinc Property**") located in southern Arizona, USA. The Pima Zinc Property consists of 133 BLM unpatented lode mining claims with a total area of 2,506 acres and, subject to approval, 7 Arizona State Land Department Mineral Exploration permit applications for an additional 2,080 acres. The Pima Zinc Property lies within fifteen kilometres of three current and past producing mines: the Mission mine, Asarco Grupo Mexico; the Twin Butte mine, Freeport-McMoran; and the Sierrita mine, Freeport-McMoran. The Company has recently completed a technical report (the "**Technical Report**") for the Pima Zinc Property prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("**NI 43-101**"), a copy of which will be filed on the Company's profile at www.sedar.com. Investors are cautioned mineralization on the Mission, Twin Butte and Sierrita mines is not necessarily indicative of similar mineralization on the Pima Zinc Property⁽¹⁾.

In connection with acquisition, the Company intends to complete a private placement for gross proceeds of \$350,000 to assist with funding the exploration program on the Pima Zinc Property outlined in the Technical Report.

Highlights

- The 4,486-acre Pima Zinc Property is located 29 kilometers southwest of Tucson, Arizona. The Pima Zinc Property is road accessible by an all-season road and lies within a 15-kilometer radius of three large porphyry mines, of which two are actively producing. The Pima Zinc Property is approximately 60 kilometers northwest of the Arizona Mining's Taylor deposit, which was recently acquired for an aggregate of US\$1.3 billion cash.
- Target mineralization identified to date at the Pima Zinc Property by the Company consists of zinc copper sulfide replacement and copper porphyry mineralization. Selective grab samples taken from various tailings and waste dumps for the purposes of due diligence sampling for the Technical Report, revealed up to 12.35% zinc⁽²⁾.
- The historical CWT Mine, comprising a part of Pima Zinc Property, was exploited by Continental Exploration Ltd. in the mid 1960's, with development of a 1,000-foot shaft and lateral development.
- Upon completion of the Acquisition, the Company intends to implement the next phase of exploration which will include airborne geophysics and prospecting, followed by

diamond drilling.

Project Details

There is limited historical information available on the ground underlying the Pima Zinc Property. Several shafts, pits, and other workings are present on the claim block suggesting the Pima Zinc Property has undergone significant undocumented exploration. Exploration in the area dramatically increased in the early 1960's as a result of the discovery and opening of the East Pima-Mission mine in 1953, and the Sierrita and Twin Butte mines in 1960 and 1961, respectively.

As a verification exercise for the Technical Report, 12 selective grab samples were taken from mine dumps and waste piles proximal to historic workings. Zinc assays ranged from 72 ppm to 12.35% zinc, with three of these samples returning assays greater than 1% zinc, with associated enrichment in copper, lead, and silver. The highest-grade sample returned a value of 12.35% zinc⁽²⁾.

Project Geology and Mineralization

The southern two-thirds of the Pima Zinc Property is underlain by Oligocene sediments and volcanics while the northern third is underlain by Cretaceous and Triassic sediments and volcanics which have been intruded by the Paleocene Ruby Star granodiorite.

The Pima Zinc Property is primarily a zinc-copper skarn and related copper porphyry target. During the 1960's Continental Exploration Ltd. mined the CWT Mine which lies within the property bounds. A historical resource was calculated on the CWT Mine consisting of 1,208,000 tons grading 7.2% Zn, 1.08% Cu, 0.30% Pb, and 1.54 oz/ton Ag, using 38 diamond drill holes.

In addition to the past-producing CWT Mine, several additional hydrothermal targets have been identified on or in close proximity to the Pima Zinc Property. These targets consist of areas where historical operators, Mag Exploration Services Inc., identified surface exposures of alteration and associated mineralization. The targets consist of domains ranging from 50 to 200-metres in diameter and consistently show heavy iron oxides and silica-rich cores. Several of these siliceous cores display gossan zones with limonite replacement of galena and pyrite.

A qualified person has not completed sufficient work to verify the historic information on the Pima Zinc Property nor classify the historic mineral resource as current, therefore the historical estimates should not be relied upon. The information provides an indication of the exploration potential of the Pima Zinc Property. The technical information in this press release has been prepared in accordance with the Canadian regulatory requirements set out in NI 43-101 and reviewed and approved by Kelly Malcolm, P.Geol., and Technical Advisor to the Company, a "Qualified Person" as defined by NI 43-101 guidelines.

Transaction Terms

Pursuant to the terms of the Purchase Agreement, the Company will acquire all of the issued and outstanding shares of 1139432 B.C. Ltd., a private company, which controls a 100%

interest in the Pima Zinc Property, in consideration of a cash payment of \$162,000 and the issuance of 5,000,000 common shares of the Company to the existing shareholders of 1139432 B.C. Ltd., on a pro-rata basis. This is an arm's length transaction and the Acquisition will not create any new insiders of the Company.

References

- (1) 43-101 Technical Report, Pima Zinc Property, Pima County, Arizona, dated July 26, 2018 and prepared by R. Tim Henneberry, P.Geo. of Mammoth Geological Ltd. for Pima Zinc Corp.
- (2) With respect to the historical resource calculated on the CWT mine, thicknesses ranged from a minimum mining thickness of 10 feet to a maximum of 48 feet (3 to 14.6 metres) and calculated a "drilled reserve" of 1,208,000 million tons grading 7.2% Zn, 1.08 % Cu, 0.30% Pb and 1.54 ounces per ton Ag. There is no technical report associated with the Cox (1964) estimate. Since the detailed data is not available to the author, he cannot comment on the reliability of the estimate other than to state that a decision was made to place the mine into production in 1966 based on the estimate. The estimate is relevant to the Pima Zinc Property as it indicates the presence of zinc, copper and lead mineralization on the present Pima Zinc Property. The estimate was based on drill cores, drill logs and analyses and the corresponding sections and plans for 38 drill holes. The estimate was determined by area distribution, geologic shape and thickness and grade to arrive at a weighted average. The tonnage factor was 11 cubic feet per ton. Dilution ranging from 0% to 100%, averaging 25%, was factored in the estimate. Cut-off grade was set at \$6.00 net smelter based on the following net smelter values per ton of ore and per unit of metal: Zn - \$1.10, Pb - \$1.40, Cu \$3.80 and Ag - \$1.00. The categories used for the historical estimate were "drill proven" and "drill probable" which do not comply with current NI43-101 CIMM standards, as these standards were not in existence at the time the historical estimate was calculated. The author is not aware of any subsequent historical estimates. Since none of the data has survived to this day, the only way to upgrade verify this historical estimate to a current mineral resource would be to duplicate the entire 38 holes.

Investors are cautioned grab samples are selected samples and are not necessarily representative of mineralization hosted on the property.

About Pima Zinc Corp.

Pima Zinc Corp. is a Cayman Island based exploration company listed on the OTC Market (OTC: RAEWF) and is focused on zinc exploration and development.

For further information, please contact:

Pima Zinc Corp.

Glenda Kelly

Corporate Communications

Tel: 403 830-1436

This news release may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore, involve

inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.