Fundamental Research Corp.

October 22, 2026

Arizona Gold & Silver Inc.

(TSXV: AZS / OTCQB: AZASF)

The Hidden Value the Market Has Yet to Discover

BUY

Current Price: $0.50

Fair Value: $2.34

Risk*: 5

Sector: Junior Resource

Click here for more research on the company

Highlights

- **Gold & Silver Exposure:** AZS offers exposure to gold and silver. Gold is flat YoY, while silver is up 16%. We remain positive on both metals, supported by safe-haven demand, geopolitical uncertainty, and potential US$ weakness. Silver is expected to record its sixth consecutive annual supply deficit in 2026, extending into 2027.
- **Three Projects in Tier-1 Jurisdictions:** AZS controls three pre-resource projects: Philadelphia and Sycamore Canyon in Arizona, and Silverton in Nevada. All are in established U.S. mining jurisdictions, with existing infrastructure, and proximity to operating and historical mines.
- **Strategic Investment:** Evolution Mining (MCAP: $24B) recently invested $12M for a 9.9% stake in AZS, providing third-party validation from a major, globally diversified gold producer. The investment also brings capital, industry expertise, and potential strategic support, as AZS advances its flagship Philadelphia project. **We believe the investment could also signal potential M&A interest.** Larger mining companies often take an initial equity stake, closely monitor exploration progress, and pursue an acquisition once a project's potential is better defined.
- **Large-Scale Gold-Silver Opportunity:** Drilling at the Philadelphia project has identified mineralization over a 3 km gold-silver system combining high-grade veins, that could support robust margins, with broader, lower-grade mineralization that could support scale. Key intercepts include 60.37 m at 4.36 g/t Au (gold), including 4.33 m at 19.37 g/t, and 115 m at 1.34 g/t. These grades compare favourably with the 1–5 g/t typical of operating gold mines, highlighting both high-grade, and bulk-tonnage potential.
- **District-Scale Potential:** Only ~2% of Philadelphia's 4,300-acre land package has been explored. Management plans to test key targets before publishing a maiden resource (~two years), a strategy we believe could reduce the risk of the market understating the project's scale.
- **Exploration-First Strategy:** Great Bear Resources followed a similar approach at its Dixie project, focusing on demonstrating scale before Kinross Gold acquired it for ~$1.8B, ahead of a maiden resource estimate. We believe this precedent supports Philadelphia's exploration-led strategy.
- **Our Estimate - Multi-Million-Ounce Potential:** Based on drilling across ~1 km of the 3 km trend, we believe Philadelphia has potential to host ~3 Moz of gold, including up to ~1 Moz within a higher-grade zone. We believe this represents a significant resource for a junior gold explorer, supporting the potential for both a higher-grade mining operation, and a larger, bulk-tonnage development scenario.
- **Speculative Opportunity – Valuation:** AZS trades at just $18/oz based on our speculative estimate on Philadelphia, an 85% discount to the peer average of $116/oz, making it the most undervalued gold junior in our peer group. We believe the lack of a formal resource estimate has created a valuation disconnect, providing an opportunity for speculative investors, as continued exploration demonstrates the project's scale and potential.
- **Strong Balance Sheet & Catalysts:** Following two recent strategic financings totaling $30M, AZS is well funded to advance exploration, reducing the need for near-term share dilution. Near-term catalysts include drill results, expansion, and potential strategic transactions. We believe our preliminary/speculative estimate will provide market insight ahead of a maiden resource estimate, with the stock expected to gradually converge toward our fair value estimate as awareness of the project increases.

Risks

- **Commodity prices**
- Exploration, development, and permitting
- Access to capital and potential **share dilution**
- No NI 43-101 resource estimate or independent economic studies
- No assurance that the company can advance its projects simultaneously

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Head of Research

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Equity Analyst

Price and Volume (1-year)



	YTD	12M
AZS	-50%	-1%
TSXV	-17%	-13%
Gold	-7%	0%
GOEX*	-7%	11%

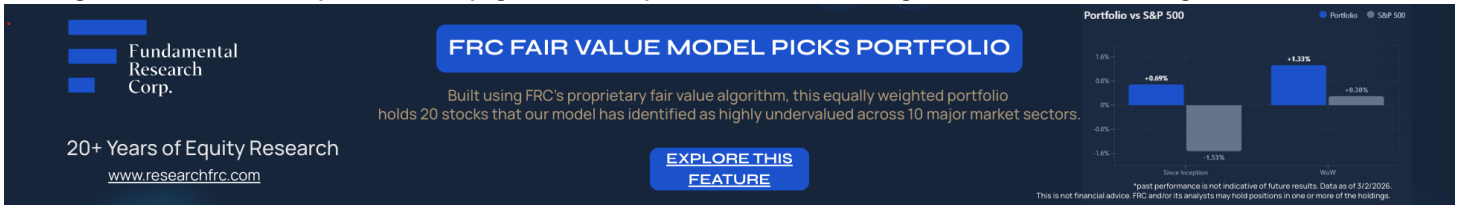
Company Data

52 Week Range	$0.46 - $1.23
Shares O/S	152M
Market Cap.	$76M
Yield (forward)	N/A
P/E (forward)	N/A
P/B	2.6x

*Global X Gold Explorers ETF

Key Financial Data (FYE - Aug 31) (C$)	2026 (9M)	Current Cash
Cash	$4,957,698	~$12,500,000
Working Capital	$5,282,069	
Mineral Assets/PP&E	$12,506,547	
Total Assets	$18,438,545	
Net Income (Loss)	-$1,846,993	
EPS	-$0.02	

* Qualified Person: Dr. Lex Lambeck, CPG, SVP of Exploration of Arizona Gold & Silver Inc. **Arizona Gold & Silver has paid FRC a fee for research coverage and distribution of reports. See last page for other important disclosures, rating, and risk definitions. All figures are in CS$.**



Diversified commodity exposure: *Gold, silver, and antimony (critical mineral)*

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PORTFOLIO SUMMARY

PHILADELPHIA PROJECT | ARIZONA (MOHAVE COUNTY) — FLAGSHIP & MAIN FOCUS

Project Type	Scale & Exploration	Potential Size	Selected Grades	Favorable Metallurgy
High-grade and bulk tonnage gold-silver potential.	~1.5 km drilled along a 3.0 km structural trend. **Only ~2%** of land package explored.	No formal resource estimate; we believe drilling to date suggests potential for **~3 Moz** of gold, including **~1 Moz** in a higher-grade zone, with significant additional upside potential from multiple promising, untested targets.	**60.37 m of 4.36 g/t,** including **4.33 m** of **19.37 g/t,** and 115 m of 1.34 g/t	**70%–85%** gold recovery by heap leaching (lower-grade) and **90%–100%** by milling (high-grade veins).

