



Suite 210 - 1333 Johnston Street, Vancouver, BC, Canada, V6H 3R9  
ph: 604.689.7644 + fax: 604.689.7645 + [www.azucarminerals.com](http://www.azucarminerals.com)

## NEWS RELEASE

November 16<sup>th</sup>, 2020

Trading Symbols:

TSX-V: AMZ; OTCQX: AXDDF

[www.azucarminerals.com](http://www.azucarminerals.com)

### **Azucar Files Technical Report for Initial Mineral Resource Estimate for the Norte Zone at the El Cobre Project, Mexico**

VANCOUVER, B.C. Azucar Minerals Ltd. ("Azucar" or the "Company") (TSX-V: AMZ; OTCQX: AXDDF) is pleased to provide notice that a National Instrument 43-101 technical report ("NI 43-101" or "Technical Report") has been filed with Canadian securities regulators to support the initial mineral resource estimate ("MRE") with respect to the Norte Zone of the El Cobre porphyry copper-gold project ("El Cobre Project", or the "Project") in Veracruz State, Mexico.

The Norte Zone is one of five copper-gold porphyry zones identified to date within the El Cobre Project and has been the focus of the majority of exploration work conducted at the El Cobre Project since 2016.

#### **Highlights:**

- **Indicated Mineral Resource of 1.2Moz AuEq (million ounce gold equivalent) using the base case NSR (net smelter return) cutoff of US\$12/tonne**, comprised of 47.2 million tonnes grading at 0.77 g/t AuEq (0.49 g/t Au, 0.21% Cu and 1.4 g/t Ag);
- **Inferred Mineral Resource of 1.4 Moz AuEq using the base case NSR cutoff of US\$12/tonne**, comprised of 64.2 million tonnes grading at 0.66 g/t AuEq (0.42 g/t Au, 0.18% Cu and 1.3 g/t Ag);
- **Amenable to an open pit mining method;**
- **Potential for resource expansion at depth within the Norte Zone as well as at other significant porphyry bodies identified across 5km strike length at the Project.**

The Technical Report, dated effective November 13, 2020, is titled "NI 43-101 Technical Report Mineral Resource Estimate on the El Cobre Copper-Gold-Silver Property Veracruz State, Mexico" and is available under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)). The Technical Report was authored by Kris Raffle, P.Ge. of APEX Geoscience Ltd., and Sue Bird, M.Sc., P.Eng. of Moose Mountain Technical Services both of whom act as independent consultants to the Company, are Qualified Persons (QPs) as defined by National Instrument 43-101 ("NI 43-101") and have reviewed and approved the contents of this news release.

The El Cobre Project has a total area of approximately 11,860 hectares and is located adjacent to the Gulf of Mexico, about 75 kilometres northwest of the major port city of Veracruz, Mexico in an area of excellent infrastructure.

The Mineral Resource Estimate (MRE) and NSR cut-off sensitivities are presented in Table 1 with the base case cutoff at \$US12.00 NSR highlighted. The favorable infrastructure at the El Cobre

Project suggests that the threshold for economic mineralization will be low relative to many other deposits. Copper and gold mineralization at the Norte Zone is associated with a multiphase variably potassic-phyllitic altered porphyritic diorite intrusive complex that is cut by late mafic and intermediate dykes and post mineral feldspar porphyry. The Norte Zone is approximately 0.6 km x 0.4 km along an E-W strike. Sulphide mineralization, which extends up to 900 metres depth, consists of disseminated and vein-hosted chalcopyrite and trace bornite (Cu mineralization) exposed in surface outcrops and intersected in drill core.

