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**NEWS RELEASE**  
**December 21, 2021**

Trading Symbols:  
TSX-V: AMZ; OTCQX: AXDDF  
[www.azucarminerals.com](http://www.azucarminerals.com)

**Azucar Maps Significant Porphyry Lithocap in  
Newly Defined Target Area at the El Cobre Project**

VANCOUVER, B.C. Azucar Minerals Ltd. ("Azucar" or the "Company") (TSX-V: AMZ; OTCQX: AXDDF) is pleased to announce the definition of a large area of lithocap alteration in the zone of focus identified in the recently announced mineral chemistry porphyry vectoring study (see Azucar News Release of November 4, 2021). Lithocaps are large domains of altered rocks that are observed to form above and to the side of porphyry intrusive complexes worldwide.

As discussed in the company's News Release of November 4, 2021, the newly mapped lithocap alteration and mineral vector target area both overlap the location of a deep IP geophysical anomaly which does not crop out, within an area of moderate magnetic response. The deep IP anomaly is the deep core to the broad near surface anomaly which encompasses all the known outcropping porphyry targets on the project. The closest hole to this deep core IP anomaly, which did not test the anomaly, intersected intense quartz pyrite sericite (QSP) phyllic alteration which provides further support to this new target representing a possible porphyry centre.

The new spectral mineral mapping in this area (see Figure 1) has further defined a strong alteration signature with clear zoning including a central diaspore-pyrophyllite-shallow alunite/dickite and concentric halos of paragonitic and muscovitic white mica and inner propylitic epidote halo. Observed illite crystallinity shows consistent high crystallinity over the entire target. Iron oxide rockchip mapping shows a hematite core zone and a goethite halo as well. The central zones of diaspore are associated with a large 700 metre (E-W) x 550 metre (N-S) pyrophyllite anomaly with sporadic halos of dickite, minor alunite (shallow level) and a significant halo (up to 900 metres) of paragonitic illite grading to a circular muscovitic alteration halo bordering the inner epidote propylitic alteration halo. This alteration signature is interpreted to reflect the surface zoning of an underlying porphyry body with structures likely acting as feeder to high temperature fluids (pyrophyllite >250°C) and diaspore forming a partially eroded lithocap at surface.

Currently a grid-based soil sampling program for spectral and geochemical analysis is being completed from which it is hoped a more robust alteration vector map can be developed to help better focus a drill program, now planned for H1 2022.

J. Duane Poliquin, Chairman of Azucar, stated "The new alteration mineral data further enhances this new focus area for the El Cobre project. We are compiling all data to design a 2022 drill program to explore for a deep porphyry target in this area of the El Cobre Project."

**About the El Cobre Project**

A detailed summary of the project is provided on the Company's website but in brief the El Cobre project covers a 5 km trend of porphyry copper-gold associated alteration and mineralisation along which five separate zones have now been identified and explored in past drilling campaigns (see Figure 1). On September 29, 2020, the Company released an initial mineral resource estimate on the project from only the Norte Zone. The base case resource estimate (using a net smelter return cutoff of US\$12/tonne) for the Norte Zone is comprised of an **indicated resource of 1.2 Moz AuEq** (47.2 million tonnes grading 0.49 g/t Au, 0.21% Cu 1.4 g/t Ag) **and an inferred resource of 1.4 Moz AuEq** (64.2 million tonnes grading 0.42 g/t Au, 0.18% Cu and 1.3 g/t Ag). Further details of the resource estimate are provided below.

At the Villa Rica Zone, located about 1.8 km south of the Norte Zone, the Company plans to further explore the Raya Tembrillo Target. 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 enriched copper mineralisation with an apparent tabular distribution (94.00 metres of 1.36% copper; see press release of December 13, 2017). At the Encinal Zone, located 4.3 kilometres to the southeast of the Norte Zone, the Company is conducting a more thorough review of the geological, geochemical and geophysical

datasets in order to design a future drill program to follow-up past drill results. On June 29, 2017 Azucar announced the results of initial drilling on this exposed stockwork (Hole EC-17-025) that returned results including 34.47 metres grading 0.73 g/t Au and 0.20% Cu.