SILVERTON PROJECT | NEVADA (LYON COUNTY)

Project Type	Carlin-style gold target, typically associated with large-tonnage, low to moderate-grade deposits.
Geology	Near-surface geochemical indicators of Carlin-style gold mineralization, including mercury, thallium, arsenic, and antimony.
Infrastructure	Road access and historic work by Newcrest.
Selected Grades	Up to 7.95% Sb and 2.3 g/t Au.

SYCAMORE CANYON PROJECT | ARIZONA (PINAL COUNTY)

Project Type	High-grade epithermal gold target.
Exploration	42 channel samples.
Selected Grades	Up to 31 g/t Au and 533 g/t Ag.
Target Size	0.6 km x 0.08 km target zone.

TYPICAL GRADES ACROSS MINERAL DEPOSITS

GOLD (Au)	SILVER (Ag)	ANTIMONY (Sb)
1 – 5 g/t	50 – 150 g/t	2 – 5%

Source: FRC

Tier-1 Mining Jurisdictions: *Nevada and Arizona rank among the top jurisdictions for mining investment globally, with both placing in the top 10 in the Fraser Institute's 2025 survey*

Project Locations Map

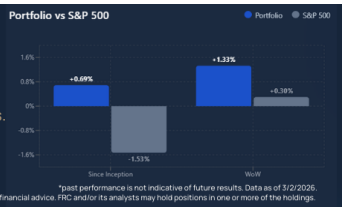




Source: Company

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Philadelphia Gold-Silver Project (100% interest)

AZS gained control of the project in 2019

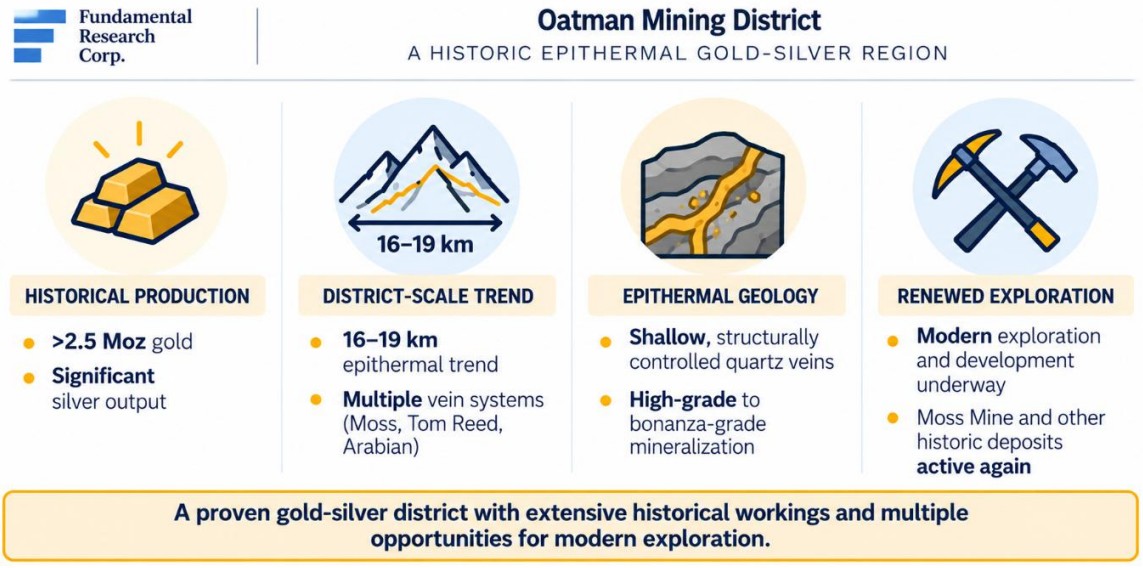
The 4,300-acre project is located in Mohave county, northwestern Arizona, within the Oatman Mining District, a historically productive region known for **shallow, high-grade** epithermal gold-silver mineralization. Generally, shallow deposits support lower initial CAPEX, while high grades support robust margins.

***Large Land Package: 4,300 acres** in a proven Arizona gold-silver district, with significant exploration upside*



***High-Grade Potential:** Shallow gold-silver system, with bonanza-grade mineralization, identified across multiple targets*

***Strategic Potential:** A historic gold-silver district with significant potential for renewed exploration*



Source: FRC / Various

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The Oatman Mining District hosts two active gold mines: Mako Mining's (MCAP: $1.1B) open-pit Moss mine, Gold Road International's (OB:GOLDR / MCAP: $60M) underground Gold Road mine

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Oatman Mining District

KEY NEARBY GOLD MINES

Mine	Moss Mine (Arizona, USA)	Gold Road Mine (Arizona, USA)
Owner	Mako Mining Corp.	Gold Road International PLC
Mining Method	Open Pit	Underground
First Production	**2018**	1900, modern restart 2025
Current / Target Annual Production (gold)	**~31,000 oz Au**	**8,000 – 10,000 oz Au**
Cash Cost (US$/oz Au)	**~US$2,204/oz Au**	N/A
Measured + Indicated Resource	646 koz Au @ 0.35 g/t	N/A
Inferred Resource	122 koz Au @ 0.31 g/t	**214 koz Au @ 6.83 g/t**
Total Resource (M&I + Inferred)	**768 koz Au @ ~0.35 g/t**	**214 koz Au @ 6.83 g/t**
Average Grade (Total Resource)	**~0.35 g/t Au**	**6.83 g/t Au**

Source: FRC / Various

The presence of active mining operations underscores established infrastructure, and strategic development potential

Drilling has confirmed gold mineralization along the Arabian Fault, a major regional structure, extending along a **~3-km trend** with four key targets: Perry, Red Hills, Rising Fawn, and Resaca.

Only 2% of the 4,300-acre project explored to date (80 acres)

~1.6 km drilled along a 3.0 km structural trend

Mineralization remains open in multiple directions

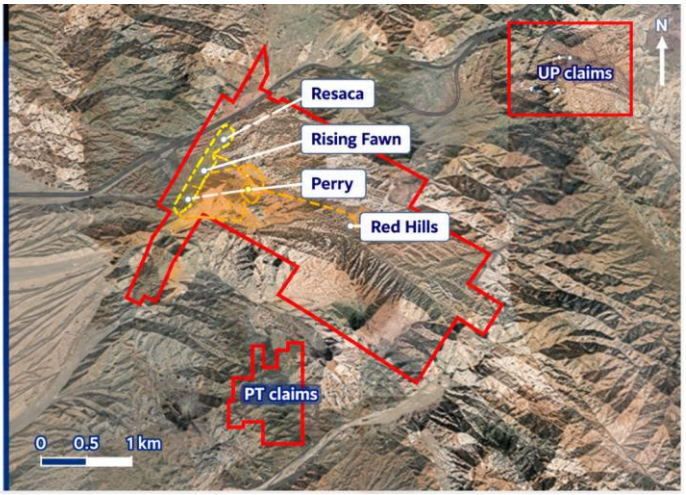
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KEY MINERALIZED AREAS

