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NEWS RELEASE

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Trading Symbols:

TSX-V: AMZ; OTCQX: AXDDF

www.azucarminerals.com

Azucar Updates on Drilling Activity at the El Cobre Project, Mexico

VANCOUVER, B.C. Azucar Minerals Ltd. ("Azucar" or the "Company") (TSX-V: AMZ; OTCQX: AXDDF) is pleased to announce that crews have returned from the holiday break and the Company has resumed drilling with one diamond drill at the El Cobre porphyry copper-gold project in Veracruz State, Mexico.

Further to the Company's press release of November 12, 2020, Azucar completed hole EC-20-108 in December 2020, located in the Primo Zone (see Figure 1, Exploration Targets). The deeper part of this hole intersected mostly propylitically altered intrusive rocks. Further drilling is required in the Primo zone to fully test for the high grade mineralisation which was identified initially in this area in hole EC-19-086 (see Figure 2, Primo Target).

The Primo target is a new discovery initially announced in 2019 (see Azucar news release of October 16th, 2019) based on the intersection in hole EC-19-086 of (from 718.00 to 918.00) 200.00 metres returning 0.40 g/t gold and 0.24% copper, including 86.50 metres of 0.70 g/t gold and 0.42% copper which included 55.60 metres of 0.94 g/t gold and 0.56% copper.

Azucar has moved the drill to the Porvenir Zone and has now completed two holes there and started a third. Looking forward, and subject to program results, the Company intends to continue exploration at the Primo, Porvenir, and Villa Rica targets in an effort to further delineate resource potential at the project beyond that contained in the initial Norte Zone resource estimate announced on September 29, 2020. All work is being conducted in strict compliance with health and safety regulations, and with a constant focus on protecting the health and safety of employees and protecting and supporting local communities.

J. Duane Poliquin, Chairman of Azucar, stated "We are pleased to have the drill turning once again on the excellent targets that we have at El Cobre. We look forward to updating shareholders on progress later this winter."

About the El Cobre Project

To date, Azucar has discovered five copper-gold porphyry zones within the El Cobre Project along an approximately 5km trend, stretching from Norte down to Encinal in the southeast (Figure 1). These zones are defined by distinct Cu-Au soil anomalies, discrete, positive magnetic features, a large IP chargeability anomaly, and drilling. A summary of the various zones is provided below.

NORTE ZONE: All five holes drilled in the Norte Zone prior to 2016 intersected porphyry-style mineralisation. Hole 08-CBCN-022, one of the deepest holes drilled at Norte in 2008, returned values of 0.14% Cu with 0.19 g/t Au over 259 m and 08-CBCN-19 intersected 41.15 metres averaging 0.42 g/t gold and 0.27% copper to the end of the hole at 187.45 metres. Drilling at the Norte Zone in 2016 and 2017 resulted in intersections including 114.60 metres grading 1.33 g/t Au and 0.48% Cu (Hole EC-17-018, see press release of April 5, 2017), 80.50 metres grading 1.34 g/t Au and 0.46% Cu (Hole EC-16-012, see press release of October 24, 2016), and 70.45 metres grading 2.32 g/t Au and 0.59% Cu (Hole EC-17-026, see press release of July 25, 2017). Continued drilling through 2018 and 2019 has culminated in the mineral resource estimate announced on September 29, 2020.

VILLA RICA ZONE: The Villa Rica Zone is located about 1.8 km south of the Norte zone, and comprises a roughly 2.5 kilometre by 1 kilometre area of hydrothermal alteration defined also by a strong north-northwest trending magnetic-chargeability high and associated copper-gold soil geochemical anomalies. Past mapping and sampling defined several areas of exposed porphyry mineralisation within the Villa Rica zone, including the Raya Tembrillo target and the Naranjo target, both at the north end of the Villa Rica zone. Initial drilling in 2017 on the Raya Tembrillo target intersected two styles of mineralisation; hypogene copper-gold porphyry mineralisation (115.00 metres of 0.57 g/t gold and 0.27% copper, see press release

of November 28, 2017) and near surface exotic enriched copper mineralisation with an apparent tabular distribution (94.00 metres of 1.36% copper; see press release of December 13, 2017).