Past drilling campaigns have returned significant porphyry copper and gold assays from multiple targets around this new mineral vector target area. The previously tested and known porphyry mineralisation, including the Norte deposit on which the company has developed a resource (see below), appear to mantle and surround this new target area in a roughly arcuate zone of high magnetic response. High grade intersections from these targets highlight the potential for significant mineral endowment and for higher grade porphyry mineralisation include the following (see Figure 1 for locations):

#### Norte Zone

Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)
EC-17-018	222.40	334.50	112.10	1.35	0.48
EC-17-026	543.45	609.90	66.45	2.41	0.61
Including	543.45	569.45	26.00	4.15	1.00
EC-17-029	204.15	314.15	110.00	1.87	0.48
Including	208.15	240.15	32.00	2.57	0.57
and	264.15	300.15	36.00	2.02	0.51

#### Raya Tembrillo (1.8km South of Norte)

Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)
EC-17-037	302.00	320.00	18.00	1.25	0.52

#### Primo Zone (1.4km South of Raya Tembrillo)

Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)
EC-19-086	868.40	918.00	49.60	0.99	0.61
Including	878.40	914.40	36.00	1.10	0.68

#### Porvenir Zone (2.5 km SE of Norte, 1.0 km west of Primo)

Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)
EC-17-040	243.00	255.00	12.00	2.43	0.82
EC-18-056	381.50	408.00	26.50	1.72	0.34

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

#### Technical Details and the El Cobre NI 43-101 Technical Report

For details on the estimation of mineral resources, including the key assumptions, parameters and methods used to estimate the Mineral Resources at the El Cobre property, Canadian investors should refer to the report dated effective November 13, 2020, and titled “NI 43-101 Technical Report Mineral Resource Estimate on the El Cobre Copper-Gold-Silver Property, Veracruz State, Mexico” which is available under Azucar Minerals’ profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Company’s website. The Technical Report was authored by Kris Raffle, P.Geol. of APEX Geoscience Ltd., and Sue Bird, M.Sc., P.Eng. of Moose Mountain Technical Services. 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.

Morgan Poliquin, Ph.D., P.Eng. a Qualified Person under NI 43-101 the President and CEO as well as a Director of the Company reviewed and approved the other technical information. The porphyry mineralisation and past drilling results discussed and reviewed in this news release are 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-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 which complies with National Instrument 43-101 requirements.

## **Azucar OTC Trading to Move from OTCQX to OTCQB**

Effective January 1, 2022, Azucar will begin trading on the OTCQB marketplace rather than the OTCQX. Azucar's trading symbol on the OTCQB will remain as "AXDDF".

### **About Azucar**

Azucar is an exploration company exploring 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.*

Contact Information:

