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ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: MICA MULE

ALTERNATE NAMES:

SILVER MICA
BLACK CANYON MICA
AZCO MICA

YAVAPAI COUNTY MILS NUMBER: 867

LOCATION: TOWNSHIP 8 N RANGE 2 E SECTION 7 QUARTER C
LATITUDE: N 34DEG 03MIN 06SEC LONGITUDE: W 112DEG 11MIN 42SEC
TOPO MAP NAME: BLACK CANYON CITY - 7.5 MIN

CURRENT STATUS: EXP PROSPECT

COMMODITY:

MICA
GOLD

BIBLIOGRAPHY:

ADMMR MICA MULE FILE
BLM AMC FILE 30086
CLAIMS ALSO IN SEC. 18 T8N-R2E & SEC. 12 AND
13 T8N-R1E

THE MICA PROJECT



By

John O. Rud
Geologist, M.Sc.
October 1, 1997

THE MICA PROJECT

In recent years, mica producers and processors have experienced excellent growth and profits. Foreign trade has improved with exports increasing by 30% and imports having a growth of 28%.

The increased domestic mica demand has been driven by several factors. The major market for mica, joint compounds and paints, is a mature market and is experiencing a steady growth. Automobile production has increased which has created a demand for mica, which is used in interior and exterior parts. Exterior surfaces of cars are now sprayed with wet ground mica pearlescent pigments and mica-containing coatings.

The world market for sheet mica appears to be steady. Major growth has occurred in the electronic industry, which is the main market for sheet mica. The demand for block mica is expected to grow with demand increasing in the specialty markets. At this time the United States relies totally on imports, primarily from India, for all of its supply of sheet mica and paper quality scrap mica.

A shortage of high quality block mica is expected to continue because of the generally low percentages of high quality mica being mined.

The company controls several high-quality, high-grade, mica deposits with ore reserves exceeding several million tons. The mica contained in these deposits exhibits a natural brilliance, color, sheen, and luster, which will bring the highest prices in this specialty market.

WHAT IS MICA?

Mica is a generic term applied to a group of complex aluminosilicate minerals having sheet or plate-like structure with different composition and physical properties. All mica forms flat six-sided monoclinical crystals with a remarkable cleavage in the direction of large surfaces, which permits them to easily split into optically flat films. When split into thin films, they remain tough and elastic even at high temperature. Mica possesses some of the most outstanding combinations of chemical, physical, electrical, thermal, and mechanical properties, which are not found in any other product.

- ◆ **PHYSICALLY** - Mica is transparent, optically flat, easily splittable into thin films along its cleavage, colorless in thin sheets, resilient and incompressible.
- ◆ **CHEMICALLY** - It is a complex hydrous silicate of aluminum, containing potassium, magnesium, iron, sodium fluorine and/or lithium and also traces of several other elements. It is stable and completely inert to the action of water, acids (except hydro-fluoric and concentrated sulfuric) alkalies, conventional solvent, oil and virtually unaffected by atmospheric action.
- ◆ **ELECTRICALLY** - Mica has the unique combination of great dielectric strength, uniform dielectric constant, and capacitance stability, low power loss, high electrical resistivity and low temperature coefficient and capacitance. It is noted for its resistances to arc and corona discharge with no permanent injury.
- ◆ **THERMALLY** - Mica is fire proof, infusible, incombustible and non-flammable and can resist temperatures of 600-900 degrees Centigrade depending on the type of mica. It has low heat conductivity, excellent thermal stability and

may be exposed to high temperatures without noticeable effect.

- ◆ **MECHANICALLY** - Mica is relatively soft and can be hand cut, machined or die-punched. It is flexible, elastic and tough, having high tensile strength.

MICA PRODUCTS

There are two basic forms of mica products: **sheet and scrap.**

SHEET MICA

Sheet mica refers to books of mica mined from pegmatite dikes. These books can be readily split into Mica Blocks which have an area larger than 1" square and up and having a thickness of 7 mils and up and are irregular in shape. Mica Thins are pieces of mica block having a thickness range between 2 mils and 7 mils. Mica thins are used to manufacture fabricated mica. Mica Splittings are pieces of medium quality mica having a thickness of less than 1 mil.

TYPICAL APPLICATIONS OF SHEET MICA

- BLOCK MICA is used as an electrical insulator in electronic equipment. High quality mica is also used to line the gauge glasses of high-pressure steam boilers because of its transparency, flexibility, and resistance to heat and chemical attack. Other uses include diaphragms for oxygen-breathing equipment, marker dials for navigation compasses, optical filters, and retardation plates in helium-neon lasers, pyrometer, thermal regulators, and stove and kerosene heater windows. Specialized applications for sheet mica are found in ground and air-launched missile systems, optical instrumentation, laser devices, medical electronics for radiation treatment, radar systems and aerospace components.

- MICA THINS AND SPLITTINGS represents the largest part of the sheet mica industry in the United States. The mica is used to make built-up mica. Built-up mica is primarily used as an electrical insulation material. Major products are molding plate, segment plate, flexible plate, tape, heater plate,

mica paper, and bonding materials. Segment plate acts as insulation between the copper commutator segments of direct current universal motors and generators. Molding plate is sheet from which V-rings are cut and stamped for use in insulating the copper segments from the steel shaft ends at the ends of a commutator. Molding plate is also fabricated into tubes and rings for insulation in transformers, armatures, and motor starters.

MICA SCRAP

Mica scrap is the nomenclature given to the irregular lumps of mica received from the mines. Mica Flakes is mica scrap ground into sizes ranging from 2 mesh to 30 mesh. This material is prepared mainly by the means of rotary hammer crushing in which the mica is literally beaten till such time that the required size is achieved and the material passes out from graded sieves. Mica Powder in various forms is obtained by grinding/breaking mica scrap with pulverisers.

TYPICAL APPLICATIONS OF GROUND MICA

<u>GRADE</u>	<u>SIEVE SIZE</u>	<u>USES</u>
Coarse Flakes	2 Mesh	Oil Well Drilling Pearlescent Pigments
Medium Flakes	10 Mesh	Christmas ornaments

Fine Coarse Flakes	16 Mesh	Concrete block Refractory brick Gypsum board Tiles Asphalt roofing Shingles
Coarse Fine Powder	30 Mesh	Metal Explosives Disinfectant
Medium Fine Powder	60 Mesh	Welding electrodes Cables & Wire Pipeline Enamels Mastics Body Lubricants Adhesives
Fine Powder	100 Mesh	Texture paints Acoustical plasters Ceiling tiles
Superfine Powder	325 Mesh	Paints Plastics Rubber products Paper Automotive tires

SHEET MICA **(U.S. Prices and Consumption)**

The U.S. Mica Consuming Industry was 100% dependent on imports to meet the demand for sheet mica. During 1996, 6,200 metric tons of mica block and splittings was consumed in the United States. Most of the Sheet Mica was fabricated into parts for electronic and electrical equipment.

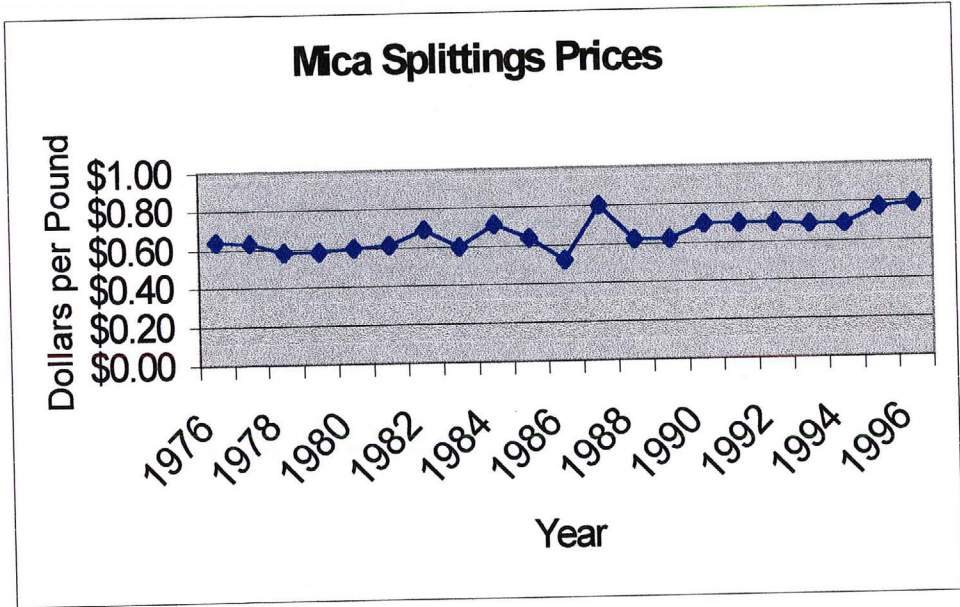
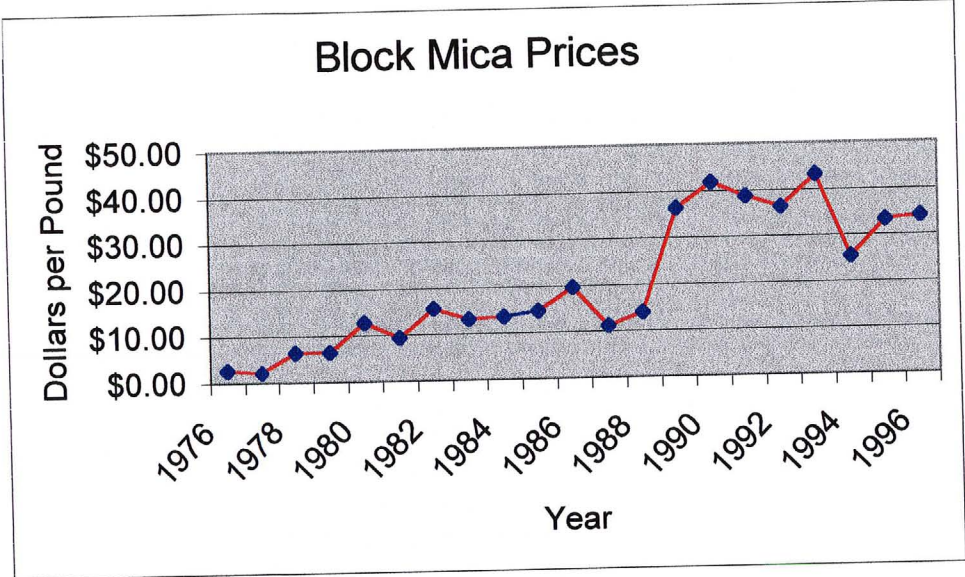
MICA PRICES

Sheet mica prices vary with grade and can range from less than \$1.00 per kilogram for low-quality mica to more than \$2,000.00 per kilogram for the highest quality. Prices published in the "MINERAL INDUSTRY SURVEY (MICA)" by the U.S. Geological Survey, January, 1997 indicate the following:

BLOCK MICA	\$75.00/Kilogram	\$34.09/pound
MICA SPLITTINGS	\$1.75/Kilogram	\$0.80/pound

Metric Ton = 2,204.6 pounds

Kilogram = 2.2046 pounds



SCRAP AND FLAKE MICA

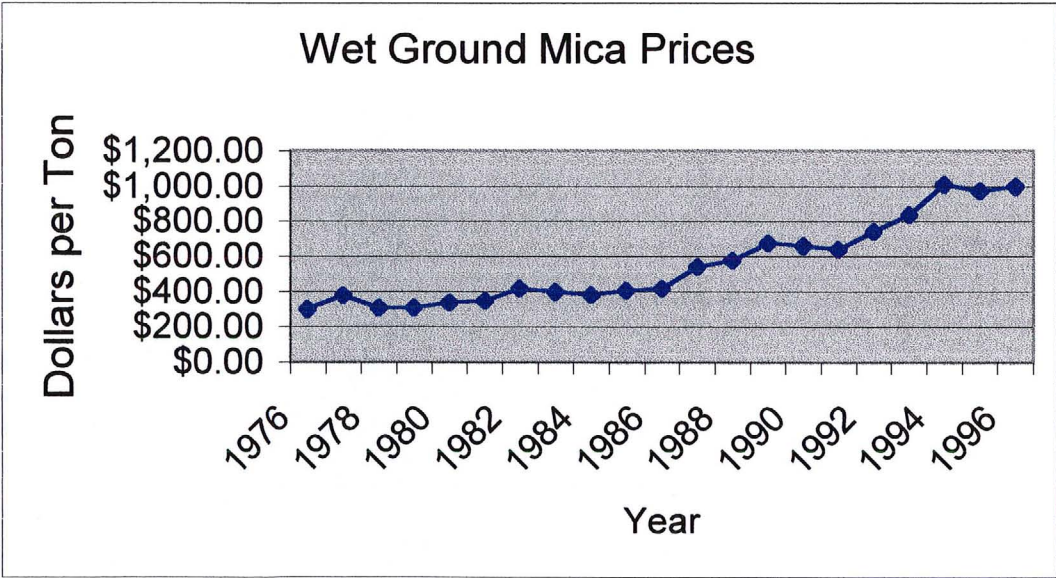
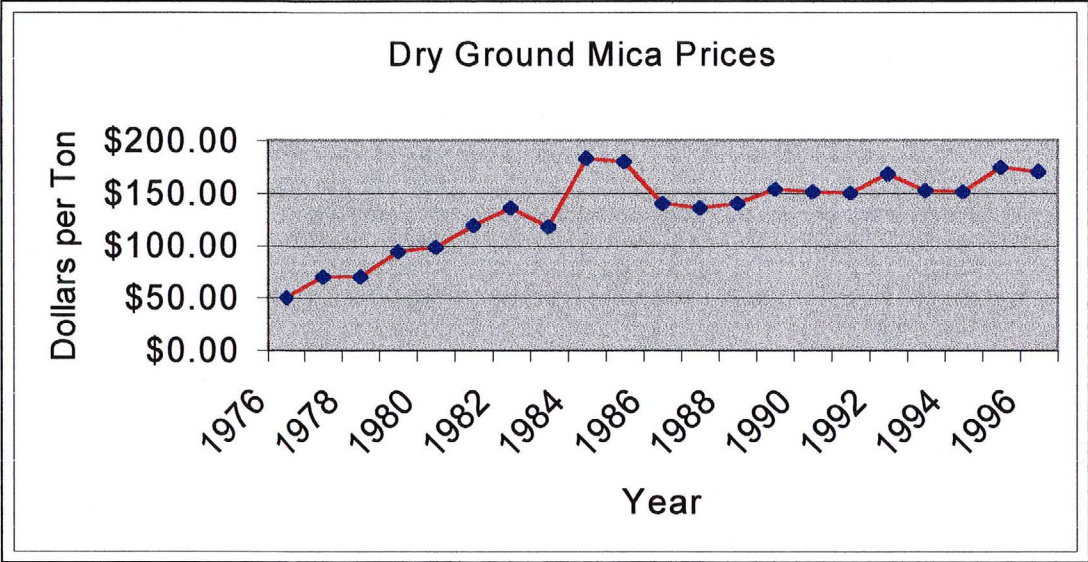
(U.S. Prices and Consumption)

In 1996, the U.S. consumed 109,000 metric tons of scrap mica and 100,000 tons of ground mica. Primary uses were joint compound, paint, roofing, oil well additives, and rubber products. Prices quoted in the **MINERAL INDUSTRY SURVEY (MICA)** by the U.S. Geological Survey indicate the following:

MICA PRICES

Wet Ground Mica	\$1,000.00/mt
Dry Ground Mica	\$170.00/mt
Scrap Mica	\$61.00/mt

Metric ton = 2,204.6 pounds





THE BLACK CANYON MICA DEPOSIT

LOCATION

The Black Canyon Mica deposit is located approximately 2.5 miles west of Black Canyon City, Yavapai County, Arizona. The Spencer mineral claims are situated in sections 12 and 13, Township 8 North, Range 1 East, and sections 7 and 8, Township 8 North, Range 1.5 East.