80 ACRES
explored to date
out of 4,300 total acres

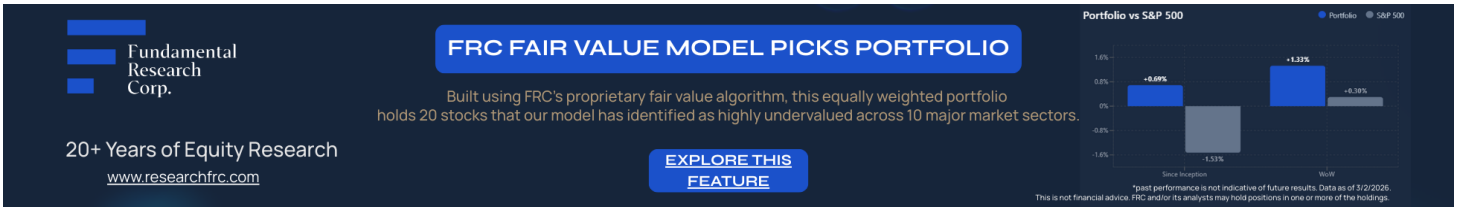
155+
drill holes completed

1.6 km
of mineralization confirmed
along a 3 km structural trend



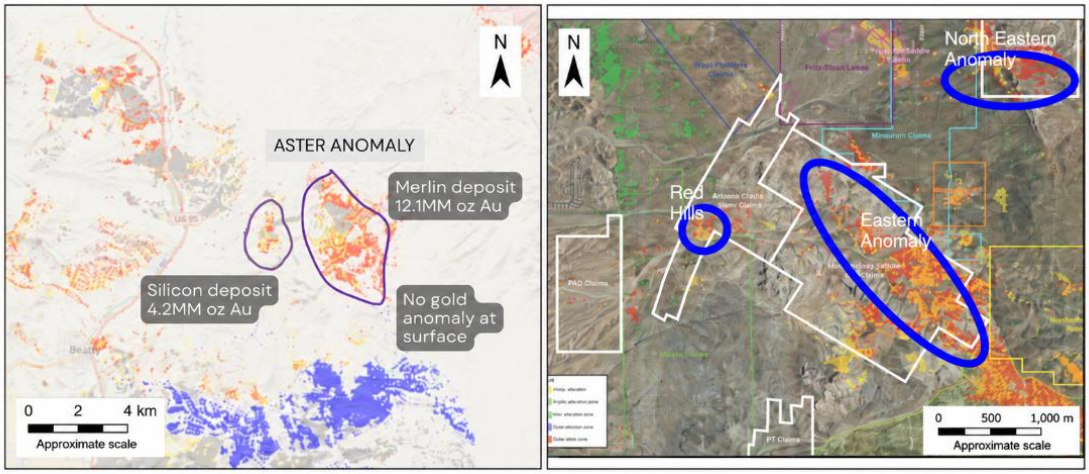
Source: FRC / Company

Historically, exploration focused on narrow, high-grade gold-silver veins at Perry and Rising Fawn. AZS has since expanded the opportunity by identifying potential for larger, bulk-tonnage mineralization, supported by U.S. Geological Survey (USGS) satellite data identifying a large anomaly similar to that associated with **AngloGold Ashanti's Arthur gold project in Nevada**, which comprises the Silicon and Merlin gold deposits, and hosts over 16 Moz of gold.



A key feature of Philadelphia is its dual-style mineralization, combining high-grade veins, with broader bulk-tonnage mineralization, similar to AngloGold Ashanti's multi-million-ounce Arthur gold project in Nevada, which comprises the Silicon and Merlin gold deposits

Similar Geophysical Signature: Merlin/Silicon Deposits vs Philadelphia



**Orange and yellow areas indicate geophysical anomalies*
Source: Company

Since 1981, the property has undergone mapping, geochemical and geophysical surveys, and drilling by several operators. **AZS began drilling in 2019.**

***Extensive Drilling History:** 83,967 ft drilled across 197 holes since 1981*

Year	Drill Holes	Feet
1981	1	72
1982	12	3,498
1983	10	2,663
1993	4	1,149
1994	3	769
2019	11	1,691
2020	41	11,831
2021	34	9,878
2022	11	5,810
2023	14	6,675
2024	14	8,320
2025	25	13,007
2026 (Drilling Ongoing)	17	18,613
Total	**197**	**83,967**

Source: Company / FRC

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Drilling from 2021–2026 has intersected both high-grade gold, and broad mineralized intervals, across multiple areas, suggesting a potentially large, multi-zone gold system

High-Grade Gold Intercepts: *Multiple holes intersected significant gold grades, including 4.0 m at 10.8 g/t Au, and 1.5 m at 18.2 g/t Au*

Strong Results Across Multiple Areas: *Drilling at Perry, Rising Fawn, and Red Hills has returned promising gold intercepts*

Broad Mineralized Intervals: *Several holes intersected wide mineralized intervals, including 90.7 m at 1.5 g/t Au, and 70.4 m at 1.2 g/t Au*

2021-2026 Drill Highlights

DrillHole #	Area	Thickness (m)	Au (g/t)
PRC21-78	Perry	42.2	0.1
including		1.3	9.8
PRC21-79	Perry	10.8	1.8
including		5.5	7.8
PRC21-80	Perry	69.4	1.6
including		4.0	6.9
PRC21-81	Rising Fawn	38.1	0.5
including		1.5	3.8
PC22-86	**Rising Fawn**	**45.0**	**1.3**
including		4.0	10.8
PC22-87	Rising Fawn	31.5	1.0
including		3.0	6.0
PC22-88	Rising Fawn	24.3	1.1
including		1.0	8.7
PC22-89	Rising Fawn	18.9	1.0
including		0.9	11.2
PC22-90	Perry	27.9	2.4
including		7.2	7.5
PC22-91	**Perry**	**47.0**	**1.0**
including		1.4	6.7
PC22-95	Rising Fawn	37.0	0.8
including		4.1	3.8
PC22-96	Rising Fawn	32.9	0.7
including		11.2	1.0
PRC23-97	**Rising Fawn**	**50.0**	**2.9**
including		1.5	18.2
PRC23-107	Perry	18.6	1.4
including		5.3	5.6
PRC23-108	Perry	35.0	0.5
including		1.2	4.6
PC23-111	**Rising Fawn**	**51.1**	**0.7**
including		1.6	6.2
PC25-136	Rising Fawn	4.9	9.2
including		**41.9**	**1.6**

