

CERVANTES PORPHYRY GOLD-COPPER PROPERTY ⁽¹⁹⁾

Expositor	Día	Hora	Sala
Joey Wilkins	Jueves 25	11:00 – 11:30	Sala B

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Cervantes is a relatively unexplored porphyry style Au-Cu-Mo system located in eastern Sonora and 160 kilometers east of Hermosillo, the State's capital. The original 500 hectare property is under option to purchase (or joint venture) from underlying owner, Kootenay Silver (Minera JM). Aztec Minerals Corp. (AZT.TSXV) increased the property position in March of 2018 during a lottery (sorteo) conducted in Hermosillo at the Department of Mines. The property now consists of approximately 3,649 hectares of highly prospective ground with potential to discover additional high quality targets. Aztec has recently completed year 3 of a 4 year option agreement and the property is in good standing with Kootenay Silver.

Geographically, Cervantes is 46 kilometers west of the La India gold+/-copper-moly deposit, owned and operated by Agnico-Eagle and 61 kilometers west of Mulatos, a high sulphidation open pit gold mine operated by Alamos Gold. The Cananea porphyry copper-moly deposit is 260 kilometers to the north-northwest and La Caridad is 176 kilometers north of Cervantes, both deposits owned and operated by Grupo Mexico. The Cervantes property is in regional belt of Laramide age porphyry copper-moly-gold deposits that stretch from central Arizona to northern Sinaloa in addition to the western edge of the extensive north-northwest trending belt of Eocene to Oligocene age epithermal deposits that extends from south-central Mexico up into southeastern Arizona and southwestern New Mexico. At the present, the age of Cervantes is unknown, but most thoughts are it will have a Laramide date particularly given some of the similarities to nearby La India and the San Antonio De La Huerta cluster of gold and copper deposits.

Geologically, Cervantes is centered on an east-northeast trending high level quartz feldspar porphyry to intrusive breccia complex cross cutting northwest trending Ordovician siliciclastic continental shelf sedimentary rocks. Alteration is composed of overlapping phyllic, argillic, possible remnant advanced argillic, and relic potassic alteration which is composed of light brown biotite alteration (biotite hornfels) in sedimentary rocks. The geochemistry of the main California Target displays a central high grade gold zone measuring at least 600 meters wide by 900 meters long 0.44 gpt Au in soils with a core area of 1.03 gpt Au, supported by several rock chip samples up to 19.0 gpt Au. Copper in soils and rocks overlaps the gold zone both

along the south and north side and has associated high and distinct molybdenum in soil values. The full extent of the gold, copper, and molybdenum anomalies haven't been established and open in several directions. Peripheral targets to the California target include Jasper, Brasil, La Purisima, Jacobo, El Tigre, La Verde, and Ridgeline. All of these targets contain elevated to high grade gold with copper, silver, molybdenum, and anomalous lead and zinc.

The property has seen two major mineral exploration campaigns, one by Penoles in 1996-1997 and then recently by Aztec Minerals starting late 2017-2018. Aztec's core drilling program commenced in late 2017 and ended in May of 2018, with a total of 2674.55 meters drilled in 17 core holes. The drilling targeted a copper-gold-moly in channel samples and anomalous soils target on the Jasper Target with 2 core holes and 15 core holes on the California gold+/-copper Target. The Jasper target was based upon channel samples that identified a 94.0 meter zone of 0.62 gpt Au which includes higher grade anomalous samples of up to 7.15 gpt Au over 2.0 meters within 6.0 meters of 4.78 gpt Au with minor visible gold identified. The same 94.0m interval contains 0.52% Cu and includes 1.39% Cu over 2.0 meters within 12.0m of 1.06% Cu, entirely as copper oxides. The California drilling targeted the 600 by 900 meter gold in soil anomalies with a focus on a central area averaging 1.03 gpt Au in 29 samples and a high of 4.38 gpt Au.

Aztec's drilling on California targeted the higher grade gold in soil anomaly with angle holes predominantly directed towards the southwest along the intrusive breccia and gold in soil geochemical longitudinal axis in addition to drilling perpendicular to multiple NW-SE and N-S trending quartz stockwork zones. Results indicate gold mineralization was found from the surface to depths of at least 166 meters, with lower grade gold and copper values to depths of 227 meters (deepest hole is 227 meters). Drill holes of note are 17CER005 with 20.0 meters of 2.10 gpt Au within 137.0 meters of 0.71 gpt Au and 18CER010 with 28.0 meters of 1.77 gpt Au within 166.0 meters of 0.77 gpt Au starting, the longer sections both holes starting from surface. The drilling also focused on inclusion of ground geophysics IP which was conducted in the early fall of 2016 and identified a chargeability low coincident to the gold in soils anomaly. The anticipated target in California was a gold bearing oxide zone, but in reality, the drilling encountered a mix of shallow and deep oxidation, proving the geology is more complex than the geophysics would suggest.

Additional targets are under investigation, such as La Purisima, Jacobo, and Brasil. Excellent results in soil sampling are highlighted by a moderate gold grade zone measuring 350 meters by 250 meters centered on a historic glory hole mine where 'fines' soil samples netted up to 44.0 gpt Au and 3 other samples > 10.0 gpt Au. Geologic investigations at Purisima determined the bulk of gold mineralization is hosted in sedimentary breccias with gossans, minor magnetite, and specularite. The sedimentary breccias are on the flank of a sub-volcanic intrusive complex with diatreme like features and scattered quartz feldspar porphyry outcrops. Work is underway on Purisima along with the other targets where the focus is to elevate them to potential drill stage through mapping, sampling, and systematic exploration.