The mine area is accessible by exiting on the I-17 Table Mesa interchange and then by gravel road passable by two-wheel drive vehicles for a distance of approximately 8.5 miles.

GEOLOGY

The deposit consists of a major pegmatite dike swarm trending northeast about 600 feet east of a granite-schist contact. Exposures of the dikes are excellent as they stand out in bold ridges and walls up to 25 feet in height above the intruded schist.

Philip S. Hoyt, Geologist, described the geology and mineralogy in the **FEASIBILITY REPORT ON A MICA-FELDSPAR-SILICA PROJECT IN YAVAPAI COUNTY, ARIZONA**. Mr. Hoyt states *"The area included in the claims covers a stockworks of pegmatite dykes which are the end products of the large pegmatite zone that occupies the area from Cleator, Arizona southeasterly thru Horse Thief Basin and down into the lower and southeast end of the Bradshaw Range.*

The major feature to deal with here with is the attitude and size of the pegmatite bodies as indicated on the surface, these being simple pegmatite magmas that are end products from this immense pegmatite body to the north. The dykes showing on the surface indicate deep seated bodies, trending northerly and southerly, with varying widths and lengths, being parallel bodies, narrow but persistent.

The pegmatites seem uniform as to their content of mica, feldspar and quartz, with a notable absence of black minerals such as tourmaline and biotite. No accessory minerals were observed such as beryl or the rare earths although there may be such minerals in some of the lenses of pegmatite that have not yet been thoroughly examined.

Some large quartz blow-outs are present in the area particularly on the northeast edge of the present claims

and it is recommended that these quartz bodies be located and the claims tied to the group as there may be mica bodies as well as rare earth minerals along the selvage contact with the country rock which should be examined. The quartz itself may have economic value.

Mineralogy

The mica present in these pegmatite is all muscovite and of highest quality. Its inherent brilliance and sheen will furnish a scrap mica of superlative grade, which, when ground, will bring the highest prices in a specialty market.

The feldspar observed in present openings is all microcline and orthoclase, both potash spars, and suitable for specifications in glass, pottery and all other ceramic uses in presently established industries using feldspar.

The quartz is of good quality, and when ground, would be marketable into many uses where silica is presently being used both for melts and as a filler in abrasives and polishing products."

Ore Reserves

Numerous geologists who have examined the area in detail have measured the ore mica ore reserves. A report by Mr. Joe Wilkins, geologist, titled **"A FEASIBILITY REPORT on the GEOLOGY, MINING, MILLING AND MARKETING of GROUND MICA PRODUCTS from PEGMATITE DEPOSITS of YAVAPAI COUNTY, ARIZONA** states:

"Ore reserves were calculated by measurement of surface area of each dike and dike segment. The surface area was converted to tons per vertical foot by division by a tonnage factor of 12.5 cubic feet/ton. The tonnages were calculated for walls above surface and for assumed vertical wall depths of 50, 100, 150, 200, and 500 feet.

Open pit tonnages were calculated by sectional data across the dike. Sections were constructed and an asymmetrical pit designed, with 45 degree and 60 degree slopes, then the tonnage for each pit calculated.

For a total dike length of 22,750 feet covering an area of 150,370 square feet, the potential tonnage is 122,960 tons per vertical foot. Assuming vertical contacts for the dikes, the tonnage for various depths can be calculated:

<u>Depth</u>	<u>Tonnage</u>
50 ft	6,148,000 tons
100 ft	12,296,000 tons
150 ft	18,444,000 tons
200 ft	24,592,000 tons
500 ft	61,480,000 tons

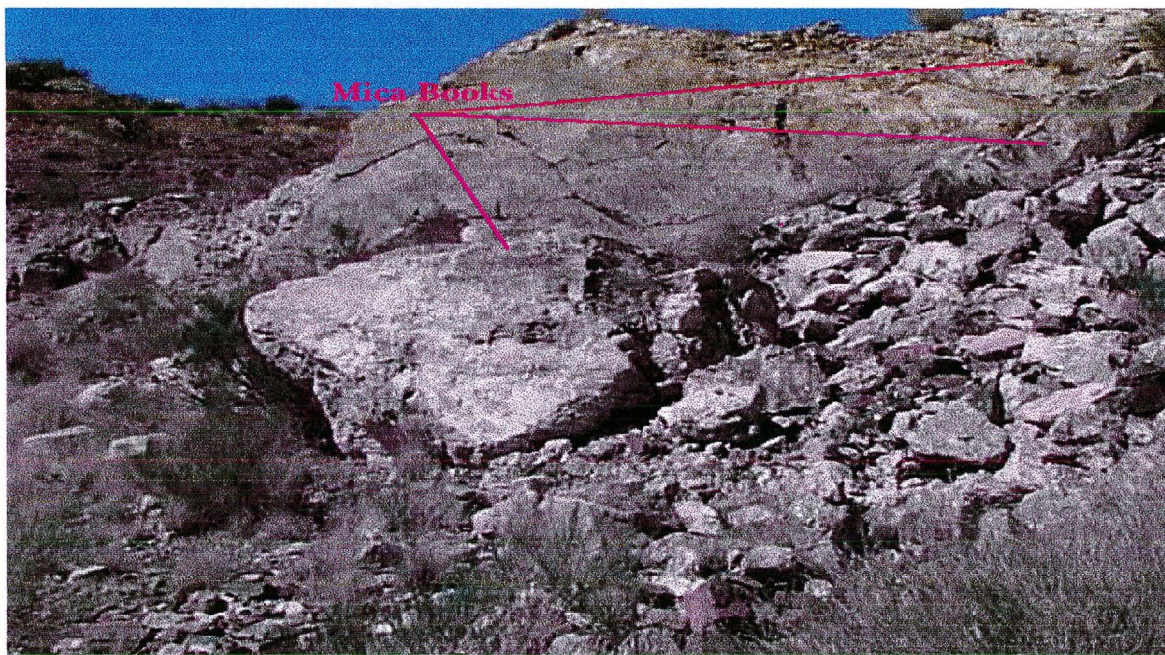
Ore Grade

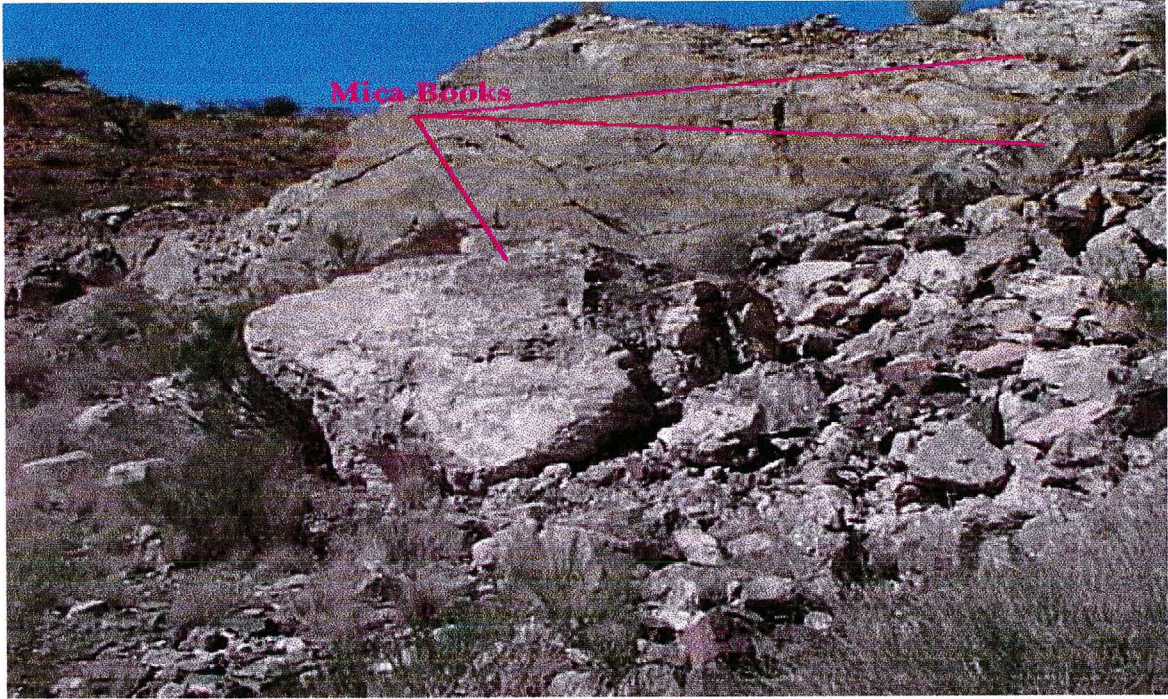
Numerous geologists and engineers have evaluated the mica content in the Black Canyon deposit. Mr. Joe Wilkins, Geologist, in his report "A FEASIBILITY REPORT ON THE GEOLOGY, MINING, MILLING AND MARKETING OF GROUND MICA PRODUCTS FROM PERMATITE DEPOSITS OF YAVAPAI COUNTY, ARIZONA" states:

"In most areas to be mined the rock will average 40-50% mica with equal amount of quartz and feldspar (25-35% each)...Muscovite mica occurs in the pegmatite as unusually clean subhedral books with very few - if any visible impurities. The books range in size from 12 in.

across to less than 1/16 in. across. Average sizes throughout the area are ¼ in. to 1-in. diameter books. The average size of the mica in the main areas of interest is medium to coarse grained.

The average grade throughout the area is 35 to 45% with areas ranging up to 80% mica.”







MICA CONCENTRATE



FINANCIAL DATA

THE MICA PROJECT

(Development Budget)

Geological Mapping

BLACK CANYON MICA

(12 Field days @ \$500/day)	\$6,000.00
(Compilation of data-6 days @ \$500/day)	\$3,000.00
(Lodging, meals, & travel)	\$1,200.00

VM Claims (Nevada)

(10 Field days @ \$500/day)	\$5,000.00
(Compilation of data-5 days @ \$500/day)	\$2,500.00
(Lodging, meals, & travel)	\$1,000.00

Road Maintenance (BC & VM Claims) \$5,000.00

Pilot Plant Project

Fabricate roller screen	
Complete GK destoner tests	
Determine recovery percentage at Concentrator	
Submit mica samples for analysis	
Submit mica samples to end-users.	\$35,000.00

Complete Mine Plan \$20,000.00

Initiate mine permitting \$25,000.00

Complete Appraisal on BC Mica Mine \$10,000.00

Complete Feasibility Report \$25,000.00

Travel & Expenses \$10,000.00

Contingencies \$15,000.00

TOTAL

\$163,700.00

THE MICA PROJECT
(Mine Equipment Costs)

Changehouse & Shop Van(10' x 40')	\$15,000.00
Compressor (1000 cfm)	\$85,000.00
Generator (50kw)	\$25,000.00
Electrical supplies	\$2,500.00
LHD (2 cu yd)	\$65,000.00
Drills (2 - GD83)	\$10,000.00
Drill Steel	\$5,000.00
Drill bits	\$2,000.00
Vent Fan	\$6,500.00
Vent Pipe	\$6,000.00
Air track drill (surface high-grade mining)	\$65,000.00
25 ton haul truck (used)	\$25,000.00
Cap & powder Magazine	\$15,000.00
Anfo loader	\$5,000.00
Fuel Tank & Pump	\$15,000.00
Air & Water line	\$25,000.00
Hardware to hang pipe	\$5,000.00
Small hand tools	\$5,000.00
Mine lights & charger	\$10,000.00
Portal excavation	\$5,000.00
¾ ton Pickup	\$24,000.00
TOTAL	\$479,500.00

THE MICA PROJECT

(Monthly Mine Operating Costs)

Mine Labor

Mine Superintendent (\$4,500/Month + 25% benefits)	\$5,625.00
1 Lead Miners (\$20/hr + 25% benefits)	\$4,500.00
2 Miners (\$17/hr + 25% benefits)	<u>\$7,650.00</u>
TOTAL	\$17,775.00