**Table 1. Indicated and Inferred Mineral Resource and Sensitivity Analysis**

Classification	Cutoff	in situ	In situ Grades					In situ Metal Content			
	(NSR \$US)	(ktonnes)	NSR	Au (gpt)	Cu (%)	Ag (gpt)	AuEq (gpt)	Au (kOz)	Cu (Mlbs)	Ag (kOz)	AuEq (kOz)
Indicated	7.5	52,828	29.17	0.45	0.20	1.3	0.72	772	230	2,189	1,217
	9	51,134	29.86	0.47	0.20	1.3	0.73	766	228	2,150	1,207
	12	47,211	31.47	0.49	0.21	1.4	0.77	748	221	2,049	1,175
	20	42,923	33.26	0.52	0.22	1.4	0.82	723	211	1,924	1,131
	25	34,711	36.99	0.59	0.24	1.5	0.91	660	187	1,630	1,020
	30	19,092	47.07	0.78	0.29	1.6	1.17	482	123	982	718
	40	10,634	56.97	0.98	0.34	1.7	1.42	336	79	569	487
Classification	Cutoff	in situ	In situ Grades					In situ Metal Content			
	(NSR \$US)	(ktonnes)	NSR	Au (gpt)	Cu (%)	Ag (gpt)	AuEq (gpt)	Au (kOz)	Cu (Mlbs)	Ag (kOz)	AuEq (kOz)
Inferred	7.5	103,105	20.31	0.30	0.14	1.2	0.49	998	324	3,819	1,630
	9	86,821	22.57	0.34	0.16	1.2	0.55	949	298	3,414	1,531
	12	64,191	26.88	0.42	0.18	1.3	0.66	860	254	2,768	1,354
	20	51,617	30.16	0.48	0.20	1.4	0.74	792	224	2,338	1,226
	25	37,381	35.03	0.57	0.22	1.5	0.86	685	182	1,790	1,036
	30	20,314	43.84	0.74	0.26	1.6	1.09	485	116	1,067	709
	40	10,280	52.93	0.93	0.29	1.8	1.32	307	67	582	435

Notes for Mineral Resource Table:

1. The Mineral Resource Estimate was prepared by Sue Bird M.Sc., P.Eng. of Moose Mountain Technical Services, the QP, in accordance with NI 43-101, and with an effective date of August 3, 2020.
2. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
3. The NSR and AuEq values were calculated using US\$1,500/oz gold, US\$3.00/lb copper and US\$18/oz silver, and using metallurgical recoveries of 88% for gold and copper, and 70% for silver. Smelter terms and offsite costs have been applied as follows: gold payable = 94%, copper payable = 96.5%, silver payable = 90%, gold refining costs = US\$5.00/oz, silver refining costs = US\$0.50/oz, copper treatment and offsite (transportation) costs = US\$0.30/lb. NSR royalty = 2.5%. The final equations for NSR and AuEq are:  

$$NSR = Au * (US\$44.04 * 88\%) + Cu * (US\$2.53 * 88\%) + Ag * (US\$0.49 * 70\%);$$

$$AuEq = Au(g/t) + 1.27 * Cu(\%) + 0.009 * Ag(g/t).$$
4. The MRE has been confined by a "reasonable prospects of eventual economic extraction" pit using 45 degree slopes, with the pit size determined at a gold price of US\$1,950/oz, a copper price of US\$4.50/lb and a silver price of US\$28.50/oz. The mining costs used are US\$2.00/tonne. A process cost of US\$12.00/tonne is used as the cutoff of processed material.
5. The specific gravity of the deposit is estimated to be 2.68
6. Numbers may not add due to rounding.

The Norte Zone MRE is classified in accordance with guidelines established by the Canadian Institute of Mining (CIM) "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines" dated November 29, 2019 and CIM "Definition Standards for Mineral Resources and Mineral Reserves" dated May 10, 2014.

There are no other known factors or issues known by the QP that materially affect the MRE other than normal risks faced by mining projects.

The El Cobre Project is subject to the same types of risks that large base metal projects experience at an early stage of development in Mexico. The nature of the risks relating to the Project will change as the Project evolves and more information becomes available. The Company has engaged experienced management and specialized consultants to identify, manage and mitigate those risks.

The El Cobre Project is located in a general region where Pre-Columbian archaeological sites are known. To date exploration programs on the project have been conducted in consultation with Mexico's Federal Agency for Archeology, INAH, which resulted in the identification of several small areas for further study and classification, including one area lying within the MRE pit outline. As is standard practice in Mexico, areas required for development and mining activity would require a clearance from INAH following the implementation of more detailed archaeological investigations and an archaeological salvage program, if necessary. The Company is committed to working with INAH as part of its future exploration and development plans.