DrillHole #	Area	Thickness (m)	Au (g/t)
PC25-137	Rising Fawn	22.0	0.8
PC25-138	Rising Fawn	20.3	0.5
PC25-139	Rising Fawn	18.0	0.5
PC25-148	Rising Fawn	15.3	0.4
PC25-149	Rising Fawn	13.4	0.3
PC25-150	Rising Fawn	15.2	0.5
PC25-151	Rising Fawn	17.5	1.2
PC25-152	Rising Fawn	16.0	0.4
including		5.2	7.1
PC25-153	Rising Fawn	12.2	0.7
PC25-133	Red Hills	22.8	0.3
including		3.9	0.4
PC25-135	Red Hills	64.2	0.4
PC25-156	Perry	20.4	9.0
PC25-157	Perry	48.2	2.4
PC25-158	Perry	60.4	4.4
including		**4.3**	**19.4**
PC26-162	Perry	28.3	2.8
including		3.4	15.1
PC26-163	Perry	23.4	1.7
including		2.7	6.7
PC26-164	Perry	60.0	1.3
including		7.4	4.4
PC26-168	Perry	30.9	2.0
including		15.2	2.9
PC26-170	Perry	59.2	1.0
including		21.5	2.1
PC26-171B	**Perry**	**90.7**	**1.5**
including		33.3	3.0
PC26-173	Perry	43.6	1.5
including		21.9	2.5
PC26-172	Perry	70.4	1.2
including		2.9	4.9

**Gold Benchmark: Typical gold deposits generally grade 1–5 g/t.*

Source: FRC / Company

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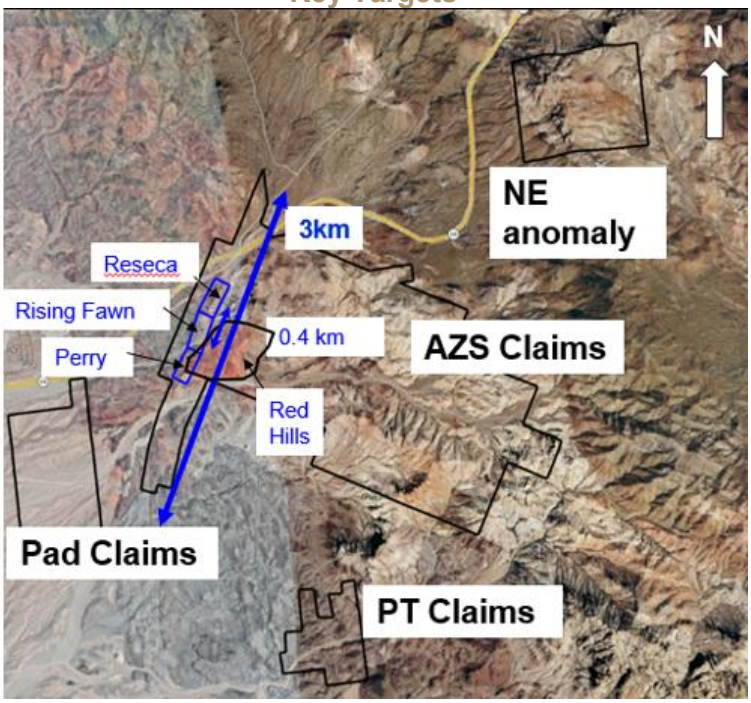
Historical Focus: *Exploration has primarily targeted the Perry zone, one of four targets, delineating mineralization over 1 km along the 3 km structural trend, to depths of ~300 m*

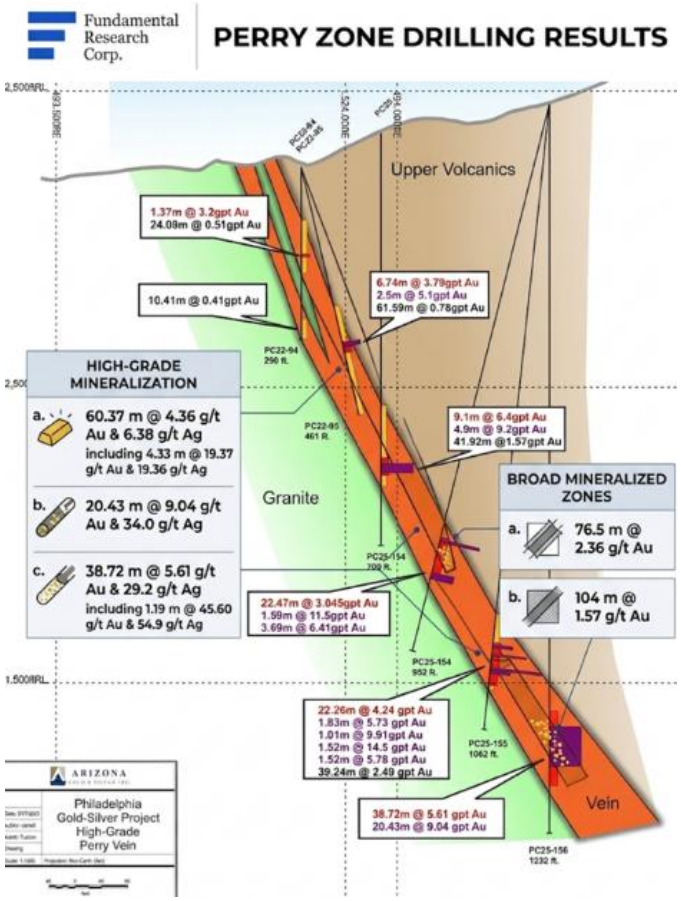
High-Grade Vein Potential: *Standout results include 9.04 g/t Au over 20.43 m, from 320.73 m depth; for context, gold mines commonly average grades of 1–5 g/t*

Bulk-Tonnage Potential: *Intercepts include 104 m at 1.57 g/t gold, and 76.5 m at 2.36 g/t, highlighting the potential for a large-scale mineralized system, and a potentially long mine life*

Current Strategy: *Expand high-grade mineralization at Perry, and test deeper mineralization at Red Hills*

Key Targets

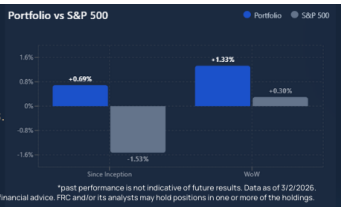




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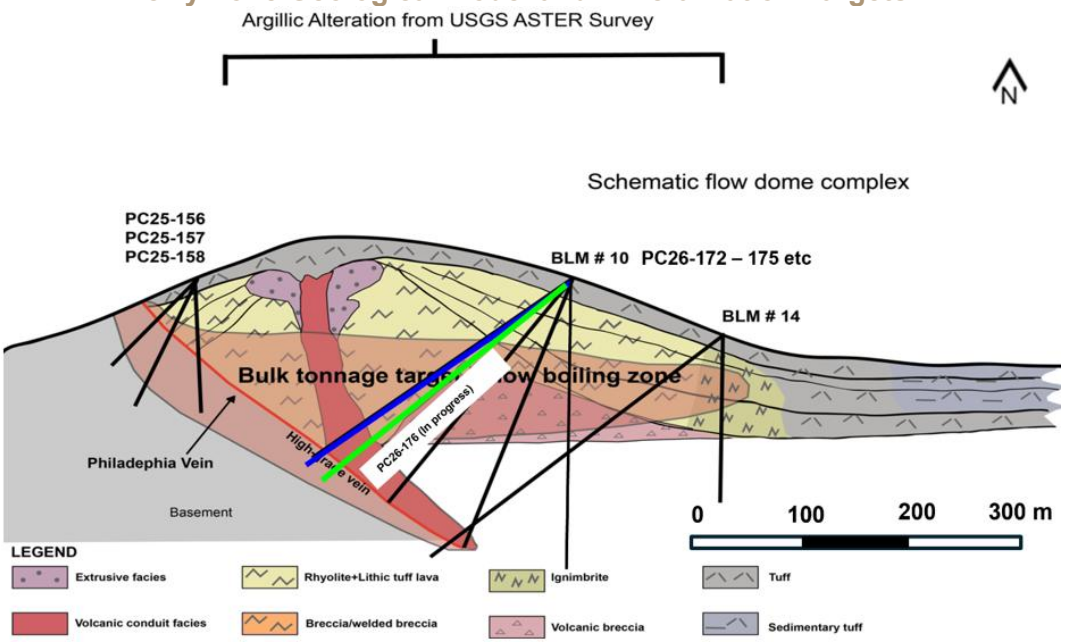
***Key Takeaways**:*