Explosives

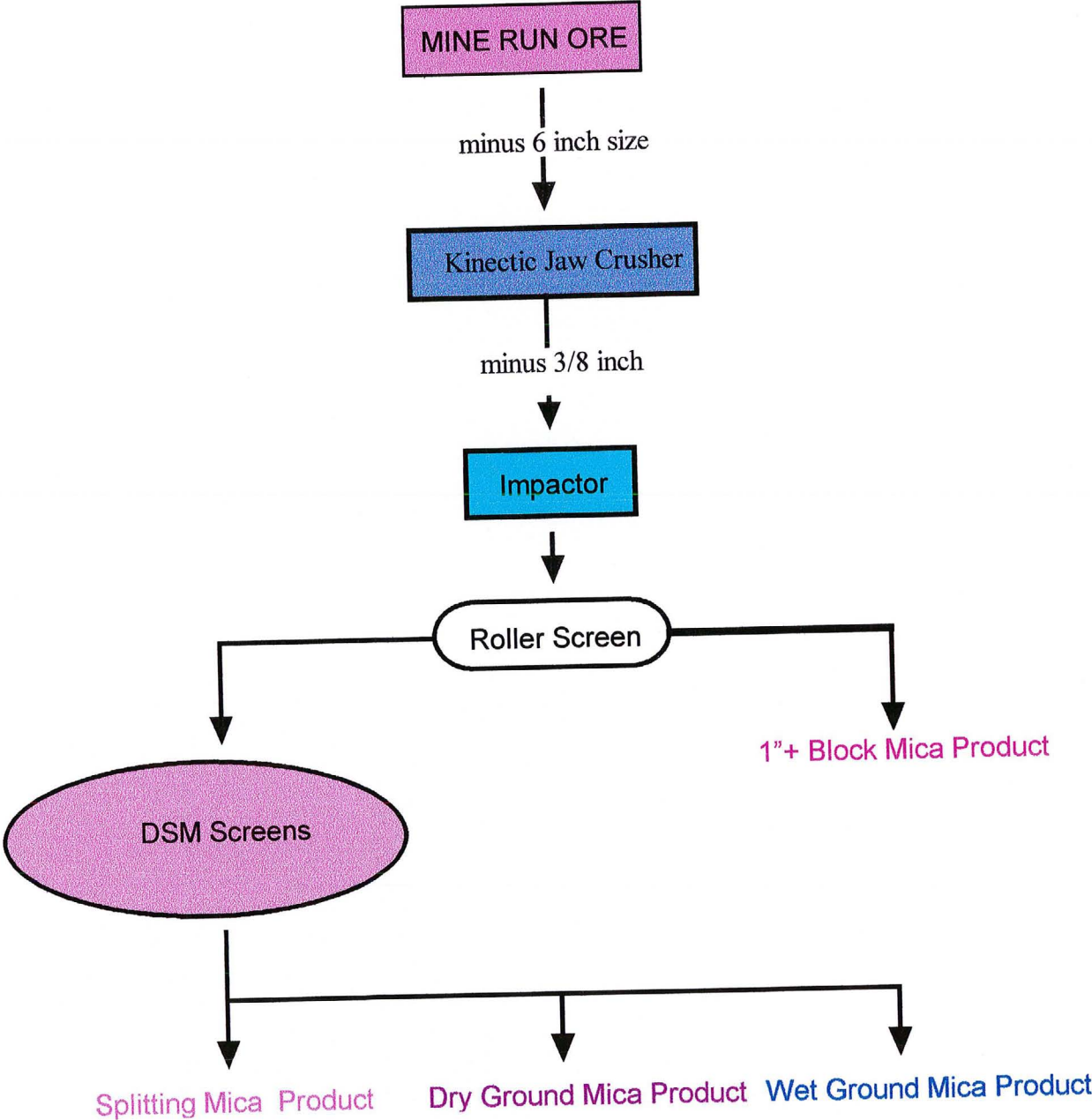
Anfo (Allowance - \$120/day)	\$1,200.00
Caps (Allowance - \$25/day)	\$250.50
Misc. blasting supplies (Allowance - \$10/day)	<u>\$225.00</u>
TOTAL	\$1,675.50

Mine Supplies

Drill Steel (Allowance - \$50/day)	\$1,125.00
Drill bits (Allowance - \$20/day)	\$450.00
Belts, hats, lamps etc (Allowance - \$10/day)	\$100.00
Electrical supplies	\$50.00
Small Hand Tools	\$50.00
Fuel (12 gal/hr @ \$1.00/gal)	\$2,160.00
Ground Support Supplies	<u>\$1,000.00</u>
TOTAL	\$5,275.00

TOTAL OPERATING COSTS PER MONTH **\$24,385.00**

PROCESSING PLANT



THE MICA PROJECT

(Processing Plant Capital Costs)

3 yard Wheel Loader	\$65,000.00
Portable Screening Plant	\$55,000.00
Oversize return belt conveyor	\$15,000.00
Kinectic Jaw Crusher	\$65,000.00
100 ft stacking belt	\$20,000.00
Belt feeder	\$15,000.00
Sorting & grading belt	\$10,000.00
Grinding Plant	\$35,000.00
Dry Grinding Plant with screens	\$45,000.00
DSM Screens	\$40,000.00
Wet grinding plant with classification	\$55,000.00
Concentrate filter	\$20,000.00
Concentrate dryer	\$18,000.00
Concentrate bins	\$10,000.00
Air conveying system	\$25,000.00
Bagging plant	\$15,000.00
Dust Control system	\$30,000.00
Pickup (parts)	\$20,000.00
Plant building (80' x 100')	\$112,000.00
200kw Gen. Set	\$35,000.00
Site preparation	\$20,000.00
Electrical installation	\$25,000.00
Engineering	\$35,000.00
TOTAL	\$750,000.00

THE MICA PROJECT

(Monthly Processing Plant Operating Costs)

Labor

Mill Superintendent (\$4,500/Month + 25% benefits)	\$5,625.00
2 - Millmen (\$12/hr + 25% Benefits)	5,400.00
2 - Laborers (Sort & Grade) (\$10/hr + 25%)	\$4,500.00
TOTAL	\$15,525.00

Mill Supplies

Crushing (\$3/ton - Maintenance)	\$1,687.50
Grinding (\$3.50/ton - Maintenance)	\$1,968.75
Screening (Allowance)	\$1,000.00
Conveying (Allowance)	\$1,000.00
Bagging (Allowance)	\$500.00
Misc.	\$500.00
TOTAL	\$3,000.00

Electric Costs (Fuel 12gal/hr)	\$2,160.00
Quality Control (Allowance)	\$2,500.00

TOTAL MONTHLY OPERATING COSTS **\$26,841.25**

MICA PROFORMA - YEAR 1

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
PRODUCTION RATE												
Tons per day				25	25	25	25	25	25	25	25	25
Tons per month				562	562	562	562	562	562	562	562	562
GRADE												
40% mica @ 80% recovery = 640 lbs/ton												
INCOME												
BLOCK MICA				\$230,108	\$230,108	\$230,108	\$230,108	\$230,108	\$230,108	\$230,108	\$230,108	\$230,108
12 lbs/ton @ \$34.09/lb				\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400
SPLITTINGS				\$14,248	\$14,248	\$14,248	\$14,248	\$14,248	\$14,248	\$14,248	\$14,248	\$14,248
32 lbs/ton @ \$0.80/lb				\$83,813	\$83,813	\$83,813	\$83,813	\$83,813	\$83,813	\$83,813	\$83,813	\$83,813
DRY GROUND MICA												
298 lbs/ton @ \$170/ton												
WET GROUND MICA												
298 lbs/ton @ \$1,000/ton												
TOTAL INCOME												
				\$230,108	\$230,108	\$230,108	\$230,108	\$230,108	\$230,108	\$230,108	\$230,108	\$230,108
				\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400
				\$14,248	\$14,248	\$14,248	\$14,248	\$14,248	\$14,248	\$14,248	\$14,248	\$14,248
				\$83,813	\$83,813	\$83,813	\$83,813	\$83,813	\$83,813	\$83,813	\$83,813	\$83,813
				\$342,568	\$342,568	\$342,568	\$342,568	\$342,568	\$342,568	\$342,568	\$342,568	\$342,568
EXPENSES												
Mine Equipment	\$240,000	\$240,000										
Process Equip. & Install	\$100,000	\$500,000										
Mine Operating Costs			\$150,000	\$24,385	\$24,385	\$24,385	\$24,385	\$24,385	\$24,385	\$24,385	\$24,385	\$24,385
Processing Operating Costs			\$24,385	\$26,841	\$26,841	\$26,841	\$26,841	\$26,841	\$26,841	\$26,841	\$26,841	\$26,841
G & A			\$5,000	\$5,000	\$7,500	\$7,500	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Permitting	\$20,000	\$20,000	\$20,000	\$20,000	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Insurance	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
TOTAL EXPENSES	\$360,000	\$761,200	\$200,585	\$77,426	\$59,926	\$59,926	\$62,426	\$62,426	\$62,426	\$62,426	\$62,426	\$62,426
NET INCOME	-\$360,000	-\$761,200	-\$200,585	-\$77,426	-\$59,926	\$282,642	\$280,142	\$280,142	\$280,142	\$280,142	\$280,142	\$280,142
Cumulative Income	-\$360,000	-\$1,121,200	-\$1,321,785	-\$1,399,211	-\$1,459,138	-\$1,176,496	-\$896,354	-\$616,212	-\$336,070	-\$55,928	\$224,214	\$504,356

MICA PROFORMA - YEAR 2

	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
PRODUCTION RATE												
Tons per day	35	35	35	35	35	35	35	35	35	35	35	35
Tons per month	787.5	787.5	787.5	787.5	787.5	787.5	787.5	787.5	787.5	787.5	787.5	787.5
GRADE												
40% mica @ 80% recovery = 640 lbs/ton												
INCOME												
BLOCK MICA												
12 lbs/ton @ \$34.09/lb	\$322,151	\$322,151	\$322,151	\$322,151	\$322,151	\$322,151	\$322,151	\$322,151	\$322,151	\$322,151	\$322,151	\$322,151
SPLITTINGS												
32 lbs/ton @ \$0.80/lb	\$20,160	\$20,160	\$20,160	\$20,160	\$20,160	\$20,160	\$20,160	\$20,160	\$20,160	\$20,160	\$20,160	\$20,160
DRY GROUND MICA												
298 lbs/ton @ \$170/ton	\$19,947	\$19,947	\$19,947	\$19,947	\$19,947	\$19,947	\$19,947	\$19,947	\$19,947	\$19,947	\$19,947	\$19,947
WET GROUND MICA												
298 lbs/ton @ \$1,000/ton	\$117,338	\$117,338	\$117,338	\$117,338	\$117,338	\$117,338	\$117,338	\$117,338	\$117,338	\$117,338	\$117,338	\$117,338
TOTAL INCOME	\$479,595	\$479,595	\$479,595	\$479,595	\$479,595	\$479,595	\$479,595	\$479,595	\$479,595	\$479,595	\$479,595	\$479,595
EXPENSES												
Upgrade Mine Equipment	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Upgrade Processing Equip.	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Mine Operating Costs	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Processing Operating Costs	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
G & A	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Insurance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
TOTAL EXPENSES	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000
NET INCOME	\$357,595	\$357,595	\$357,595	\$357,595	\$357,595	\$357,595	\$357,595	\$357,595	\$357,595	\$357,595	\$357,595	\$357,595
Cumulative Income	\$861,951	\$1,219,547	\$1,577,142	\$1,934,738	\$2,292,333	\$2,649,928	\$3,007,524	\$3,365,119	\$3,722,714	\$4,080,310	\$4,437,905	\$4,795,501

MICA PROFORMA - YEAR 3

	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
PRODUCTION RATE												
Tons per day	50	50	50	50	50	50	50	50	50	50	50	50
Tons per month	1125	1125	1125	1125	1125	1125	1125	1125	1125	1125	1125	1125
GRADE												
40% mica @ 80% recovery = 640 lbs/ton												
INCOME												
BLOCK MICA	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215
12 lbs/ton @ \$34.09/lb												
SPLITTINGS	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800
32 lbs/ton @ \$0.80/lb												
DRY GROUND MICA	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496
298 lbs/ton @ \$170/ton												
WET GROUND MICA	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625
298 lbs/ton @ \$1,000/ton												
TOTAL INCOME	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136
EXPENSES												
Upgrade Mine Equipment	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Upgrade Processing Equip.	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Mine Operating Costs	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Processing Operating Costs	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
G & A	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Insurance	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200
TOTAL EXPENSES	\$162,200	\$162,200	\$162,200	\$162,200	\$162,200	\$162,200	\$162,200	\$162,200	\$162,200	\$162,200	\$162,200	\$162,200
NET INCOME	\$522,936	\$522,936	\$522,936	\$522,936	\$522,936	\$522,936	\$522,936	\$522,936	\$522,936	\$522,936	\$522,936	\$522,936
Cumulative Income	\$5,318,437	\$5,841,373	\$6,364,310	\$6,887,246	\$7,410,182	\$7,933,118	\$8,456,055	\$8,978,991	\$9,501,927	\$10,024,863	\$10,547,800	\$11,070,736

MICA PROFORMA - YEAR 4

	Month 37	Month 38	Month 39	Month 40	Month 41	Month 42	Month 43	Month 44	Month 45	Month 46	Month 47	Month 48
PRODUCTION RATE												
Tons per day	50	50	50	50	50	50	50	50	50	50	50	50
Tons per month	1125	1125	1125	1125	1125	1125	1125	1125	1125	1125	1125	1125
GRADE												
40% mica @ 80% recovery = 640 lbs/ton												
INCOME												
BLOCK MICA	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215
12 lbs/ton @ \$34.09/lb												
SPLITTINGS												
32 lbs/ton @ \$0.80/lb	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800
DRY GROUND MICA												
298 lbs/ton @ \$170/ton	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496
WET GROUND MICA												
298 lbs/ton @ \$1,000/ton	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625
TOTAL INCOME	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136
EXPENSES												
Upgrade Mine Equipment	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Upgrade Processing Equip.	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Mine Operating Costs	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Processing Operating Costs	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
G & A	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Insurance	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200
TOTAL EXPENSES	\$182,200	\$182,200	\$182,200	\$182,200	\$182,200	\$182,200	\$182,200	\$182,200	\$182,200	\$182,200	\$182,200	\$182,200
NET INCOME	\$502,936	\$502,936	\$502,936	\$502,936	\$502,936	\$502,936	\$502,936	\$502,936	\$502,936	\$502,936	\$502,936	\$502,936
Cumulative Income	\$11,573,672	\$12,076,608	\$12,579,545	\$13,082,481	\$13,585,417	\$14,088,353	\$14,591,290	\$15,094,226	\$15,597,162	\$16,100,098	\$16,603,035	\$17,105,971