### **Mineral Resource Estimate Details**

The drillhole database used to calculate the MRE is comprised of 45 exploration diamond drillholes completed between 2008 and 2019 totalling 28,448 metres, containing a total of 27,173.12m of drill core analyzed for gold and copper by fire assay and Inductively Coupled Plasma – Atomic Emission Spectroscopy (“ICP-AES”), with four acid digestion. Sample intervals within the mineralized domains ranged from 0.45m to 3.81m in length, with 98% of the intervals having a length of 3.0 metres or less.

The Norte Zone 3D geological model created by Azucar integrates assay and geological data collected from diamond core drilling; surface geologic mapping; soil geochemical; and geophysical surveys. Based on these data, the Norte Zone is modelled as an east-west elongate 600 metre x 400 metre subvertical zone of porphyry copper-gold mineralization extending to a maximum depth of approximately 900 metres vertically below surface. Mineralization is constrained by 3D geological solids representing host diorite intrusive, and peripheral andesite and dacite tuff volcanic rocks.

Length-weighted averaged composites of 3 metre core length, restricted to each rock type, were calculated and used for exploratory data analysis and resource estimation. Assays were capped by zone and domain based on cumulative probability plots to remove outliers. The modelled variograms from each domain were used for resource estimation.

A block model with a regularized cell size of 20 m by 20 m by 10 m was used to estimate grade for each metal using Ordinary Kriging (OK). The percentage of each block below the overburden surface and within each domain is used for interpolation and the resource calculations. A total of 489 density measurements have been collected at site. Based on this data, the specific gravity (sg) within the sulphide material is consistent with a mean value of 2.68. The final grade estimates are validated visually by comparing each block's metal estimates to the raw downhole assay data and statistically by comparing the modelled grades to the de-clustered composite grades (NN model), by swath plots and by grade-tonnage curves.

### **QAQC**

The analyses which underpin the MRE were carried out at ALS Chemex Laboratories at

Guadalajara, Zacatecas, Mexico; and North Vancouver, Canada using industry standard analytical techniques. For gold, samples were first analysed by fire assay and atomic absorption spectroscopy (“AAS”). Samples that returned values greater than 10 g/t gold using this technique were then re-analysed by fire assay but with a gravimetric finish. For copper, samples were first analysed by Inductively Coupled Plasma – Atomic Emission Spectroscopy (“ICP-AES”), with four acid digestion. Samples that returned values greater than 10000 g/t copper using this technique were then re-analysed by HF-HNO<sub>3</sub>-HClO<sub>4</sub> digestion with HCL leach and ICP-AES finish. Blanks, field duplicates and certified standards were inserted into the sample stream as part of Azucar’s quality assurance and control program. The QPs detected no significant QA/QC issues during review of the data. Azucar is not aware of any drilling, sampling, recovery or other factors that could materially affect the accuracy or reliability of the data referred to herein.

## **About Azucar**

Azucar is an exploration company with a mandate to thoroughly explore the El Cobre Project in Veracruz, Mexico, which covers multiple gold-rich porphyry targets, as demonstrated by recent drilling. Azucar holds a 100% interest in the El Cobre Project, subject to net smelter returns (“NSR”) royalty interests, assuming production from the property exceeds 10,001 tonnes per day of ore, totaling 2.25% which can be reduced to 2.0% though the payment of US\$3.0 million.

On behalf of the Board of Directors,

*“J. Duane Poliquin”*

J. Duane Poliquin, P.Eng.  
Chairman  
Azucar Minerals Ltd.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release includes forward-looking information that is subject to risks and uncertainties. All statements within this news release, other than statements of historical fact, are to be considered forward looking. Although the Company believes the expectations expressed in such forward-looking information are based on reasonable assumptions, such as those set forth in this news release, such statements are not guarantees of future performance and known and unknown risks, uncertainties, and other factors may cause actual results or developments to differ materially from those as expressed or implied in forward-looking information. Factors that could cause actual results to differ materially from those expressed or implied in forward-looking information include those stated in the news release, and, among others, market prices, exploitation and exploration successes, risks related to international operations, continued availability of capital and financing, and general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. The Company does not assume any obligation to update any forward-looking statements, other than as required pursuant to applicable securities laws.

Contact Information:

Azucar Minerals Ltd.  
Tel. 604.689.7644  
Email: [info@azucarminerals.com](mailto:info@azucarminerals.com)