***Higher grades at depth:** Drilling indicates the Perry zone thickens, and grades increase, with depth (e.g., hole 156: 20 m at 9 g/t gold from 320 m depth), implying potential for further resource expansion at depth*

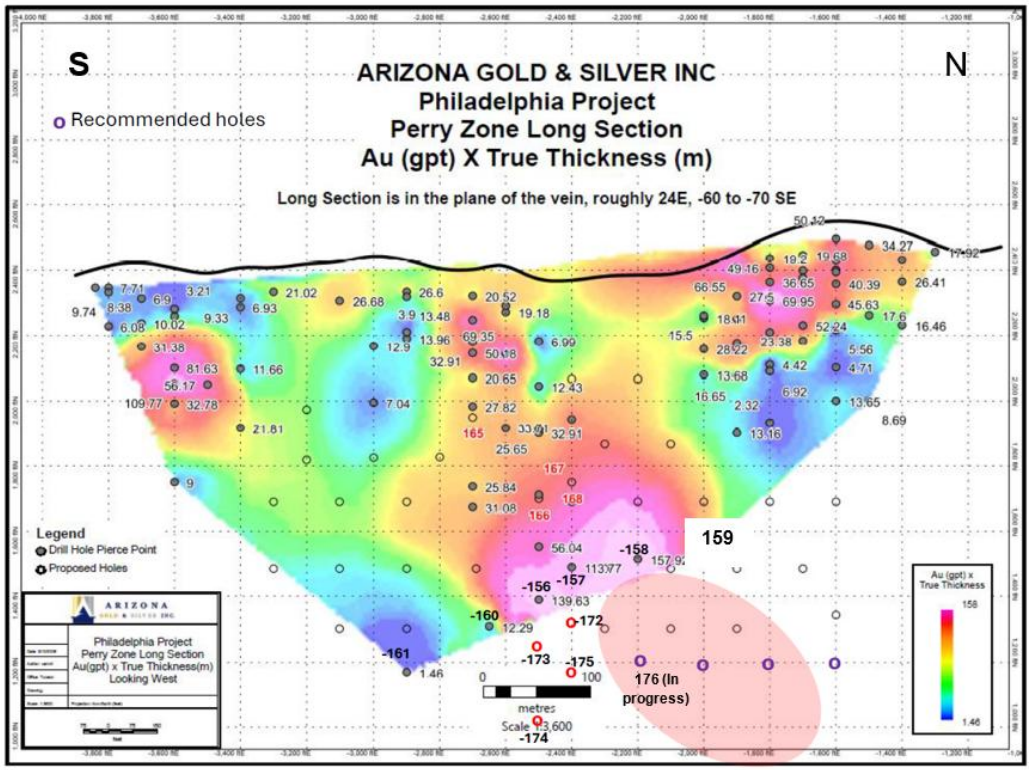
***Northward Extension:** Higher-grade mineralization appears to continue northward at depth, opening up additional opportunities to expand the Perry zone*

***Upcoming drilling:** Four to five additional holes are planned in the pink zone (shown in the image) before year-end. Positive results could expand the Perry zone at depth and to the north*

Perry Zone Geological Model and Mineralization Targets



*Drilling targets a large, dome-shaped system, with potential for both bulk-tonnage mineralization, and higher-grade zones along structural corridors.
*Holes PC25-156, PC25-157, and PC25-158 confirm the Perry zone has expanded from a narrow vein-style target into a broader, structurally controlled gold-silver system that thickens and grades higher with depth.



*Red, orange and pink areas indicate stronger grade-thickness values, while blue areas represent lower values.

Source: FRC / Company

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We believe drilling along 1 km of the 3 km trend has identified potential for a bulk-tonnage target containing **~3 Moz of gold**, within which a **higher-grade zone could host ~1 Moz.** This supports Philadelphia's potential as a large-scale project, with the higher-grade zone potentially supporting standalone development.

A potential ~3 Moz gold system, including a ~1 Moz higher-grade opportunity

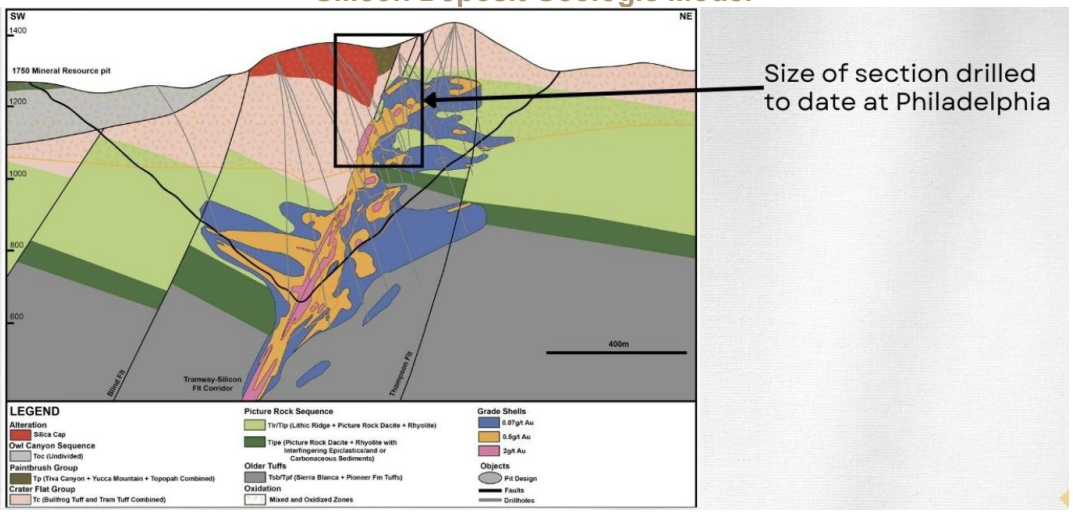
Exploration Targets

	Bulk Tonnage Target	High-Grade Target
Length (m)	1,000	1,000
Width (m)	450	450
Depth (m)	60	3
Estimated Gross Tonnage	70,200,000	3,510,000
Grades (gpt)	1.50	9.00
Estimated Contained Gold (oz)	**3,369,600**	**1,010,880**

Source: FRC

Using AngloGold Ashanti's 16 Moz Arthur gold project as a comparison suggests that Philadelphia's 3 km mineralized trend may represent only the beginning of a much larger mineralized system

Silicon Deposit Geologic Model



Source: Company

In our view, the project has significant exploration upside, with geophysics pointing to mineralized areas beyond those already drilled.