MICA PROFORMA - YEAR 5

	Month 49	Month 50	Month 51	Month 52	Month 53	Month 54	Month 55	Month 56	Month 57	Month 58	Month 59	Month 60
PRODUCTION RATE												
Tons per day	50	50	50	50	50	50	50	50	50	50	50	50
Tons per month	1125	1125	1125	1125	1125	1125	1125	1125	1125	1125	1125	1125
GRADE												
40% mica @ 80% recovery = 640 lbs/ton												
INCOME												
BLOCK MICA	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215	\$460,215
12 lbs/ton @ \$34.09/lb												
SPLITTINGS	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800
32 lbs/ton @ \$0.80/lb												
DRY GROUND MICA	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496	\$28,496
298 lbs/ton @ \$170/ton												
WET GROUND MICA	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625	\$167,625
298 lbs/ton @ \$1,000/ton												
TOTAL INCOME	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136	\$685,136
EXPENSES												
Upgrade Mine Equipment	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Upgrade Processing Equip.	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Mine Operating Costs	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Processing Operating Costs	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000
G & A	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Insurance	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
TOTAL EXPENSES	\$197,500	\$197,500	\$197,500	\$197,500	\$197,500	\$197,500	\$197,500	\$197,500	\$197,500	\$197,500	\$197,500	\$197,500
NET INCOME	\$487,636	\$487,636	\$487,636	\$487,636	\$487,636	\$487,636	\$487,636	\$487,636	\$487,636	\$487,636	\$487,636	\$487,636
Cumulative Income	\$17,593,607	\$18,081,243	\$18,568,880	\$19,056,516	\$19,544,152	\$20,031,788	\$20,519,425	\$21,007,061	\$21,494,697	\$21,982,333	\$22,469,970	\$22,957,606

Contact: Jim Paterson, Investor Relations (800) 563 7939

**AZCO MINING INC. ANNOUNCES THE ACQUISITION OF THE
BLACK CANYON MICA PROJECT, ARIZONA**

FERNDALE, WASHINGTON, March 10, 1999... AZCO Mining Inc. has acquired, through a merger of its subsidiary, Sanchez Mining Inc., with Arizona Mica Properties, Inc., a company which owns a significant source of high-quality mica and a pilot processing plant situated near Phoenix, in Arizona. The acquisition, to be satisfied with the issuance of 4,500,000 shares of AZCO Mining Inc., follows a 3 month due diligence period which included confirmatory diamond drilling, concentration testwork, a marketing study, environmental audit, legal title work and significant development work.

The acquisition includes the plant and 43 claims. An additional 226 adjacent claims have been staked and recorded by AZCO. Substantial development and construction has been completed and further work is continuing to complete a production facility with an estimated capacity of 10,000 tonnes per annum.

The Mine Plan of Operations is being finalized with a submission to the Arizona State Land Department and Bureau of Land Management expected by mid-March.

The Black Canyon Mica Project

The Black Canyon mica project consists of a dike swarm that has a strike length exceeding 5,000 feet and widths that range from 10 to 60 feet. The completed drilling program has determined that mica mineralization exceeds 500 feet in depth.

The pegmatite dikes contain 20%+ mica with an equal amount of quartz and potassic feldspar. The mica is considered to be a medium to coarse grain mica with a pale-green color. Completed test work, using a small-scale processing plant, has determined that an excellent high-purity product can be produced on a consistent basis.

Resource analysis has indicated that the project has the potential to be a significant source of mica in the western United States. The US market is well established with consumption exceeding 200 million pounds of mica product annually. Presently, the primary sources of mica are India, Finland and North Carolina.

THIS NEWS RELEASE HAS BEEN PREPARED BY MANAGEMENT OF THE COMPANY WHO TAKES FULL RESPONSIBILITY FOR ITS CONTENTS. THE AMERICAN STOCK EXCHANGE AND THE TORONTO STOCK EXCHANGE NEITHER APPROVE NOR DISAPPROVE OF THE CONTENTS OF THIS NEWS RELEASE.

STATEMENTS CONTAINED IN THIS NEWS RELEASE THAT ARE NOT HISTORICAL FACTS ARE FORWARD-LOOKING STATEMENTS AS THAT TERM IS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. SUCH FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM ESTIMATED RESULTS. SUCH RISKS AND UNCERTAINTIES ARE DETAILED IN FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION.

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Contact: Jim Paterson, Investor Relations (800) 563 7939

**RANDGOLD RESOURCES LTD. JOINT VENTURES AZCO'S TWO GOLD
PROPERTIES IN MALI, WEST AFRICA**

FERNDAL, WASHINGTON, January 21, 1999... AZCO Mining Inc. is pleased to announce that it has successfully concluded a joint venture on its Medinandi and Dandoko gold exploration projects in Mali, West Africa, with Randgold Resources Ltd.

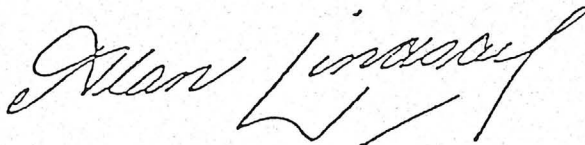
Under the terms of the joint venture agreement, Randgold may earn a 75% interest in AZCO's subsidiary, which holds the rights to 80% of the properties, by expending a minimum of \$2 million over the next three years. The Government of Mali has an option on the remaining 20% with a 5% participation.

To fulfil its obligations, Randgold must also complete a bankable feasibility study on at least one deposit on the permits with a minimum gold deposit in excess of one million ounces. As part of the transaction, Randgold has agreed to purchase the field camp and equipment connected with the project from AZCO for the sum of US\$277,000.

Over the last two years, AZCO conducted an extensive work program on the two properties which has led to a number of very interesting targets being identified that warrant further exploration.

AZCO looks forward to a successful partnership with Randgold in much the same way as AZCO's partnership with Phelps Dodge Corporation in Mexico. The company remains in a strong financial position with in excess of US\$16 million in cash and cash equivalents and no debt as of September 30, 1998. In addition to partnerships with Phelps Dodge and Randgold, AZCO has diversified its property base which includes exposure to industrial minerals and gemstones.

On behalf of the Board of Directors, AZCO Mining Inc.



Alan P. Lindsay
Chairman, President and Chief Executive Officer

AMEX/TSE: AZC
November 18, 1998

Contact: Jim Paterson, Investor Relations (800) 563-7939

AZCO MINING INC. ENTERS INTO INDUSTRIAL MINERAL VENTURE

FERNDAL, WASHINGTON, November 18, 1998... AZCO Mining Inc. has entered into an agreement to purchase a US\$1.5 million convertible debenture of Oro Argentina Ltd, a private company whose main asset is an option to earn up to a 50% interest in the Chigua white bentonite project in San Juan Province, Argentina. In addition to the investment, AZCO has secured the rights to acquire all of the share capital of Oro Argentina at any time over the next two years at a pre-determined stock ratio (three years if certain additional financing commitments are not met). AZCO has no obligation to exercise this option, which will only take place if AZCO anticipates that the operation will have economic benefits considered non-dilutive to the existing AZCO shareholders.

AZCO believes that the investment, and option to acquire a direct project interest through the acquisition of Oro Argentina, builds on its corporate strategy to develop projects which can provide early cash-flow at a time when the traditional metals markets are affecting projects industry-wide.

Bentonite is unique and naturally occurring clay with diverse applications as an industrial mineral. While the Chigua deposit is a natural white color, colors of other bentonite deposits can range from red-brown to ochre to cream. According to Dr. Haydn Murray, a Professor of Geology at the Department of Geological Sciences at Indiana University, and a leading expert on clays, the Chigua white bentonite deposit is believed to be one of the largest and best quality undeveloped bentonite deposits in the world.

Dr. Murray has reported that: "The white bentonite has an excellent brightness and good swelling properties so it will have many applications in paint, paper, detergents, pharmaceuticals, enamel suspensions, ceramics, wine and beer clarification, oil bleaching and other speciality applications. The quantity and quality of this white bentonite is very special. There are only a limited number of deposits in the world of white bentonite and this is the whitest and best I have seen." Some of these speciality products can command higher prices up to US\$5,000 per tonne.

Marketing distributors have already expressed interest in selling the product in Latin America and some of the leading producers and manufacturers of clay products are conducting tests on samples taken from the deposit over the last couple of months.



NEWS RELEASE

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AMEX/TSE:AZC
November 9, 1998

Contact: Jim Paterson, Investor Relations (800)-563-7939

**AZCO MINING INC. AND PHELPS DODGE CORPORATION ANNOUNCE POSITIVE
PRE-FEASIBILITY STUDY ON PIEDRAS VERDES COPPER PROJECT**

FERNDALE, WASHINGTON, November 9, 1998... AZCO Mining Inc. is pleased to announce that it has received a positive pre-feasibility study on the Piedras Verdes leachable copper project, Mexico, from its partner Phelps Dodge Corporation, based on \$1.00 per pound of copper. The Piedras Verdes project is 70%-owned and operated by Phelps Dodge. AZCO Mining Inc. holds a 30% participating interest in the project.

Earlier this year, Phelps Dodge reported to AZCO that it believed Piedras Verdes to be one of the lower cost undeveloped leachable copper projects in the western world. With average estimated cash operating costs below US\$0.50 per pound, Piedras Verdes is as competitive as most existing or planned leachable copper projects, whose average cash costs range from US\$0.40 to US\$0.65 per pound of copper. In its report to AZCO, Phelps Dodge estimates that the Piedras Verdes project will require initial capital costs in the US\$180 million range. This is based on a 10 year mine life with an annual production of 130 million pounds of copper, 39 million pounds to AZCO's account.

AZCO and Phelps Dodge have recently met and approved a confirmatory work program and budget for the next 18 months which is expected to advance the project significantly towards a bankable feasibility study. It is also recognized that a rise in the copper price is required to justify putting the project into production. The work, budgeted at approximately US\$3.6 million, would bring the total spent on the property to approximately US\$19 million. Work, to date, has outlined a measured and indicated reserve of 2.35 billion pounds of copper at a grade of 0.37% in a deposit over four kilometers in length and up to 600 meters across defined by 448 drill holes.

(continued)



NEWS RELEASE

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AMEX/TSE: AZC
August 10, 1998

Contact: Jim Paterson, Investor Relations, 1(800) 563-7939

AZCO ANNOUNCES SHARE REPURCHASE PROGRAM

FERNDAL, WASHINGTON, August 10, 1998 ... AZCO Mining Inc. ("AZCO") The Board of Directors of AZCO Mining Inc. (the "Company") is pleased to announce that it has approved the repurchase of up to 1,284,024 shares of its issued and outstanding Common Stock to be effected from time to time on the American Stock Exchange commencing August 13, 1998 and continuing up until August 13, 1999.

The timing and amount of the repurchases will be determined by AZCO's officers, subject to the 1,284,024 share maximum and a maximum authorized per share repurchase price of US\$1.50. In addition, the officers of the Company are not required to purchase the entire 1,284,024 shares authorized for repurchase.

The Company's Board of Directors has authorized the share repurchase program because it believes that the current price levels for AZCO shares do not reflect the value of the Company's assets and growth prospects.

On behalf of the Board of Directors, AZCO Mining Inc.

A handwritten signature in black ink, appearing to read "Alan Lindsay". The signature is fluid and cursive, with a long horizontal stroke at the end.

Alan P. Lindsay
Chairman, President and Chief Executive Officer

EXCEPT FOR HISTORICAL MATTERS CONTAINED HEREIN, THE MATTERS DISCUSSED IN THIS PRESS RELEASE ARE FORWARD-LOOKING STATEMENTS AND ARE MADE PURSUANT TO THE SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. THESE FORWARD-LOOKING STATEMENTS REFLECT ASSUMPTIONS AND INVOLVE RISKS AND UNCERTAINTIES, WHICH MAY AFFECT AZCO MING INC.'S BUSINESS AND PROSPECTS AND CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THESE FORWARD-LOOKING STATEMENTS.

THIS NEWS RELEASE HAS BEEN PREPARED BY MANAGEMENT OF THE COMPANY WHO TAKES RESPONSIBILITY FOR ITS CONTENTS. THE AMERICAN STOCK EXCHANGE AND THE TORONTO STOCK EXCHANGE NEITHER APPROVE NOR DIAPPROVE THE CONTENTS OF THIS NEW RELEASE.

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AMEX/TSE: AZC
August 7, 1998

Contact: Jim Paterson, Investor Relations, 1(800) 563-7939

AZCO OPTIONS ADELITA COPPER-GOLD-SILVER PROPERTY, SONORA, MEXICO.

AZCO Mining Inc. is pleased to announce that it has acquired an option to earn a 70% interest in La Adelita, a copper-gold-silver prospect in Southern Sonora, Mexico, from Minera Cortez Resources Ltd.

AZCO may earn its interest by spending US\$500,000 over 3 years and by making cash payments totaling US\$165,000 over 5 years. There are no underlying royalties on the property.

Expenditure details are as follows:

Year	Work Commitments (US\$)	Cash Payments (US\$)
1	75,000	11,000
2	150,000	22,000
3	275,000	33,000
4	nil	44,000
5	nil	55,000

The property contains one principal zone of mineralization, which has been subject to an extensive rock chip sampling program. The work to date has identified a high grade core of copper-gold-silver mineralization measuring 200 meters in strike length and 30 meters in width with grades ranging between 1%-3.85% copper; 0.2 grams/ton-3.6 grams/ton gold; 5.4 grams/ton-155 grams/ton silver.

The best composite channel sample across the structure returned 40 meters grading 1.14% copper; 1.07grams/ton gold; 47 grams/ton silver.

(continued)

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AMEX/TSE:AZC
February 25, 1998

Contact: Jim Paterson, Investor Relations

SUBSTANTIAL INCREASE OF MINERALIZATION AT PIEDRAS VERDES COPPER PROJECT, SONORA, MEXICO

February 24, 1998: AZCO Mining Inc. is pleased to announce that the 1997 work program on its 30% owned (Phelps Dodge 70%) Piedras Verdes copper oxide project in Sonora, Mexico, has increased the deposit substantially.

The deposit had previously been estimated, and later confirmed by Phelps Dodge, as being 154 million tons grading 0.41% copper or 1.28 billion pounds of contained copper (at a 0.2% cut-off). The 1997 drill program, comprised of 165 holes, has increased the deposit to 316 million tons grading 0.37% copper or 2.34 billion pounds of contained copper (at a 0.2% cut-off). Furthermore, 90% of this deposit has now been classified as in the measured and indicated resource category.