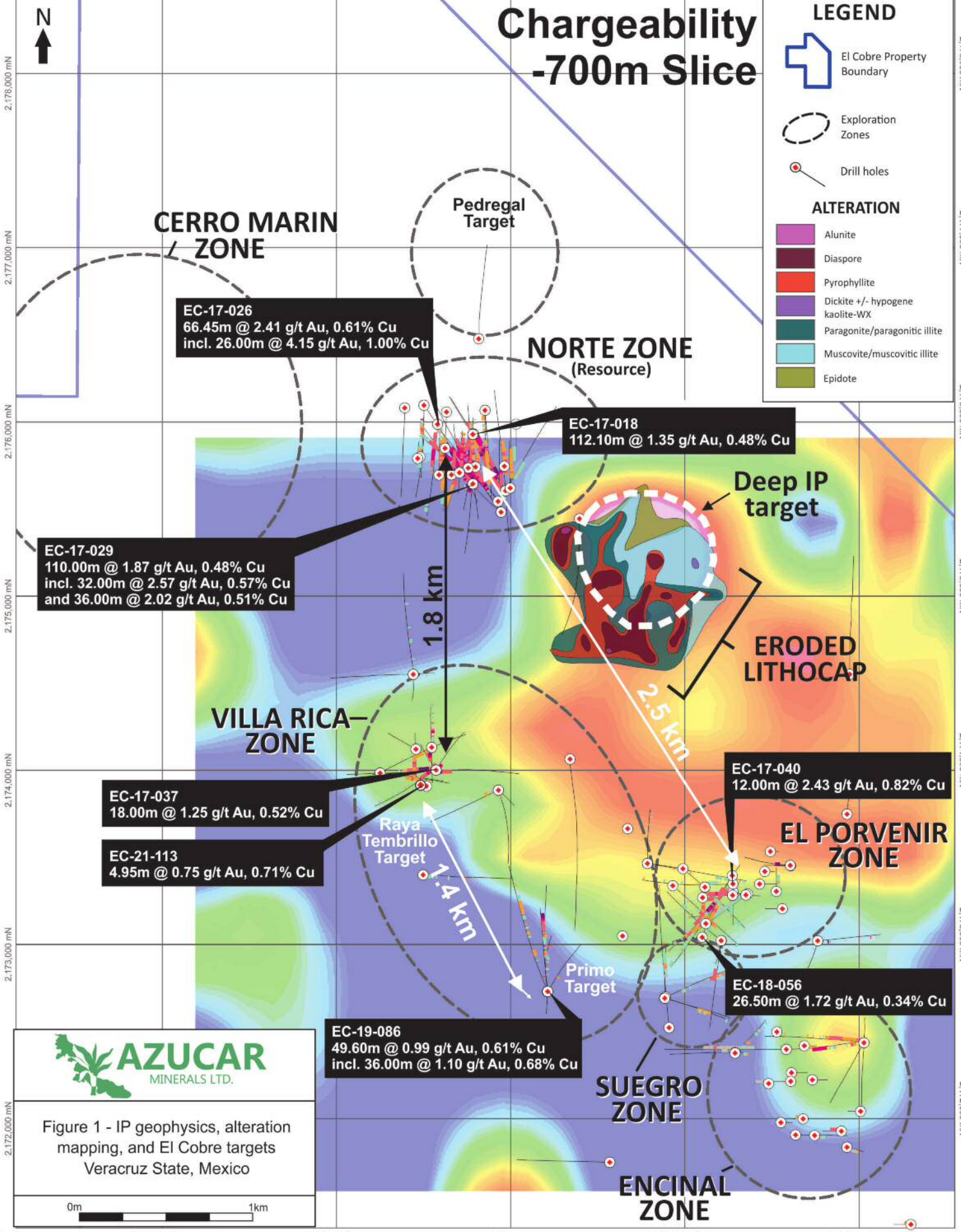
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<http://www.azucarminerals.com/>

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# Chargeability -700m Slice

## LEGEND

- El Cobre Property Boundary
- Exploration Zones
- Drill holes

## ALTERATION

- Alunite
- Diaspore
- Pyrophyllite
- Dickite +/- hypogene kaolite-WX
- Paragonite/paragonitic illite
- Muscovite/muscovitic illite
- Epidote

### CERRO MARIN ZONE

Pedregal Target

### NORTE ZONE (Resource)

Deep IP target

ERODED LITHOCAP

### VILLA RICA ZONE

### EL PORVENIR ZONE

### SUEGRO ZONE

### ENCINAL ZONE

**EC-17-026**  
66.45m @ 2.41 g/t Au, 0.61% Cu  
incl. 26.00m @ 4.15 g/t Au, 1.00% Cu

**EC-17-018**  
112.10m @ 1.35 g/t Au, 0.48% Cu

**EC-17-029**  
110.00m @ 1.87 g/t Au, 0.48% Cu  
incl. 32.00m @ 2.57 g/t Au, 0.57% Cu  
and 36.00m @ 2.02 g/t Au, 0.51% Cu

**EC-17-037**  
18.00m @ 1.25 g/t Au, 0.52% Cu

**EC-21-113**  
4.95m @ 0.75 g/t Au, 0.71% Cu

**EC-17-040**  
12.00m @ 2.43 g/t Au, 0.82% Cu

**EC-18-056**  
26.50m @ 1.72 g/t Au, 0.34% Cu

**EC-19-086**  
49.60m @ 0.99 g/t Au, 0.61% Cu  
incl. 36.00m @ 1.10 g/t Au, 0.68% Cu

1.8 km

2.5 km

1.4 km

Raya Tembrillo Target

Primo Target



Figure 1 - IP geophysics, alteration mapping, and El Cobre targets Veracruz State, Mexico



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