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Only ~2% of the land package has been explored to date, highlighting significant potential for further discoveries

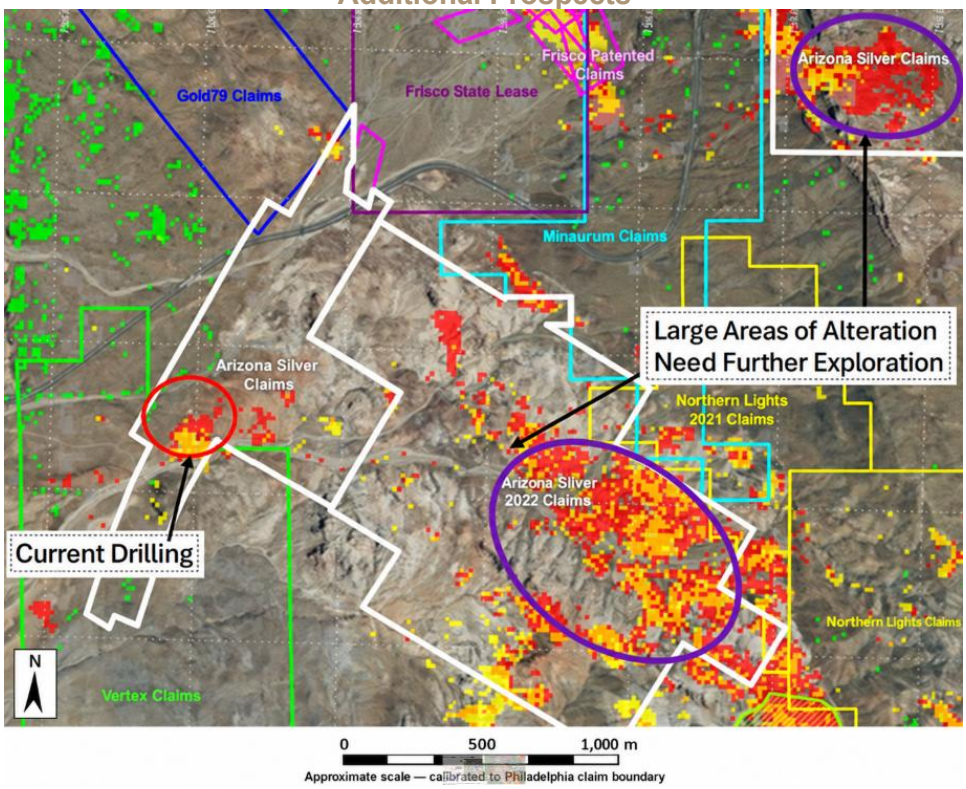
Three additional targets, Red Hills, Eastern Anomaly and Northeastern Anomaly, remain untested, offering further exploration potential beyond the Perry zone

The southern Arabian Fault extension is drill-ready, with permits in place

Additional permit applications and environmental surveys are planned for next month

High gold recovery potential

Additional Prospects



** Orange and yellow areas represent alteration zones, highlighting potential for mineralization*
*****Red Hills:*** *Potential bulk-tonnage zone; drill ready*
*****Eastern Anomaly:*** *Untested target; geophysical work underway*
*****Northeastern Anomaly:*** *Surface gold and cinnabar (a mercury mineral) suggest potential for gold mineralization*

Source: Company

Recovery rates are critical to project economics. Test results show strong gold recovery potential from both lower-grade bulk material and high-grade veins.

Gold Recovery Rates

Processing Method	AZS Test Results	Typical Industry Range
Heap leaching (lower-grade bulk material)	70% – 85% (70% – 85%)	60% – 80% (60% – 80%)
Conventional milling (high-grade veins)	90% – 100% (90% – 100%)	85% – 95% (85% – 95%)

Source: FRC

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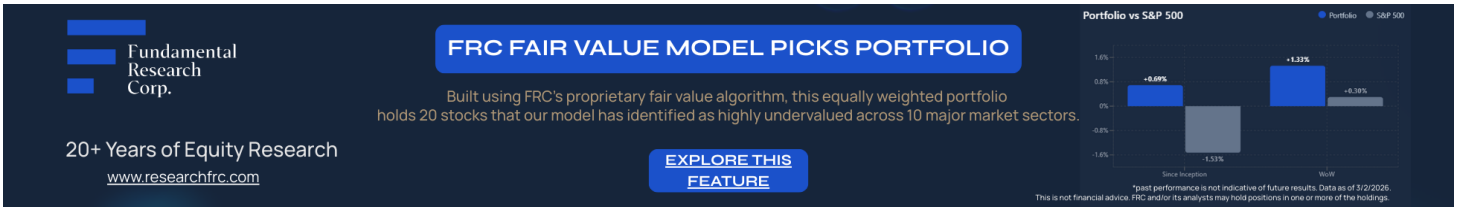


Source: FRC / Company

Without a formal resource estimate, we believe the market has yet to fully recognize Philadelphia's potential. Our speculative estimates, presented above, provide an initial framework for assessing its scale

Strategic Resource Definition: Management plans to complete a maiden resource estimate only after fully testing key exploration targets, a process that could take ~two more years. We believe this is a prudent strategy, as an earlier estimate could understate the project's overall scale, and exploration potential.

Comparable Success Story — Great Bear Resources: Great Bear spent several years drilling its Dixie project in Ontario, expanding its understanding of the deposit before being acquired by Kinross Gold for **~$1.8B**. Kinross subsequently published the project's maiden resource estimate, reporting ~5 Moz of gold. Great Bear provides an example of a company pursuing an exploration-first strategy, attracting a major acquisition before publishing its maiden resource.



As Philadelphia is currently the main focus, the company plans to advance its other two projects through joint venture (JV) partnerships, sharing exploration risk

Fundamental Research Corp.