This new estimate equates to a 105% increase in the project's tonnage and an 83% increase in the contained metal content.

AZCO is extremely satisfied with the results of the 1997 drill program and despite the current poor copper market, continues to believe that exposure to a potentially low cost leachable copper oxide deposit, amenable to the SX-EW process, will ensure AZCO's competitiveness in the copper mining industry.

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AMEX/TSE:AZC
February 4, 2000

Contact: Jim Paterson, Investor Relations (800)563-7939

**MINING OPERATIONS SUCCESSFULLY COMPLETED AT BLACK CANYON MICA
PROJECT, COMMISSIONING GLENDALE PLANT**

FERNDALE, WASHINGTON, February 4, 2000... AZCO Mining Inc. is pleased to report that it has successfully completed its first year's mining campaign at the company's Black Canyon Mica Mine, near Phoenix, Arizona.

The stockpile of mined ore should be sufficient to supply AZCO's newly constructed Glendale processing plant with mica feed for a full year at the plant's currently designed 10,000 ton/year capacity.


The Glendale plant, designed to produce approximately 22 million pounds per year of high quality finished mica product, is currently undergoing the final stages of fine tuning and optimization of its processing line prior to production and sale of its final product – wet ground mica.

End users such as the cosmetic, plastic and paint industries have expressed a keen interest in the product and are awaiting shipment of bulk samples.

The entire project has been fully financed from AZCO's own treasury, thus there is no debt. As of December 31, 1999 AZCO had approximately US \$7.5 million in cash.

AZCO Mining Inc.'s other portfolio of projects include: copper and gold exploration. AZCO is currently funding its 30% share of a US\$3.6 million work program on the 2.34 billion pound Piedras Verdes copper project located in Mexico – a partnership with Phelps Dodge Corporation.

On behalf of the Board of Directors, AZCO Mining Inc.



Alan P. Lindsay
Chairman, President and Chief Executive Officer

THIS NEWS RELEASE HAS BEEN PREPARED BY MANAGEMENT OF THE COMPANY WHO TAKES FULL RESPONSIBILITY FOR ITS CONTENTS. THE AMERICAN STOCK EXCHANGE AND THE TORONTO STOCK EXCHANGE NEITHER APPROVE NOR DISAPPROVE THE CONTENTS OF THIS NEWS RELEASE.

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NEWS RELEASE

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(604) 682-7286 • 800-563-7939 • Fax: (604) 685-4320 • <http://www.azco.com>

AMEX/TSE:AZC
December 20, 1999

Contact: Jim Paterson, Investor Relations (800)563-7939

AZCO MINING INC. RETAINS MARTIN E. JANIS & CO. FOR PUBLIC RELATIONS CAMPAIGN

FERNDALE, WASHINGTON, December 20, 1999... AZCO Mining Inc. (AZC: AMEX/TSE) announced today that the company has launched a full-scale financial and public relations campaign to start in January.

The company has retained the services of Martin E. Janis & Company of Chicago to perform investor relations services coupled with media relations. Established in 1950, Martin E. Janis & Co. is a full-service public relations firm, which has represented many publicly held companies, such as Greyhound Corp., 7-Eleven Stores, FORBES Magazine and Weight Watchers International.

The program will include financial meetings in major markets throughout the U.S., such as New York, Chicago, Los Angeles, San Francisco, Boston, and other significant cities, as well as media relations on behalf of the company. With the Arizona Mica project coming on stream early next year, the company is increasing its exposure to the investment community.

AZCO Mining Inc. is a mining development company with mineral interests that include copper, industrial minerals, and gold exploration. The company has a general business strategy to acquire and develop mineral properties amenable to low cost production. The company is focused on producing a high-quality Muscovite Mica from its wholly owned Black Canyon Mica project in Arizona.

On behalf of the Board of Directors, AZCO Mining Inc.

A handwritten signature in cursive script, appearing to read "Alan P. Lindsay".

Alan P. Lindsay
Chairman, President and Chief Executive Officer

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AMEX/TSE:AZC
November 22, 1999

Contact: Jim Paterson, Investor Relations (800) 563 7939

**MINING OPERATIONS COMMENCE AT BLACK CANYON MICA PROJECT,
GLENDALE PLANT PRODUCING CONCENTRATE**

FERNDALDE, WASHINGTON, November 22, 1999.... AZCO Mining Inc. is pleased to report that it has received a Record of Decision from the Bureau of Land Management (BLM) which allows the company to initiate mining activities at its Black Canyon mica project.

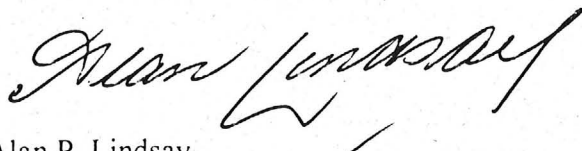
Mining has commenced at the project with AZCO embarking on a three-month mining program which is expected to allow the company to stockpile sufficient ore to supply the Glendale plant with feed for a full year of the plant's currently designed 10,000 t/y capacity.

The Glendale plant is currently concentrating a raw mica product which has allowed the company to begin the commissioning of the wet-grinding circuit.

AZCO is optimistic that January 2000 should witness the first production of finished product from the Glendale processing plant, less than one year after the company's acquisition of the Black Canyon mica project.

AZCO Mining Inc. is a mining development and exploration company with mineral interests that include: gold, copper, industrial minerals and gemstones. AZCO is currently funding its 30% share of a US\$3.6 million work program on the 2.34 billion pound Piedras Verdes copper project located in Mexico – a partnership with Phelps Dodge Corporation.

On behalf of the Board of Directors, AZCO Mining Inc.



Alan P. Lindsay
Chairman, President and Chief Executive Officer

Contact: Jim Paterson, Investor Relations (800) 563 7939

**AZCO MINING INC. EXPANDS LAND POSITION AROUND THE
ADELITA PROJECT, SONORA, MEXICO CLOSE TO CORNER BAY
MINERALS NEW SILVER DISCOVERY**

FERNDALE, WASHINGTON, November 2, 1999.... AZCO Mining Inc. has concluded two separate agreements which have significantly increased the company's land-holdings around the Adelita project in Sonora, Mexico, where the company is currently earning a 70% interest from Minera Cortez Resources Ltd. by spending US\$500,000 over three years.

The ground acquired surrounds the new silver discovery of Corner Bay Minerals (Ticker: BAY-Toronto Stock Exchange) which recently announced drill holes that included 229.5 meters grading 120 g/t silver and 0.25 g/t gold, including a section of 117 meters grading 222 g/t silver and 0.41 g/t gold. In March of this year, Corner Bay's project was reported to have a geological resource of 47.8 Mt grading 42 g/t silver and 0.15 g/t gold for a total of 64.5 million ounces of contained silver and 230,000 ounces of contained gold. AZCO owns no interest in the Corner Bay property.

In an arrangement with Phelps Dodge Corporation, AZCO acquired a 70% interest in a claim surrounding the Adelita core claim for the sum of US\$9,565.70, representing the costs incurred to date by Phelps Dodge. The 3,000 hectare Alamos claim has no underlying Mexican land-owners or royalties and AZCO will have no spending commitments on the property except those required to keep the property in good-standing with the Mexican authorities.

In a second transaction, AZCO has acquired a 100% undivided interest in the Silverado property from Minera Cortez Resources Ltd. The consideration for this transaction was US\$20,000 in cash and 30,000 AZCO shares.

The two new deals mean that AZCO has 100% interest or rights whereby it can acquire a 100% interest in a total land package in excess of 120 square kilometers, unencumbered by any royalties and with contractual spending commitments which total only US\$500,000 over three years. A map showing the new land acquisitions is available by contacting the company or may be viewed at our web-site www.azco.com.

AZCO has completed its first year's exploration program on the Adelita concession and expects to be able to report its initial findings later this month.



NEWS RELEASE

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AMEX/TSE:AZC
October 7, 1999

Contact: Jim Paterson, Investor Relations (800) 563 7939

AZCO RECEIVES FINAL BLM APPROVAL ON BLACK CANYON MICA PROJECT, ARIZONA

FERNDALE, WASHINGTON, October 7, 1999... AZCO Mining Inc. is pleased to report that it has received final Bureau of Land Management (BLM) approval for its Black Canyon mica project Mine Plan of Operations. This represents the last such approval or permit required and allows AZCO to begin mining activity at the proposed mine-site subject to posting a reclamation bond in the amount of US\$140,400 and rendering US\$35,400 to the BLM for re-routing of the Black Canyon trail.

AZCO Mining Inc. is extremely pleased that the permitting of the Black Canyon project has gone so smoothly and anticipates work at the mine site to begin later this month.

On behalf of the Board of Directors, AZCO Mining Inc.

A handwritten signature in cursive script, appearing to read "Alan Lindsay".

Alan P. Lindsay
Chairman, President and Chief Executive Officer

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AMEX/TSE:AZC
August 27, 1999

Contact: Jim Paterson, Investor Relations (800) 563 7939

BLACK CANYON MICA – PERMITTING AND PLANT-SITE PROGRESS

FERNDALE, WASHINGTON, August 27, 1999... AZCO Mining Inc. is pleased to announce that the Mining Plan of Operations has been approved by the State Land Department and approval to begin mining has also been received. Furthermore, AZCO has received a 'Finding of No Significant Impact' for the Black Canyon Mica project Mining Plan of Operations from the Bureau of Land Management (BLM). Final BLM approval is anticipated shortly.

In addition, a Clean Water Act permit for the mine has been received from the Army Corps of Engineers. The Arizona Department of Environmental Quality has issued an Air Quality Permit for the mine and the Maricopa County Division of Air Quality has also given its approval for the Glendale plant-site.

As is expected with any new mining and processing operation, much of the last month has been spent dealing with small plant commissioning issues which have all been addressed but have led to a slightly slower start-up period than previously anticipated. In particular, some delays were caused while AZCO waited on supplier deliveries and, furthermore, electrical installation work also took longer than expected but has now been completed.

AZCO has finished its definition drilling program at the proposed mine site with a total of 8,451 feet cored during this phase. First phase drilling totalled 3,918 feet for a cumulative total of 12,369 feet drilled.

For additional information on the Company's Black Canyon mica project please contact the company, visit our web-site (www.azco.com) or refer to the March 10th 1999 press release which detailed the acquisition and summarized many of the varied uses for wet-ground muscovite mica.

Contact: Jim Paterson, Investor Relations (800) 563 7939

BLACK CANYON MICA – CONSTRUCTION PROGRESS REPORT

FERNDALE, WASHINGTON, June 10, 1999... AZCO Mining Inc. is pleased to report that considerable progress has been made in the development of its Black Canyon mica project located near Phoenix, Arizona, and its related commercial processing plant located in Glendale, Arizona.

The processing plant building has been erected and all of the major process equipment required for commercial production is on-site. The installation of this equipment is currently in progress and is expected to be completed by July 15, 1999. Furthermore, it is anticipated that this month will also see the selective start-up of some of these process components as plant commissioning begins.

The plant has an initial estimated annual capacity of 22 million pounds of mica product and can potentially be easily expanded at a minimal incremental capital cost due to the modular nature of the plant and processing design.

On a further note, AZCO's extensive marketing efforts have been continuing with very encouraging responses from end-users. These have led to numerous requests for large quantities of mica for testing purposes. Particular interest has been shown in some of the speciality grade products that the Glendale plant is expected to produce.

The rapid development from due diligence and exploration to production and operation could see the company benefit from its investment by as early as the second half of 1999. AZCO is pleased that within such a short time frame it is on the threshold of having its first operating mine and processing plant.

For additional information on the Company's Black Canyon mica project please contact the company, visit our web-site (www.azco.com) or refer to the March 10, 1999 press release which detailed the acquisition and summarized many of the varied uses for wet-ground muscovite mica.

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2000

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 0-20430

AZCO MINING INC.

(A Delaware Corporation)

I.R.S. Employer Identification Number 84-1094315

7239 N. El Mirage Road
Glendale, Arizona 85307
(623) 935-0774

The former address and phone number of AZCO Mining Inc. was:
2068 Main St., Suite C, PO Box 1895
Ferndale, Washington 98248
(360) 380-4467

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

AZCO MINING INC.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 29,892,121 shares of the Company's Common Stock were outstanding as of November 10, 2000.

Statements contained in this quarterly report that are not historical facts are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from the estimated results.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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Consolidated Statement of Stockholders' Equity	6
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AZCO MINING INC.
CONSOLIDATED STATEMENTS of OPERATIONS
(Unaudited)

	<u>Three Months Ended September 30,</u>	
	2000	1999
Expenses:		
Salaries	175,221	189,154
General and administrative	192,724	324,904
Exploration & development	116,995	134,538
Write-down of inventory	461,915	0
Reclamation expense	278	0
Amortization and depreciation	<u>15,922</u>	<u>3,694</u>
	<u>963,055</u>	<u>652,290</u>
Income:		
Interest income	\$ 65,512	\$ 139,629
Other income	<u>0</u>	<u>227,500</u>
	<u>65,512</u>	<u>367,129</u>
Net (loss)	\$ <u>(897,543)</u>	\$ <u>(285,161)</u>
Basic loss per common share	\$ <u>(0.03)</u>	\$ <u>(0.01)</u>
Diluted loss per common share	\$ <u>(0.03)</u>	\$ <u>(0.01)</u>
Weighted average common shares	<u>29,891,251</u>	<u>29,832,121</u>

The accompanying notes are an integral part of these financial statements.

AZCO MINING INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock Shares	Amount	Additional Paid-In Capital	Deficit
Balance June 30, 2000	29,887,121	\$ 59,774	28,537,487	\$ (15,290,978)
Stock options exercised	5,000	10	2,390	0
Net Loss	<u>0</u>	<u>0</u>	<u>0</u>	<u>(897,543)</u>
Balance September 30, 2000	<u>29,892,121</u>	<u>\$ 59,784</u>	<u>\$ 28,539,877</u>	<u>\$ (16,188,521)</u>

The accompanying notes are an integral part of these financial statements.

