

# Pima Zinc Corp.

## Pima Zinc Corp. Announces Closing of Acquisition, Private Placement and Debt Settlement

**Toronto, Ontario – July 24, 2019** – Pima Zinc Corp. (the "**Company**") (OTC: RAEWF), formerly Rae-Wallace Mining Company, is pleased to announce that it has closing its previously announced acquisition of 1139432 B.C. Ltd. (the "**Acquisition**"). In connection with the Acquisition, the Company issued 5,000,000 common shares ("**Consideration Shares**") to the existing shareholders of 1139432 B.C. Ltd., on a pro-rata basis.

1139432 B.C. Ltd. is the registered and beneficial holder of 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](http://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<sup>(1)</sup>.

The Company also completed a private placement for gross proceeds of \$370,000 (the "**Offering**") through the issuance of an aggregate of 7,400,000 units (each, a "**Unit**") of the Company. Each Unit is comprised of one common share (each, a "**Common Share**") and one common share purchase warrant (each, a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.10 for a period of twenty four (24) months from the date of issuance. The proceeds from the private placement will be used for general working capital purposes and to assist with funding the exploration program on the Pima Zinc Property outlined in the Technical Report.

Concurrently with the closing of the Acquisition and the Offering, the Company eliminated an aggregate of \$258,501.23 of indebtedness of the Company (the "**Debt Settlement**"), through the issuance of 8,226,122 units of the Company (the "**Debt Units**") to certain creditors of the Company. Each Debt Unit is comprised of one Common Share and one-half of one Warrant. Each Warrant entitling the holder thereof to acquire one Common Share at a price of \$0.05 for a period of thirty-six (36) months from the date of issuance.

The Common Shares and the Consideration Shares issued will be subject to a statutory hold period, in accordance with applicable securities laws.

Pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), the Debt Settlement constitutes a "related party transaction" as a company controlled by an officer and director of the Company was involved in the Debt Settlement. The Company is exempt from the formal valuation requirement of MI 61-101 in connection with the debt settlement in reliance of section 5.5(b) of MI 61-101, as no securities of the Company are listed or quoted for trading on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., the New York Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States, other than the Alternative Investment Market of the London Stock Exchange or the Plus markets operated by Plus Markets Group plc. Additionally, the Company is exempt from obtaining minority approval in connection with the Debt Settlement in reliance on section 5.7(e) of MI 61-101 as the Company is in financial difficulty. The Debt Settlement was approved by a quorum of the board of directors of Company (the "**Board**") on September 6, 2018. The Board, acting in good faith, and the independent members of the Board, acting in good faith, determined that Company is in serious financial difficulty, that the Debt Settlement is designed to improve

the Company's financial position and that the terms of the Debt Settlement are reasonable in the Company's circumstances.

**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.

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*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.*