OTHER PROJECTS

Project	SILVERTON	SYCAMORE CANYON
		
Location	Nevada	Arizona
Target Commodities	Gold	Gold, Silver
Mineralization Style	Carlin-style gold target, typically associated with large-tonnage, low to moderate-grades.	High-grade epithermal gold
Work Completed	Mapping, sampling, geophysics, drilling	Sampling, mapping, geophysics
Size	2.5 km x 3.0 km gold anomaly (0.4 km antomaly zone)	0.6 km x 0.08 km
Key Drill Results	7.95% Sb, 7.6 m @ 2.29 g/t Au 6.1 m @ 2.01 g/t Au	31 g/t Au and 533 g/t Ag
Highlights	**Potential** for both high-grade and bulk-tonnage gold.	**Potential** for high-value, shallow high-grade veins
Upcoming Catalyst	Ongoing drill results	**Potential** joint venture partner

TYPICAL GRADES ACROSS MINERAL DEPOSITS (BENCHMARK)

GOLD (Au)	SILVER (Ag)	ANTIMONY (Sb)
1 – 5 g/t	50 – 150 g/t	2 – 5%

Source: FRC / Company

Management and Board

Management and board own 7.5% of the company's equity

Evolution Mining and other major investors collectively own 33.2%

Four out of five directors are independent

Share Ownership

Management/Directors	Shares	% of Total
Mike Stark - President, CEO & Director	4,395,043	2.88%
Dr. Lex Lambeck - Senior VP of Exploration	100,000	0.07%
Dong H.Shim - CFO & Corporate Secretary	1,205,000	0.79%
Jim Engdahl - Chairman	342,000	0.22%
Greg Hahn - Vice Chairman	4,924,589	3.23%
John McVey - Director	180,000	0.12%
Yale Simpson - Director	250,000	0.16%
	11,396,632	**7.47%**

Other Major Investors	Shares	% of Total
Sorbie Bornholm	22,500,000	14.76%
Evolution Mining Limited	15,056,004	9.87%
Brady Stiles	13,019,599	8.54%
	50,575,603	**33.17%**

Total	61,972,235	40.64%

Source: Company / FRC

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Built using FRC's proprietary fair value algorithm, this equally weighted portfolio holds 20 stocks that our model has identified as highly undervalued across 10 major market sectors.
EXPLORE THIS FEATURE


Brief biographies of the management team and board members follow:

Experienced management and board, with expertise across exploration, mine development, and capital markets

Mike Stark — President, CEO & Director
Mining executive with 35+ years of business experience, including corporate finance, capital markets, investor relations and strategic development. Previously associated with Exeter Resources and Extorre Resources, both of which were acquired following significant discoveries.

Dr. Lex Lambeck — SVP, Exploration
Exploration geologist with a PhD in geology and 25+ years of international experience across gold, silver, copper and base metals. Brings extensive exploration and senior management experience across the U.S., Canada, Mexico and Australia.

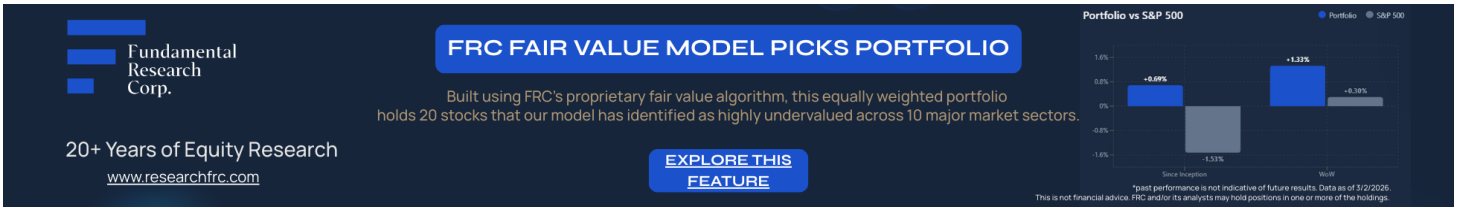
Jim Engdahl — Chair of the Board (Independent)
Veteran corporate-finance and mining executive with 40+ years of experience. Former Managing Partner at MNP Corporate Finance and President & CEO of Great Western Minerals Group, with extensive experience in financing, M&A, restructuring and resource development.

Greg Hahn — Vice Chair (Independent)
Mining executive and geological engineer with 35+ years of exploration and mine-development experience. Has advanced projects through permitting, financing, engineering, construction and production, including the Lisbon Valley copper mine.

Exploration is led by Dr. Lex Lambeck, former VP of Exploration at MAG Silver, which was acquired by Pan American Silver for ~$2.1B in 2025

John McVey — Director (Independent)
Mining, energy and infrastructure executive with 35+ years of engineering and construction experience. Former CEO of Procon Group, and previously held senior roles with Bechtel, Bantrel and SNC-Lavalin, overseeing major international mining projects.

Yale Simpson — Director (Independent)
Geological engineer and mining entrepreneur with 40 years of international experience in exploration, resource planning, financing and corporate development. Co-founded Exeter Resources and Extorre Gold Mines, both subsequently acquired by major mining companies.



Financials

Strong balance sheet, with $12.5M in working capital, and no debt

(in C$) (FYE - Aug 31)	2026 (9M)	Current Cash
Cash	$4,957,698	~$12,500,000
Working Capital	$5,282,069	
Current Ratio	13.03	
Debt	-	
Monthly Burn Rate (G&A)	-$68,748	
Cash Spent on Properties	-$2,716,238	
Cash from Financing Activities	$5,533,616	

Sorbie, a UK-based investment firm, has committed $18M in equity financing over 24 months, with proceeds released monthly, starting this month

	#	Exercise Price ($)	Amount
Total	9,836,481	$0.45	$4,397,533
In-the-Money	8,586,481	$0.38	$3,297,333

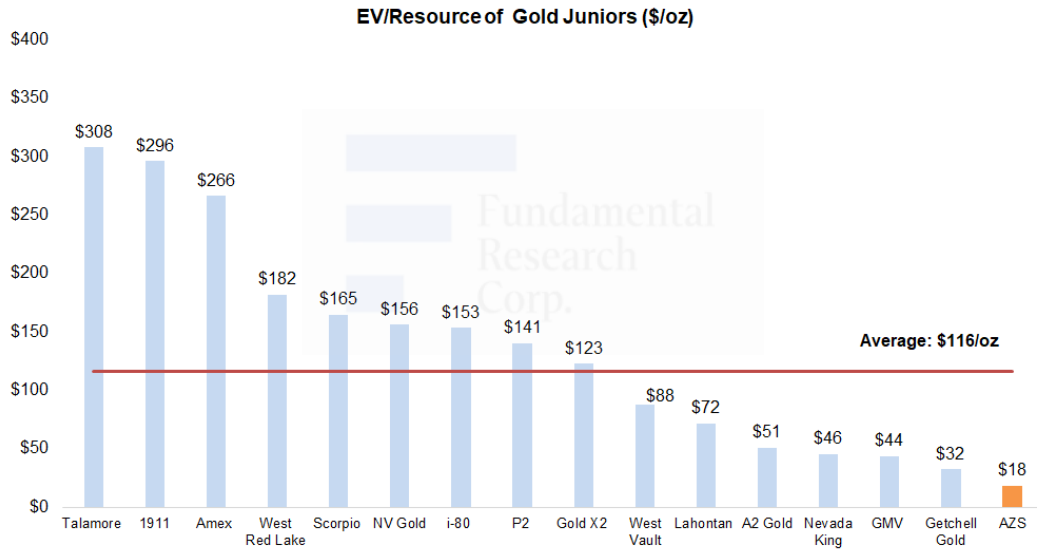
Can raise up to $10M from in-the-money options and warrants