AZCO Mining Inc.
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Continued)

During the quarter ended September 30, 2000 the Company expensed \$ 461,915 as an inventory write down representing mica project operating costs incurred in excess of the value of mica produced during the quarter.

Note 3. Piedras Verdes Project (Mexico)

The Company owns a 30% interest in Cobre del Mayo, S.A. de C.V. ("Cobra del Mayo"), a Mexican corporation which leases the Piedras Verdes property. The remaining 70% interest is owned by Minera Phelps Dodge Mexico S. de R.L. de C.V. ("MPDM"), a subsidiary of Phelps Dodge Corporation. The property consists of approximately 640 hectares and is located in southern Sonora State, Mexico.

Note 4. Mali Project (Northwestern Africa)

The Company is currently in a joint venture with Randgold Resources Limited ("Randgold") whereby Randgold has the right to earn up to 75% of the Company's interest in West Africa Gold and Exploration S.A. ("WAG"). To earn this interest Randgold has agreed, over a 36-month period commencing August 5, 1998, to conduct exploration on the WAG property concessions at a minimum cost of \$2 million, to determine if there is a viable economic gold resource, as defined in the joint venture agreement, of at least one million ounces of gold. If this requirement is satisfied, Randgold must prepare a bankable feasibility study with respect to such resource for WAG within 12 months in order to earn its interest therein.

Note 5. Inventories

	Sept., 30 2000	June, 30 2000
Broken ore	\$ 822,856	\$ 839,146
Work-in-progress	185,240	123,033
Finished goods	<u>44,000</u>	<u>38,599</u>
Total	\$ 1,052,096	\$ 1,000,778

AZCO Mining Inc.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations may contain statements concerning certain trends and other forward-looking information, within the meaning of the federal securities laws. Such forward-looking statements are subject to uncertainties and factors relating to the Company's operations and business environment, all of which are difficult to predict and many of which are beyond the control of the Company. The Company believes that the following factors, among others, could affect its future performance and cause actual results to differ materially from those expressed or implied by forward-looking statements by or on behalf of the Company: (1) unfavorable weather conditions in particular high water levels in the Agua Fria river could temporarily limit access to the mica mine; (2) changes in the demand for the Company's mica or the lack of acceptance of the Company's mica; (3) changes in environmental laws; (4) problems regarding availability of materials and equipment; (5) failure of the mica project equipment to process or operate in accordance with specifications or expectations and prevent the project from producing at commercially viable levels.

General

The Company was formed in 1988. In December 1995 the Company sold its Sanchez copper project and a 70% interest in its Mexican copper project, the Piedras Verdes, to Phelps Dodge Corporation for \$40 million. All material revenues since the sale have been a result of interest earned on the proceeds of the sale of these assets to Phelps Dodge Corporation.

On October 25, 2000 Mr. Alan Lindsay and Mr. Anthony Harvey retired as executive officers of the Company. Lawrence Olson, a director of the Company, succeeds Alan Lindsay as Chairman, Chief Executive Officer and President. Ryan Modesto, Vice President Finance of the Company, succeeds Anthony Harvey as Corporate Secretary.

The Company is currently focused on the start up of its recently constructed operating facilities to produce high quality muscovite mica from its 100% owned Black Canyon Mica project located in Arizona.

The Company, with its 30% interest, has established a strategic partnership with Phelps Dodge Corporation on the Piedras Verdes copper project located in Sonora, Mexico.

Mica marketing efforts continue in the cosmetic industry but lead-time required in product testing has been longer than anticipated. Testing of the Company's mica in the formulation of plastic compounds has been encouraging and the Company is in discussions with various plastic producers regarding supply contracts.

AZCO Mining Inc.

In conjunction with the departure of Mr. Alan Lindsay and Mr. Anthony Harvey on October 25, 2000, the Company has the obligation to pay termination fees under the terms of the management agreements the Company has contracted with the management companies of Mr. Lindsay and Mr. Harvey. Mr. Lindsay and Mr. Harvey have notified the Company that they believe they are entitled to the immediate payment of termination fees in aggregate of \$595,350. The Company is reviewing its obligation under these agreements. If it is determined, by the Company, that fees of any amount are indeed payable, it is the contention of the Company that the fees would be payable by February 1, 2001.

The Company is currently evaluating various institutional and private financing opportunities. In the event that financing is not available or that the terms are undesirable, joint venture alternatives will be explored. It is feasible that financing or joint venture opportunities may not be available on terms that would be acceptable to the Company. If this is the case, it is possible that the mica project could be delayed or terminated.

Item 3: Quantitative and Qualitative Disclosures about Market Risk

None.

PART II. OTHER INFORMATION

Item 1: Legal Proceedings

None.

Items 2-4: Not Applicable

Item 5: Other Information

None.

Item 6: Exhibits and Reports on Form 8-K

(a) Exhibits:

None.

(b) Reports on Form 8-K

None.



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AMEX/TSE: AZC
October 27, 2000

Contact: Jim Paterson, Investor Relations, jimpater@istar.ca, www.azco.com (800) 563-7939

AZCO MINING INC. ANNOUNCES RELOCATION OF CORPORATE OFFICE AND MANAGEMENT CHANGES

GLENDALE, ARIZONA, October 27, 2000...The Board of Directors of AZCO Mining Inc. has made the following management and operational changes.

Effective immediately the corporate office in Ferndale, Washington and the executive office in Vancouver, Canada are to be relocated to Glendale, Arizona.

Alan Lindsay and Anthony Harvey have retired as executive officers of the Company. Lawrence Olson, a Director of the Company, succeeds Alan Lindsay as Chairman, Chief Executive Officer and President. Ryan Modesto, Vice President Finance of the Company succeeds Anthony Harvey as Corporate Secretary.

Lawrence Olson, Paul Hodges, Ian Gray, Alan Lindsay, and Anthony Harvey remain as Directors of the Company.

The changes have been made to provide more effective hands on management with all corporate activities now centered at the Company's mica processing facility in Glendale, Arizona. The move will bring together the management, production and marketing teams into one location and is consistent with the Company's US status, its focus on Arizona based assets and partnership with Phoenix based Phelps Dodge Corporation.

Mr. Olson joined AZCO's board in conjunction with the acquisition of the Black Canyon Mica project with which he has been affiliated since its inception. Mr. Olson, a successful and established Phoenix business owner, is the president of Olson Precast, Inc., a company with revenues in excess of \$10 million annually, employing 120 people. Prior to starting his own business, Mr. Olson was the Sales Manager of a division of United Aircraft.

On behalf of the Board of Directors, AZCO Mining Inc.

A handwritten signature in cursive script that reads "Lawrence Olson".

Lawrence G. Olson

Chairman, President and Chief Executive Officer

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(604) 682-7286 • 800-563-7939 • Fax: (604) 685-4320 • <http://www.azco.com>

AMEX/TSE: AZC
July 18, 2000

Contact: Jim Paterson, Investor Relations, jimpater@istar.ca, www.azco.com (800) 563-7939

**AZCO MINING INC. AND PHELPS DODGE COBRE DEL MAYO (PDCDM),
Inc., an affiliate of PHELPS DODGE CORPORATION, ANNOUNCE IMPROVED
OVERALL COPPER RECOVERIES FROM PIEDRAS VERDES
METALLURGICAL TESTING**

FERNDALE, WASHINGTON, July 18, 2000...AZCO Mining Inc. is pleased to announce that it has received a positive metallurgical update on the Piedras Verdes SX-EW copper project, from its partner Phelps Dodge CDM. The Piedras Verdes project is 70% owned and operated by Phelps Dodge CDM with AZCO holding a 30% participating interest.

For the past 20 months, a confirmatory work program has been in progress to advance Piedras Verdes towards a completed bankable feasibility study and enhance the project economics.

As part of the work program, Phelps Dodge CDM has mined near surface oxide material and transported this material to its research facility at Morenci, Arizona for testing. Large-scale, column leach tests were carried out and the results confirmed or improved previous leach recovery estimates.

Additional, leach tests were conducted on select, large diameter drill cores of representative samples of the chalcocite ore type. The results of this testwork indicated an improved leach recovery rate of up to 50% over the same time period compared to previous testwork.

This test work also indicated a reduction in acid requirements to leach the oxide copper ores in the extraction process.

Improved copper leach recoveries and decreased acid requirements are anticipated to contribute to lower operating cash costs and improved project economics.



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AMEX/TSE: AZC
June 29, 2000

Contact: John Rud, AZCO Mica Product Information (623) 935-0774
Jim Paterson, Investor Relations (800) 563-7939

AZCO MICA INC. PRODUCES COSMETIC GRADE MICA

GLENDALE, ARIZONA, June 29, 2000... AZCO Mica Inc., a subsidiary of AZCO Mining Inc. (AZC: AMEX/TSE) is pleased to announce it's successful production of cosmetic grade mica.

The company is currently processing wet-ground, pearl white muscovite mica with high luster, high-slip and translucence in two different particle size ranges i.e. 1-50 and 5-70 microns. These products meet the needs of the cosmetics industry.

At a recently attended Cosmetic Industry Suppliers Conference held in New Jersey, AZCO received a very strong and positive response for its Mica from more than 20 potential buyers.

Brokers, agents and manufacturers in the cosmetics industry have expressed a keen interest in the product and are currently in different stages of evaluating AZCO's cosmetic grade mica, including laboratory testing and scheduled site visits to AZCO's Glendale Processing facility.

AZCO Mica Inc. also has the capability of producing a high aspect ratio mica for use as plastic and paint grade additives. These markets are being developed and discussions are ongoing with interested end-users. The potential consumption in these markets is significant.

The entire project has been fully financed from AZCO's own treasury without project or company debt.

On behalf of the Board of Directors, AZCO Mining Inc.

A handwritten signature in black ink, appearing to read "Alan Lindsay".

Alan P. Lindsay
Chairman, President and Chief Executive Officer

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7239 N. El Mirage Rd., Glendale, AZ 85307
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<http://www.azco.com>

AZCO Mica, Inc. is presently mining and processing a high quality muscovite mica from the company's Black Canyon mine. The mine, which is located approximately 40 miles north of Phoenix, Arizona, began production in October of 1999. Current drilled reserves exceed one million tons of micaceous ore.

The muscovite mica is transported from the mine site to AZCO's new, state of the art, processing plant in Glendale, Arizona. Upon arrival at the plant, the mica is delaminated, filtered, dried, sized and bagged. Rigorous quality checks throughout the wet delamination process insure a high quality mica with a consistent pearl white color, low bulk density and high aspect ratio.

The plant is designed to produce cosmetic grades of mica with a particle size range of 90-150, 50-90, 20-50 and minus 20 microns.

AZCO's goal is to provide our customers with a long-term domestic source of high quality mica product exhibiting excellent sheen and brilliance, controlled particle size ranges and a consistent color.

John Rud, AZCO's Marketing Director is available to answer questions or provide additional product information. Mr. Rud can be reached at the Glendale, Arizona plant during normal business hours.

Sincerely,

AZCO management;

Gary Simmerman /Vice President Operations

John Rud / Marketing Director



orders from marketing distributors in Latin America and elsewhere.

La Adelita — Mexican Copper/Gold/Silver Exploration

AZCO has acquired an option to earn a 70 percent interest in La Adelita, located in Sonora, Mexico. This is a copper/gold/silver prospect owned by Minera Cortez Resources Ltd. AZCO may earn its interest by spending \$500,000 over three years and by making cash payments totaling \$165,000 over 5 years. The property contains one principal zone which has been subject to an extensive rock chip-sampling program and work to date has identified a high-grade core of copper/gold/silver mineralization. Results from the first phase of exploration should be known early in the second half of 1999.

Benitoite — Rare Gemstones in California

AZCO has extended, for another year, its option agreement to explore, evaluate, and purchase the Benitoite Gem mine in San Benito County, California. Benitoite, California's state gemstone,

is a colorless to blue stone with high refractive indices and a strong dispersion equal to that of a diamond. Faceted stones are comparable in appearance and price — historical wholesale price of \$1,000 per carat — to the finest sapphires and tanzanites. AZCO retained MVI Marketing Ltd. of Beverly Hills to determine the potential size of the wholesale market for Benitoite and to study the environment for new product introduction. The study indicated strong demand for this extremely rare gem.

FINANCIAL STRENGTH

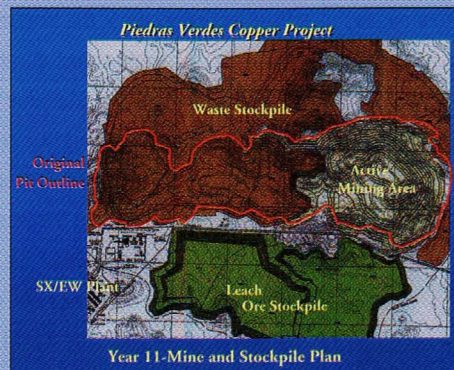
As of March 31, 1999, AZCO had cash and cash equivalents of \$14 million, with no debt, equal to \$0.47 per share. Shares outstanding were at 29.75 million, fully diluted at 32.34 million. As an analyst for "Resource Opportunities" commented, "Owning AZCO is like having an unexpiring option on the copper price, fully backed by cash, plus a suite of other projects and a great management team thrown in as an added bonus."

AZCO Mining Inc.

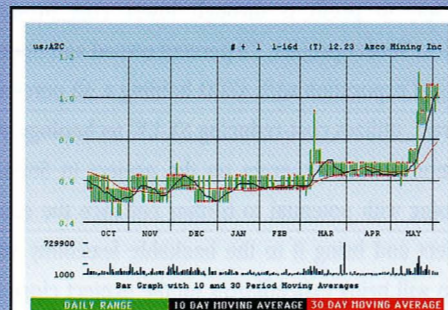
AMEX: **AZC**

DESCRIPTION:

With approximately US\$14 million in cash and a world class mining team, AZCO is strategically positioned to take advantage of the depressed market in the mining sector. With AZCO's successful history and its exposure to copper, gold, gemstones and other highly leveraged acquisitions like its Arizona mica project, AZCO is poised for significant growth.



Piedras Verdes Mine Plan — Potential of 39 million pounds of low-cost copper per year to AZCO's credit.