The Primo target area, first announced on October 16, 2019, is also considered to be part of the Villa Rica zone, and is located approximately 1km south of Raya Tembrillo. Primo has been the location of some of the highest copper grades intersected at the Project, such as 200 metres of 0.40 g/t gold and 0.24% copper from 718 metres downhole, which included 86.50 metres of 0.70 g/t gold and 0.42% copper from 831.50 metres (see press release of October 16, 2019).

EL PORVENIR ZONE: The El Porvenir zone is located about 2 km east of the Villa Rica zone. Significant copper and gold grades have been intersected at El Porvenir, such as 0.16% Cu and 0.39 g/t Au over 290 m in hole DDH04CB1. Results from minimal drilling in 2017 include hole EC-17-040 which intersected 108.00 metres grading 0.88 g/t Au and 0.29% Cu, and hole EC-17-044 which intersected 40.25 metres grading 0.50 g/t Au and 0.25% Cu.

SUEGRO ZONE: Drilling in 2019 identified this new porphyry centre between the El Porvenir and Encinal Zones. The Suegro Zone is located approximately 250 metres southwest of the Porvenir Zone, within a large area of alteration associated with more subdued magnetics, and low zinc and manganese in soil. The Suegro mineralisation intersected in the drilling to date is associated with an altered (locally intense phyllic alteration overprinting potassic) intrusive. Intercepts to date include 28.20 m of 0.54 g/t Au and 0.17% Cu (hole EC-19-064; see press release of March 19, 2019).

ENCINAL ZONE: The Encinal zone is located approximately 1km south of the El Porvenir zone. Previous drilling at Encinal has intersected a highly altered breccia pipe containing fragments of stockwork veining and porphyry mineralisation across which 18.28 metres returned 1.42 g/t Au and 0.10% Cu (Hole CB5). The breccia pipe occurs in a large alteration zone, IP chargeability high and magnetics low which has not been tested to depth. On June 19, 2017 Azucar announced that a new area of exposed stockwork quartz veining and gold mineralisation had been identified in the Encinal Zone. On June 29, 2017 Azucar announced the results of initial drilling on this exposed stockwork (Hole EC-17-025) which returned results including 34.47 metres grading 0.73 g/t Au and 0.20% Cu.

More information on El Cobre is available on the Azucar website at <http://www.azucarminerals.com>.

El Cobre NI 43-101 Technical Report

On September 29, 2020, the Company released an initial mineral resource estimate for the Norte Zone comprising an indicated resource containing 748,000 ounces of gold and 221Mlbs copper (47.2 million tonnes grading 0.49 g/t Au, 0.21% Cu 1.4 g/t Ag) and an inferred resource containing 860,000 ounces of gold and 254Mlbs copper (64.2 million tonnes grading 0.42 g/t Au, 0.18% Cu and 1.3 g/t Ag). A related technical report prepared in accordance with National Instrument 43-101 and titled "NI 43-101 Technical Report Mineral Resource Estimate on the El Cobre Copper-Gold-Silver Property Veracruz State, Mexico" was filed under the Company's profile on SEDAR on November 16, 2020 and can be obtained from www.sedar.com.

Mr. Luis Alfonso Soto, B.Sc. Geology and a Certified Professional Geologist (AIPG, CPG-11938) is a Qualified Person as defined by National Instrument 43-101 ("NI 43-101") and has reviewed and approved the contents of this news release. The porphyry mineralisation reported in this news release is associated with broad areas of alteration and stockwork veining. True widths cannot be determined at this time. The analyses reported were carried out at ALS Global Laboratories of North Vancouver using industry standard analytical techniques. For gold, samples are first analysed by fire assay and atomic absorption spectroscopy ("AAS"). Samples that return values greater than 10 g/t gold using this technique are then re-analysed by fire assay but with a gravimetric finish. For copper, samples are first analysed by Inductively Coupled Plasma – Atomic Emission Spectroscopy ("ICP-AES"), with four acid digestion. Samples that return values greater than 10000 g/t copper using this technique are then re-analysed by HF-HNO₃-HClO₄ 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 which complies with National Instrument 43-101 requirements.

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% through 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.

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This news release includes forward-looking statements that are subject to risks and uncertainties. All statements within it, other than statements of historical fact, are to be considered forward looking. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, 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. We do not assume any obligation to update any forward-looking statements, other than as required pursuant to applicable securities laws.