Warrants	#	Exercise Price ($)	Amount
Total	32,633,032	$0.68	$22,064,565
In-the-Money	17,577,028	$0.40	$7,008,561

Source: FRC / Company

FRC Valuation & Rating

Valuation Methodology: *We value AZS based on market valuations of gold juniors in the U.S. and Canada*



*Resource – 100% of Measured and Indicated + 50% of Inferred Resources

Source: FRC / S&P Capital IQ / Various

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EXPLORE THIS FEATURE
Portfolio vs S&P 500
*past performance is not indicative of future results. Data as of 3/2/2026.
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Significant Discount: *AZS trades at just $18/oz based on our speculative estimate on Philadelphia, an 85% discount to the peer average of $116/oz, making it the most undervalued gold junior in our peer group*

Fair Value Estimate: *Applying the peer group's average valuation multiple to our estimate on Philadelphia, we arrive at a fair value of $2.34/share*

Conservative Valuation: *Our valuation assigns no value to exploration upside or potential resources at Sycamore and Silverton*

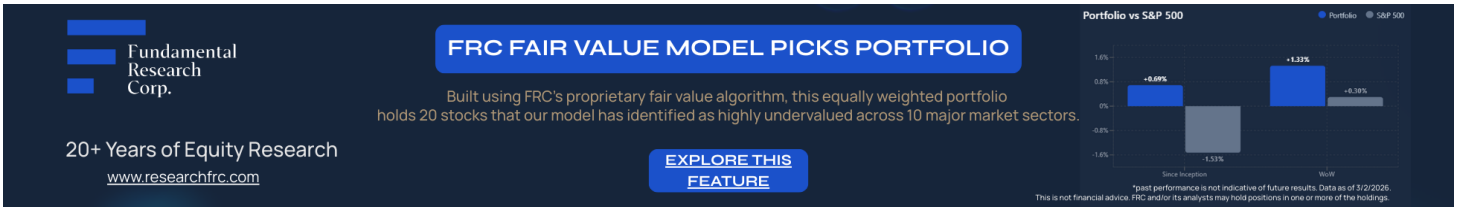
	Gold Juniors	Net Resource*	Enterprise Value ($,M)	EV / Resource*
1	Talamore Mining Corp.	3,357,000	$1,034	$308.01
2	1911 Gold	821,000	$243	$295.98
3	Amex Gold Mining	1,964,000	$523	$266.29
4	West Red Lake Gold Mines	2,088,606	$380	$181.94
5	Scorpio Gold Corp	521,975	$86	$164.76
6	NV Gold	250,000	$39	$156.00
7	i-80 Gold	11,747,500	$1,801	$153.31
8	P2 Gold	2,305,000	$324	$140.56
9	Gold X2 Mining	4,080,000	$502	$123.04
10	West Vault Mining	998,990	$88	$88.09
11	Lahontan Gold	1,744,500	$125	$71.65
12	A2 Gold	744,000	$38	$51.08
13	Nevada King Gold	1,119,600	$51	$45.55
14	GMV Minerals	344,000	$15	$43.60
15	Getchell Gold	1,483,050	$48	$32.37
16	Bravada Gold	743,220	$22	$29.60
17	Arizona Gold and Silver	3,369,800	$60	$17.81
	Average (excl outliers)			**$116.35**

*Resource = 100% of M&I + 50% of Inferred Resources

AZS's Resources - oz	3,369,800
Average EV/ Resource Ratio (comparables)	$116.35
Fair Value of AZS	**$422,582,824**
No. of Shares (treasury stock method)	180,537,572
Fair Value per Share (C$)	**$2.34**

Source: FRC / S&P Capital IQ / Various

For the companies used in this study, we use 100% of their Measured and Indicated (M&I) resources (higher-confidence categories), and 50% of inferred resources (lower-confidence). However, for AZS' Philadelphia project, we apply 100% of our speculative estimate, given that only ~2% of its land package has been explored.



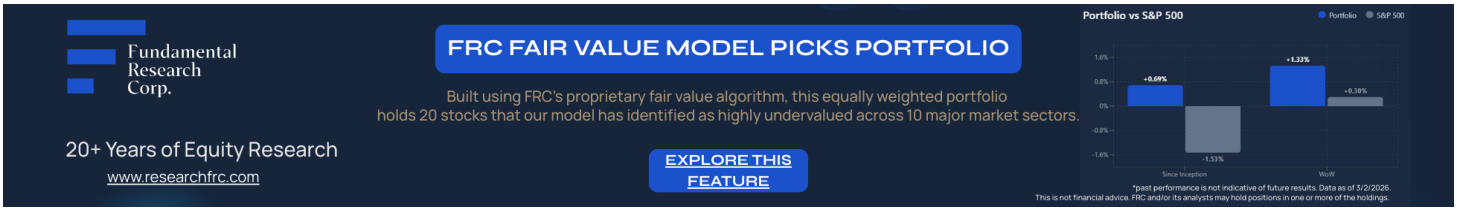
We are initiating coverage on AZS with a **BUY rating, and a fair value estimate of $2.34/share**, supported by Philadelphia's multi million ounce potential, potential district-scale mineralization, and a strategic investment by Evolution Mining. AZS trades at an 85% discount to our peer group average, offering significant upside potential as exploration progresses. A strong balance sheet provides funding to advance exploration, while reducing the risk of near-term dilution.

Risks

We believe the company is exposed to the following key risks (not exhaustive):

We are assigning a risk rating of 5 (Highly Speculative)

- **Commodity prices**
- Exploration, development and permitting
- Access to capital and potential **share dilution**
- No NI 43-101 resource estimate or economic studies
- There is no assurance that the company can advance all of its projects simultaneously



Fundamental Research Corp. Equity Rating Scale (ratings are not a recommendation to acquire, dispose of, or take no action regarding a security; the definitions of our ratings are explained below):
Buy – Fair value is 12% above the current market price; or risk and reward is favorable
Hold – Fair value is between 5% to 12% above the current market price
Sell – Fair value is 5% above, or less, than the current market value; or risk and reward is unfavorable
Suspended or Rating N/A— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

Fundamental Research Corp. Risk Rating Scale:
1 (Low Risk) - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.
2 (Below Average Risk) - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.
3 (Average Risk) - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.
4 (Speculative) - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.
5 (Highly Speculative) - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues and may rely on external funding. These stocks are considered highly speculative.

Definition of FRC's Fair Value Estimate – Our fair value estimate is the theoretical value of the company's equity using widely accepted methods of valuation such as discount cash flow or comparables. IT IS NOT A TARGET PRICE or PREDICTION OF THE FUTURE STOCK PRICE.
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