CURRENT PRICE (6/3/99)	\$1.00
52-WEEK RANGE	\$.31-\$1.13
SHARES OUTSTANDING (mil)	29.8
FLOAT (mil)	15
DJIA	10,664

WORLD CLASS MINING TEAM — DIRECTORS

Alan Lindsay, President and Founder with extensive experience in financing, corporate development.

Tony Harvey, Vice Chairman and Founder and responsible for building 14 mines during 30 years with Wright Engineers.

Dr. Ian Gray, Former Director of Exploration of Inco Ltd.

Paul Hodges, Former Chief Engineer worldwide of open pit mining for RTZ.

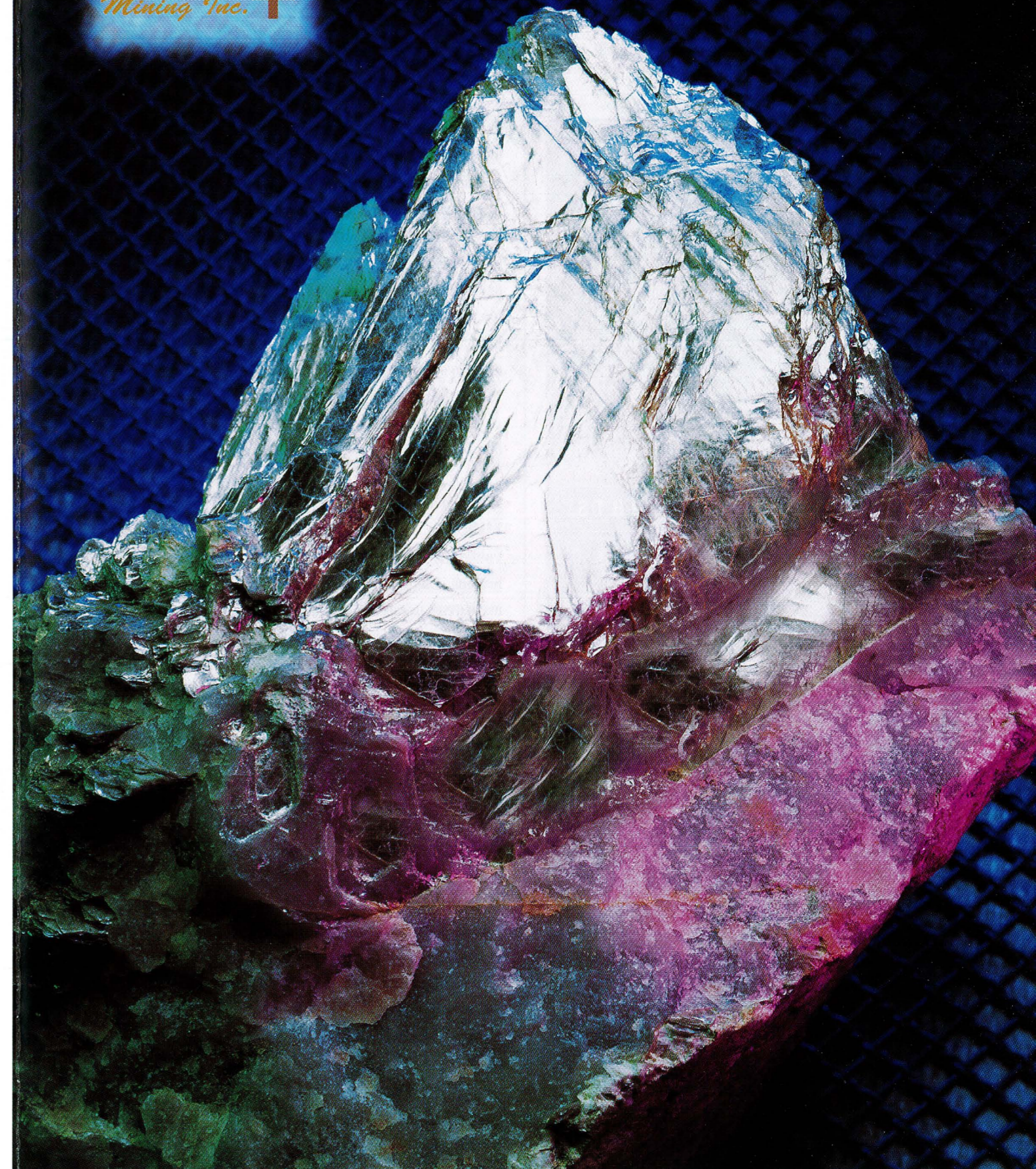
Larry Olson, Successful entrepreneur from Phoenix area. President of companies with a combined total of over 250 employees.

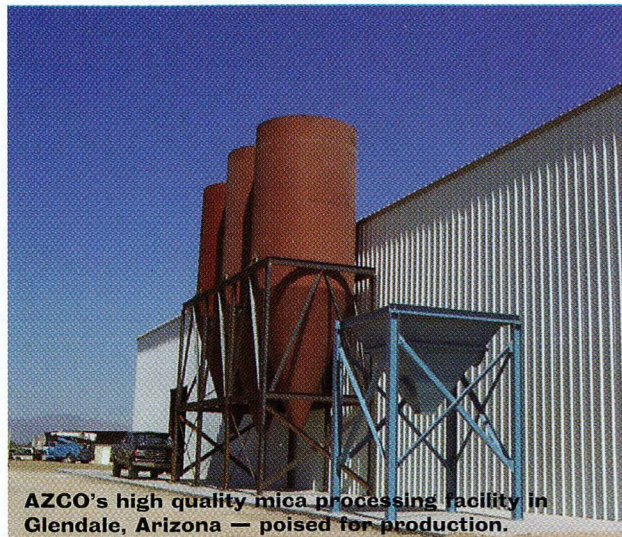
SAFE HARBOR STATEMENT: STATEMENTS CONTAINED IN THIS RESEARCH REPORT THAT ARE NOT HISTORICAL FACTS ARE FORWARD-LOOKING STATEMENTS AS THAT TERM IS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. SUCH FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM ESTIMATED RESULTS. SUCH RISKS AND UNCERTAINTIES ARE DETAILED, BY THE COMPANY, IN FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION.

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AZCO's high quality mica processing facility in Glendale, Arizona — poised for production.

INVESTMENT HIGHLIGHTS

- A mining exploration and development company with a stake in a world-class copper deposit, AZCO is diversifying by securing production opportunities in potentially lucrative industrial mineral markets.
- AZCO's Black Canyon mica project has production slated to begin mid-1999. AZCO expects to generate highly profitable revenue through orders of wet ground muscovite mica, a product with increasing demand and uses for industrial applications. Estimated production capacity is 22 million pounds per year of high quality mica.
- Piedras Verdes SX-EW copper project potential: 130 million pounds of low-cost copper annually, of which AZCO would receive 39 million pounds to its credit, with average estimated cash operating costs below \$0.50 per pound. Development continues in a partnership with Phelps Dodge Corporation as the operator.
- AZCO gives its shareholders exposure to gold through a joint-venture partnership with Randgold Resources on AZCO's two gold exploration properties in the historically rich Kenieba Gold Mining District of Mali, West Africa.

AZCO MINING INC., A DELAWARE COMPANY, was founded in 1988 to develop copper mining projects which would benefit from low-cost technology referred to as SX-EW (Solvent extraction and Electro-winning). The development of one such project and subsequent sale to Phelps Dodge Corporation strengthened the company's treasury and allowed AZCO to pursue the development of a second, larger copper project in partnership with Phelps Dodge. AZCO has since exploited the current mining recession through the disciplined use of its strong cash reserve and a strategy for diversification that minimizes exposure to fluctuations in commodities cycles. The company is well-positioned to profit from a turnaround in copper and gold markets, together with the potential of near-term cash flow from its ventures in industrial mineral production.

DIVERSIFICATION: THE KEY TO UNLOCKING SHAREHOLDER VALUE

Unlike many other mining companies, AZCO has minimized fluctuations in its stock price by making decisions to diversify from mainstream metals and to structure sound business partnerships. In August 1998, believing its stock price didn't reflect the company's assets and growth prospects, AZCO acted on its confidence to enrich shareholder value by repurchasing 800,000 shares. Guided by a top-level management team, AZCO has been securing opportunities to profit through projects in the United States, South America, Africa, and Asia.

ARIZONA MICA

AZCO is proud to announce the pending completion of what will be its first operating mine. AZCO's Black Canyon mica project in Arizona is expected to ramp up from initial exploration to significant production in less than a year. Slated to produce in the summer of 1999, Black Canyon has the potential to generate cash flow through orders of a wet-ground muscovite mica product, used for industrial applications. Estimated production capacity is 22 million pounds per year of high quality mica. Its exceptional physical, chemical, electrical, thermal and mechanical properties make it ideally suited for

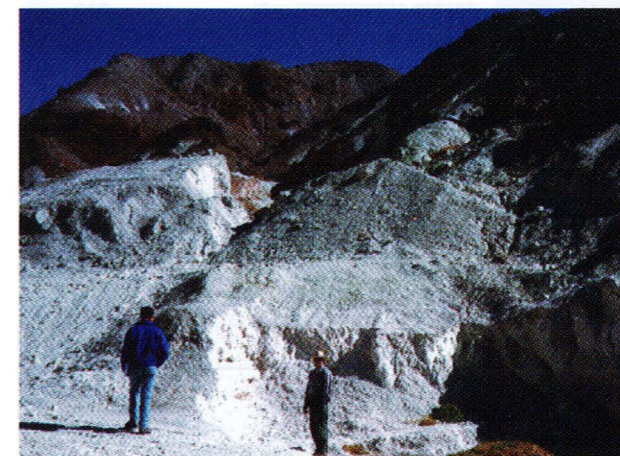
pearlescent paints and architectural coatings, automotive plastics and rubber goods, fillers, mica-based sealants and lubricants. Demand for mica is increasing in the high-tech sector for use in computers, electrical components and laser marking products.

AZCO acquired the project through a merger of its subsidiary, Sanchez Mining Inc., with Arizona Mica Properties, the company which owned the mica deposit. The acquisition in March 1999, satisfied with the issuance of 4.5 million shares of AZCO stock, includes 43 claims and a pilot plant situated near Phoenix. An additional 226 adjacent claims have been staked and recorded by AZCO. Black Canyon has the potential to be a significant producer of mica in the western United States. Prices for high-quality mica can exceed \$2.00 per pound depending on the application. With total control of Black Canyon's high-quality mica, AZCO is poised to profit with sales from production.

PIEDRAS VERDES — A LOW-COST 2.34 BILLION POUND COPPER RESOURCE

With the world's copper prices at their lowest levels in decades, the way to profit is through lower cost production. AZCO's Piedras Verdes project, 70 percent owned and operated by Phelps Dodge Corporation with AZCO holding a 30 percent participating interest, utilizes cost-reducing SX-EW technology. A \$3.6 million, 18-month work program on the project in Sonora, Mexico, is ongoing with potential to further enhance the economics of the project and bring it to the bankable feasibility stage. This program will bring expenditures on the project close to \$20 million with over 500 holes drilled on the property.

In its pre-feasibility study, Phelps Dodge outlined the project's



World Class Chigua White Bentonite Deposit, San Juan, Argentina.

potential to produce 130 million pounds of low cost copper annually, of which AZCO would receive 39 million pounds to its credit. Phelps Dodge believes Piedras Verdes to be one of the lower cost undeveloped leachable copper projects in the western world, with average estimated cash operating cost below \$0.50 per pound.

AFRICAN GOLD

In January 1999, AZCO concluded a joint venture on its Medinandi and Dandoko gold exploration projects in the historically rich Kenieba Gold Mining District of Mali, West Africa, with Randgold Resources Ltd. To fulfill its obligations, Randgold must complete a bankable feasibility study on at least one deposit on the permits with a minimum gold deposit in excess of 1 million ounces, expending a minimum of \$2 million over the next three years. The Government of Mali has an option on 20 percent of the project with 5 percent participation. Over the last two years, AZCO conducted an extensive work program on the properties, which identified targets warranting further exploration. AZCO looks forward to a successful partnership with Randgold similar to the one that it has with Phelps Dodge.

EXPLORATION AND DEVELOPMENT PROPERTIES

Argentinean Bentonite Mine Development

Pure as driven snow, the bentonite from AZCO's source in San Juan Province, Argentina, has excellent brightness and good swelling properties, making it ideal for use in cosmetics, pharmaceuticals, wine and beer clarification, ceramics, paper, paint, detergents and many other applications. According to Dr. Haydn Murray, a leading expert on clays and Professor of Geology at Indiana University and now a paid consultant for the project, the Chigua white bentonite deposit is believed to be one of the best quality undeveloped bentonite deposits in the world. Bentonite typically ranges in color from red-brown to cream.