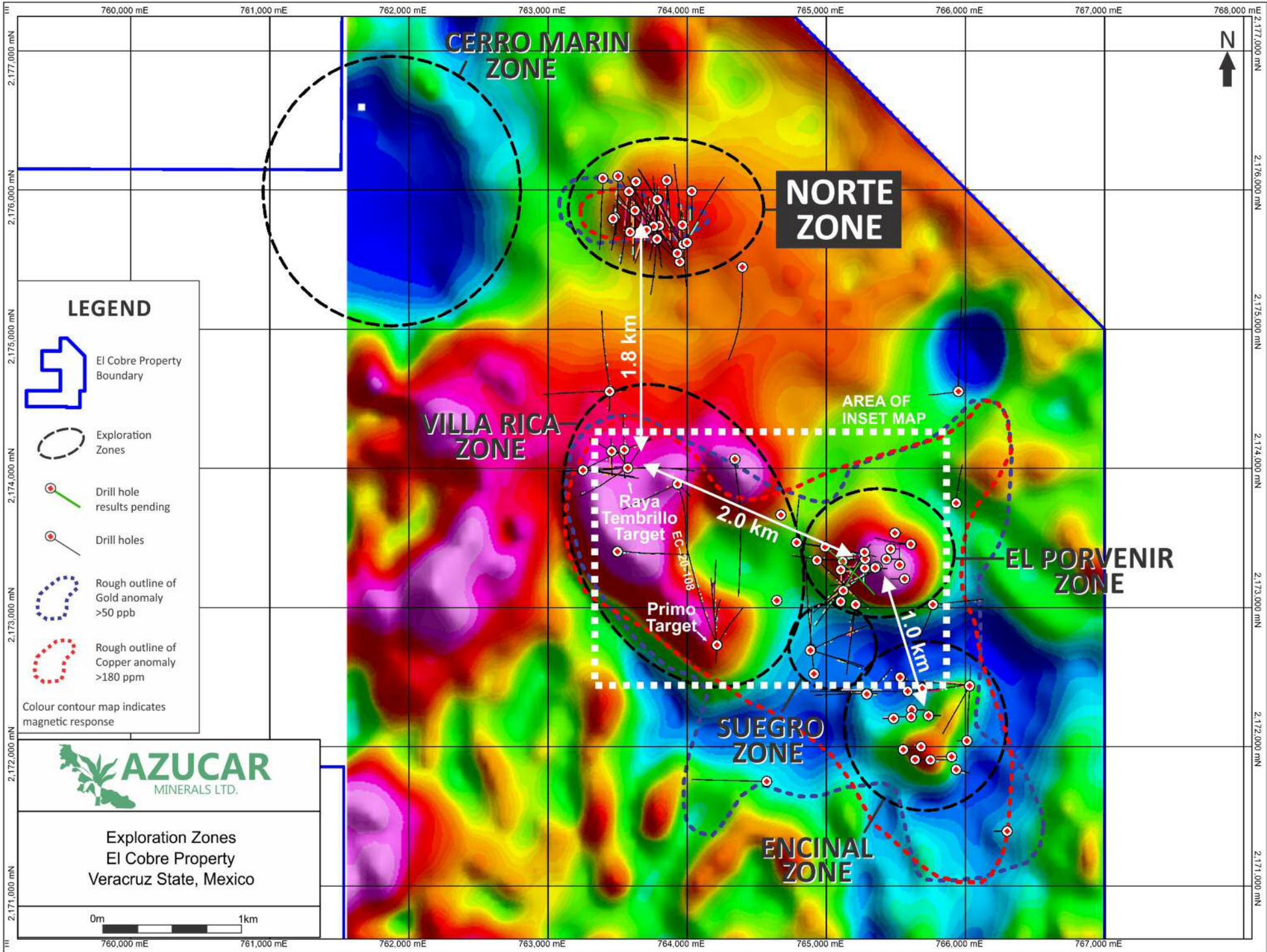
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LEGEND



El Cobre Property Boundary



Exploration Zones



Drill hole results pending



Drill holes



Rough outline of Gold anomaly >50 ppb



Rough outline of Copper anomaly >180 ppm

Colour contour map indicates magnetic response



Exploration Zones
El Cobre Property
Veracruz State, Mexico



CERRO MARIN ZONE

NORTE ZONE

VILLA RICA ZONE

AREA OF INSET MAP

EL PORVENIR ZONE

SUEGRO ZONE

ENCINAL ZONE

1.8 km

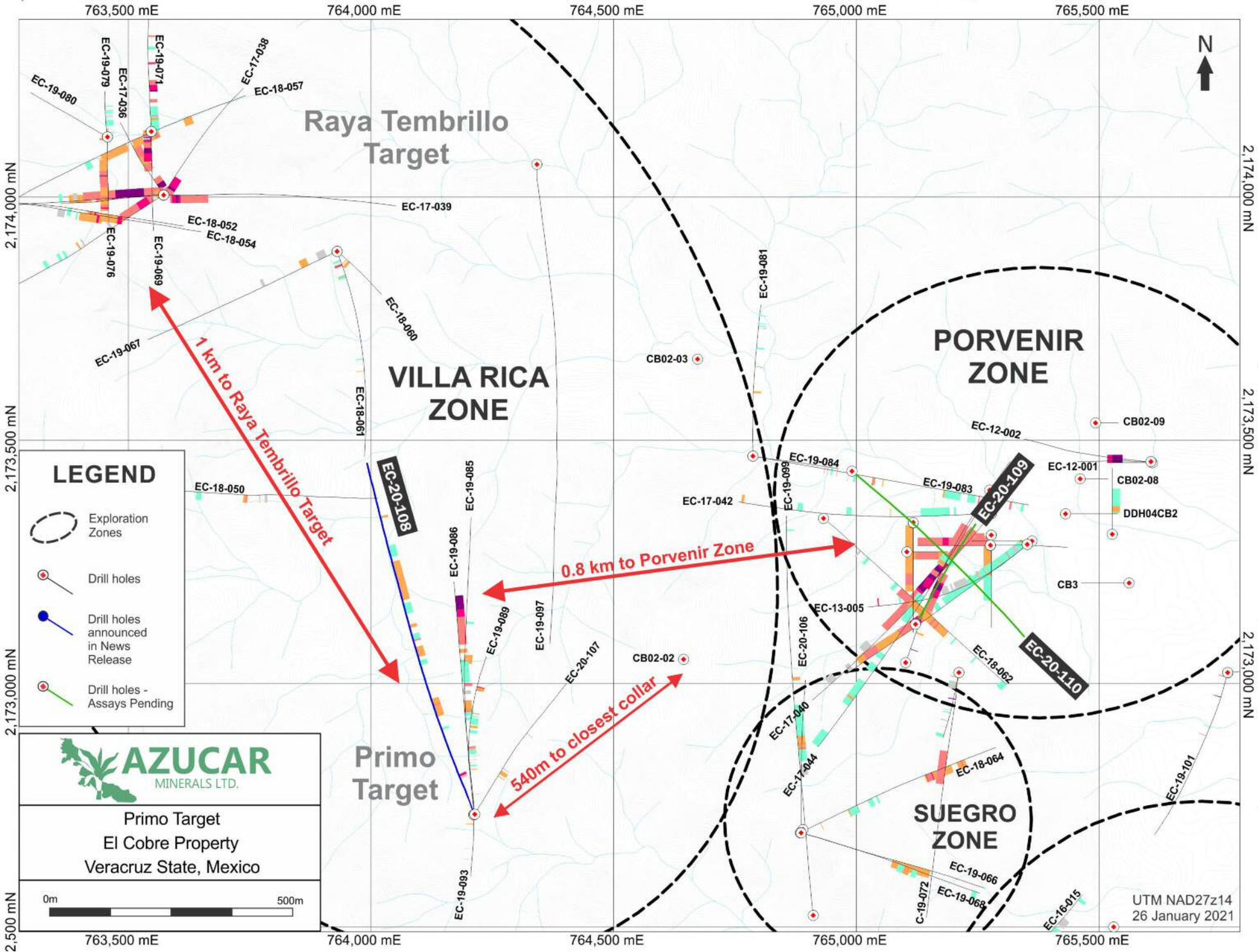
2.0 km

1.0 km

Raya Tembrillo Target

Primo Target

EC-20-108



Raya Tembrillo Target

VILLA RICA ZONE

PORVENIR ZONE

SUEGRO ZONE

Primo Target

1 km to Raya Tembrillo Target

0.8 km to Porvenir Zone

540m to closest collar

LEGEND

- Exploration Zones
- Drill holes
- Drill holes announced in News Release
- Drill holes - Assays Pending



Primo Target
El Cobre Property
Veracruz State, Mexico



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26 January 2021