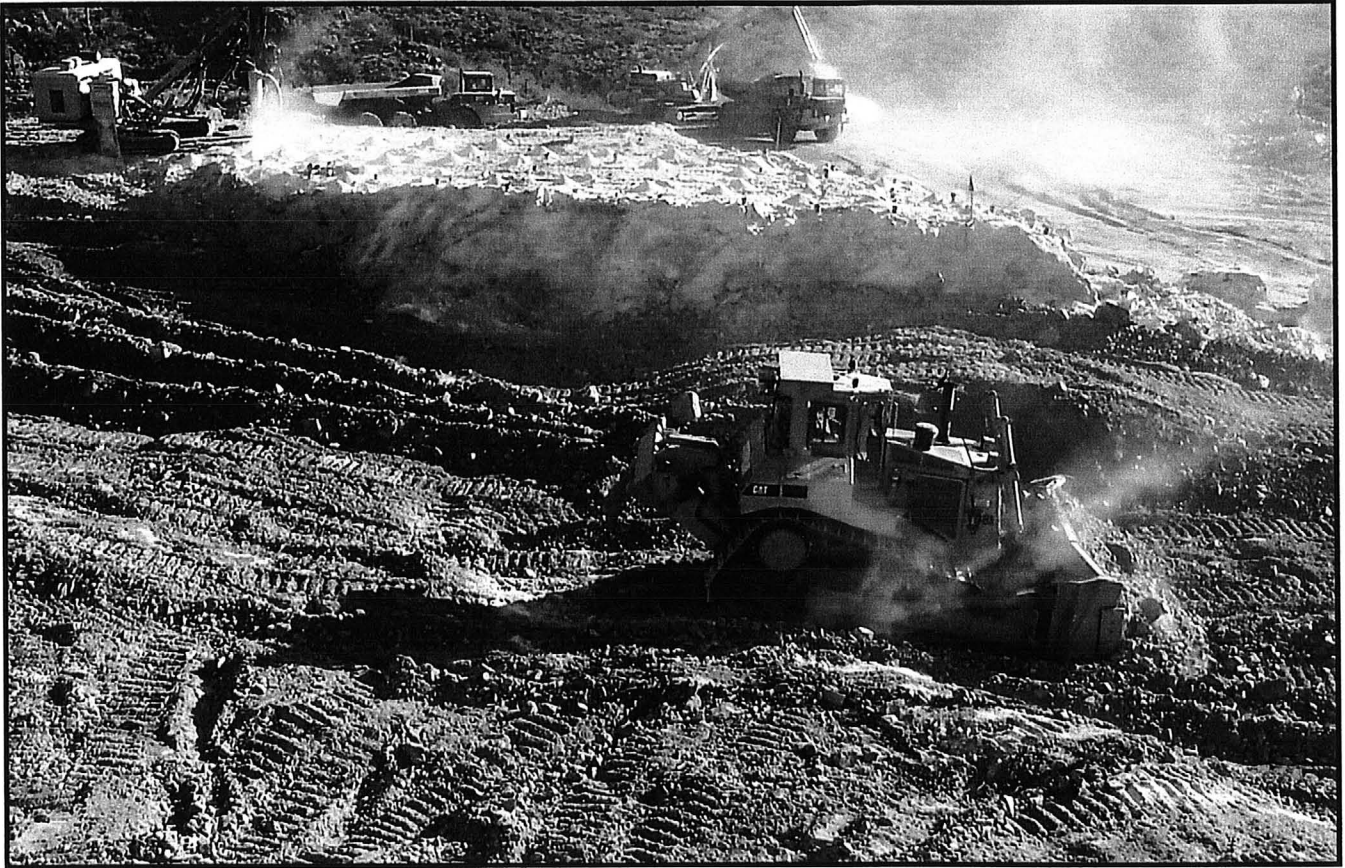
In November 1998, AZCO purchased a convertible debenture of Oro Argentina Ltd., a private company with a 36 percent interest in the Chigua project. In addition, AZCO has the rights to acquire all of the share capital of Oro Argentina at a pre-determined stock ratio and potentially gain a majority interest in the project. The debenture allowed Oro Argentina to erect a mining camp, build roads into the mine, construct a river crossing, and purchase equipment to begin mining the bentonite. AZCO's investment is secured against these assets and the 36 percent interest in the project. The project, ramped up for production, is awaiting purchase



Mining Central Pit



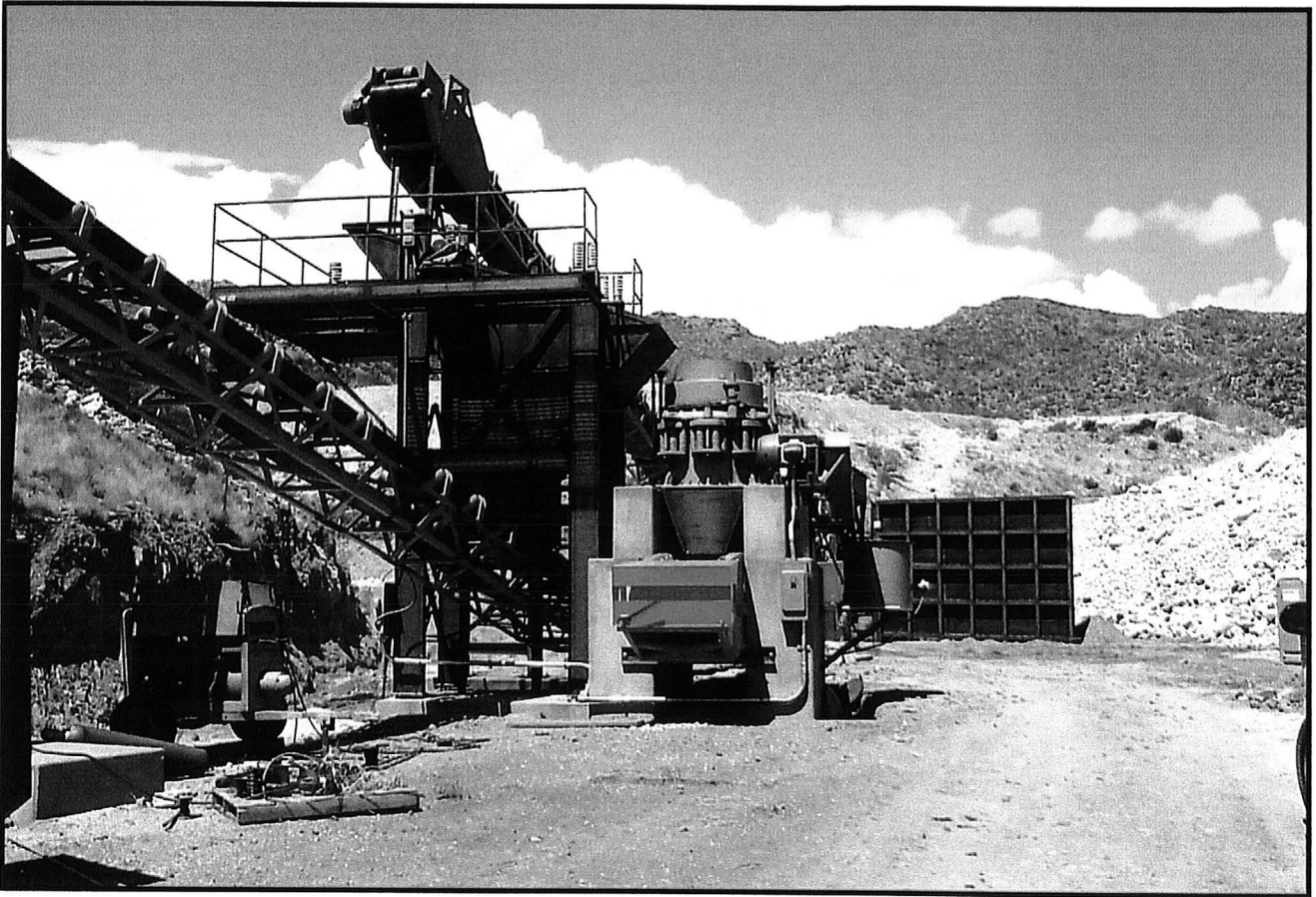
Mining Central Pit



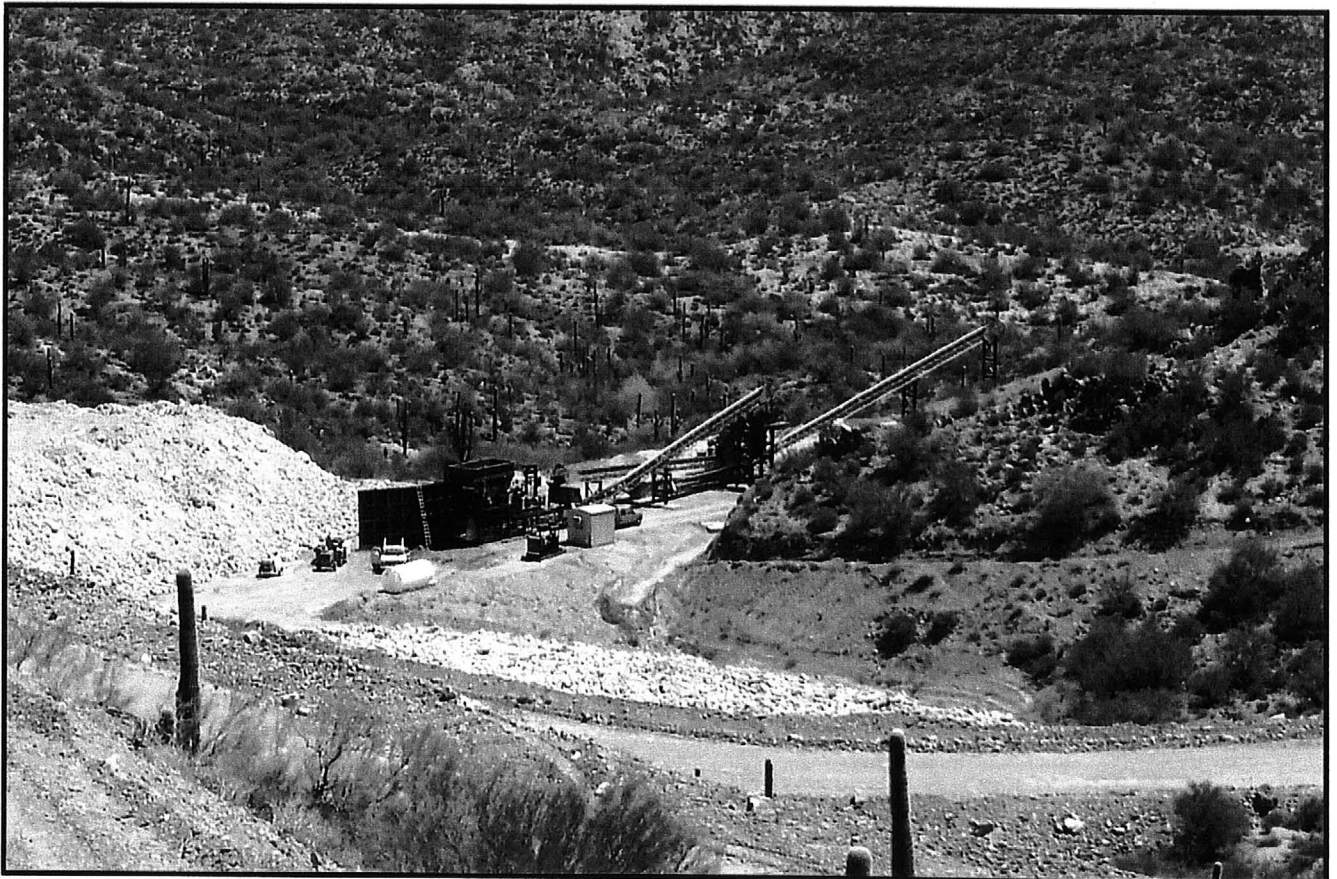
Mining Central Pit



Mining Central Pit



Crushing Plant



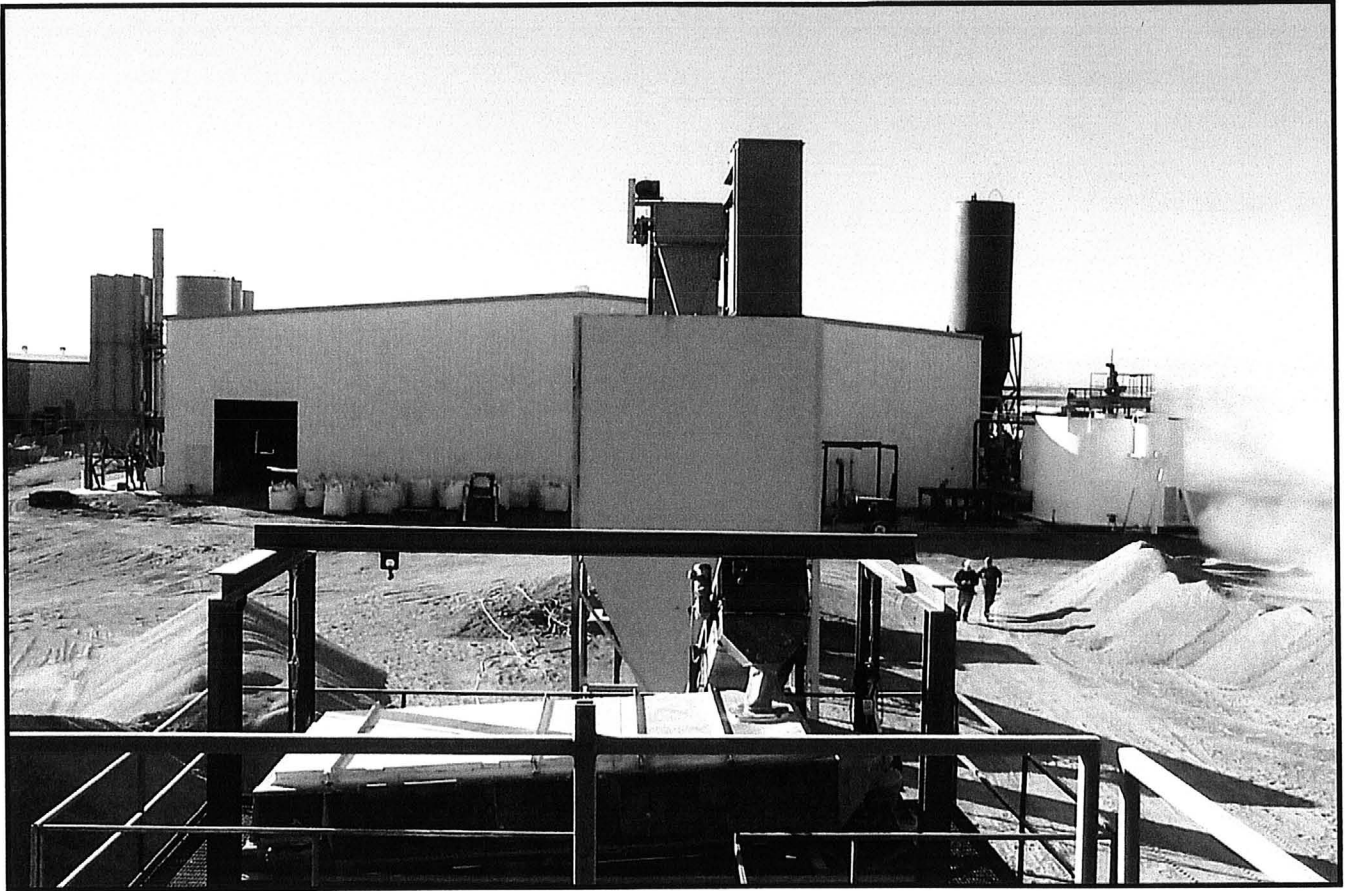
Crushing Plant



Glendale Process Plant



Concentrator



Glendale Process Plant



Glendale Process Plant



Glendale Process Plant



Glendale Process Plant