

Canuc Resources CEO Berlet in New Presentation

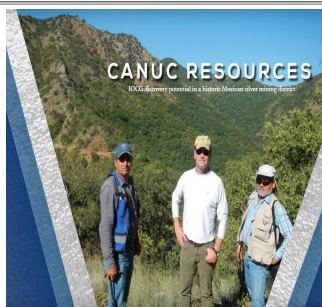
Canuc Resources (TSX.V: CDA)

CEO Chris Berlet is featured in a new presentation about the exciting growth prospects for the San Javier resource, located in Mexico.

Canuc is unique in that their every day expenses and running costs are funded by gas wells located in Texas! This means of course that every penny raised goes into the ground for exploration.

Canuc Resources	TSX.v : CDA
Stage	Exploration + production
Metals	Silver + gas
Market cap	C\$20 m @ 19c
Location	Sonora, Mexico, and Texas USA







Canuc Resources still bears the name it was christened with in 1954 when it focused exclusively on uranium mining prospects in Canada (Canuc = Canadian nuclear). The company has experienced several evolutions over the ensuing decades, most recently switching its focus from a gold project in Ecuador to silver-gold tenements in Mexico, which is the world's largest producer of what Canuc describes as the 'indispensable metal' – silver – owing to its applications across myriad modern devices. "Electrical conductivity makes silver an indispensable metal in the electrification of the global economy," explains Canuc president and CEO Chris Berlet. "It's used in solar panels, circuit panels, cell phones and more, and is more conductive even than copper. On a scale of 0-100, the electrical conductivity of copper would be 96: whereas silver is 100. Charged ions on the surface of silver metal also give it anti-microbial properties," he says. Berlet joined the board of Canuc in 2008 and was a key driving force behind the company's interest in the San Javier Silver-Gold Project, which is located in a historic mining district in Sonora State, Mexico. In addition to San Javier, Canuc operates a group of natural gas wells in the US State of Texas, which provide stable cash flow for the company's corporate overheads. Berlet and co were first drawn to the San Javier project in 2009 after they visited an old silver mine and found extensive high to bonanza-grade silver in the veins of underground workings, along with concurrent gold mineralization. He recalls that the average recorded grade from the artisanal mine workings was 388 g/t silver with a 2 g/t gold credit, while average head grades for today's producing silver mines is somewhere around 160 g/t silver. "We'd seen reports previously written to the boards of Hecla Mining and Endeavour Silver, written around the 2003 timeframe, recommending purchase of the mine and accumulation of claims along trend," says Berlet "While the project was deemed too small by those companies, it presented an opportunity for us – as a private company at the time to accumulate claims along the 3 km trend. By 2017, we had 17 contiguous claims and were able to vend them Into Canuc Resources by way of an RTD."



The home of Mexican mining
The presence of major mining houses such as Hecla and Endeavour in Sonora State is now very much the norm in what is one of the busiest mining jurisdictions in Latin America. Sonora is home to one of Mexico's largest gold mines; Fresnillo's now 100% owned La Herradura. The State also hosts the most value-accretive recent silver discovery on the TSX, after the Las Chispas deposit sent SilverCrest's stock from 25 cents to \$315. "Mines get permitted in Sonora, there's an experienced labor pool and geology is conducive to metal inventory discovery and mineral wealth creation. Overall, it's a fantastic place to create shareholder value through mineral discoveries," Berlet proclaims. Canuc has spent the last four years exploring its principal claims across the San Javier project with the intention of making a significant new silver discovery that could also contain a meaningful gold-copper endowment. During this period of exploration, the company has gradually built a hypothesis around the potential for an IOCG (iron oxide copper gold) deposit to exist at San Javier. The company's latest findings provide the most solid evidence yet in support of this theory. IOCG deposits are known for being very large and extremely valuable, high-grade metal resources hosted in iron oxide assemblages. IOCGs were only properly classified in the 1990s, largely thanks to the work of Dr Murray W. Hitzman, who would later go on to become the head of the Department of Geology and Geological Engineering at the Colorado School of Mines. IOCG potential in the San Javier area was first postulated in a site visit report written by Dr Hitzman in 2006. In particular, the report references all the hallmarks of IOCG deposit types in this area and prerequisites the presence of magnetite as indicating the lower levels of an IOCG system.

Canuc Resources – IOCG potential

So when Canuc uncovered a sizeable breccia vein containing high grade silver mineralization and extensive magnetite zones in September last year, the IOCG deposit theory was given a significant boost. The discovery was made at the El Tule claim that had been acquired from a private Mexican firm in October 2019. "Old mine workings found within the breccia body on surface showed significant silver in magnetite with sometimes up to bonanza grades of silver reported within the magnetite veins. There's a chance that the large magnetic anomalies detected could be massive magnetite containing silver. That's our hypothesis at this stage." The dimensions of the magnetic anomalies are impressive enough in that they currently show up to 1,000 metres in strike length with a width up to 600 metres. In total, there are five discreet magnetic anomalies across the company's claims with silver magnetite in one area and copper-gold in another. All of the aforementioned features of the system are important hallmarks of IOCG geology according to the Canuc chief: "We'll be drilling into these anomalies in the second half of the year and hope to confirm the lower levels of an IOCG system, as first postulated for the San Javier area by Dr Hitzman in 2006." The TSX-V listed company has fostered a good working relationship with its Mexican drilling partner Minerales y Carbones – the same private metallurgical coal focused outfit that Canuc acquired the El Tule claim from in 2019. "Minerales y Carbones is an extremely credible in country business partner, owing to its decades of experience in the Mexican mineral extraction space. This highly profitable organization employs around 400 permanent staff and 1,000 contractors. Senior management and engineering staff support its recent pivot into the drilling and prospecting business." "Minerales y Carbones purchased a new diamond drill and trained a dedicated drill crew who are working with us. This will be everything we need for execution of a successful drill programme at San Javier."



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Chris Berlet, Canuc Resources President. CEO and director.

"Outside of that we have very competent geologists as well as legal support in Mexico as required for defining our title and mining rights."

Crucial cash flow

Away from the San Javier project, Canuc continues to receive steady cash flow from eight natural gas production wells that are located around 150 miles North of George W. Bush's ranch in Crawford, Texas. Each of the two leases covering the current production can support up to 12 additional wells which will allow Canuc to accrue cash flow from these assets for several years to come.

"Though the cash flow will not pay for our drilling in Mexico, it does cover our corporate costs and allows us to eliminate unnecessary dilution," Berlet explains. "That is the reason we have, and maintain, these cashflow



assets which are located in a safe jurisdiction. Any money we raise elsewhere goes straight into the ground in Mexico."

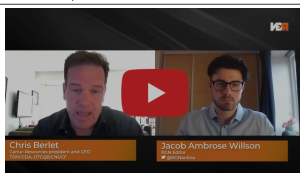
A successful outcome at the San Javier project for Canuc Resources would be a significant silver discovery with additional gold-copper endowment inside an overarching IOCG-type deposit. This is the big prize that the company is seeking to confirm with drilling later this year.

Referring to the discovery of mineralized breccia and extensive magnetite zones last year, Berlet evokes the old saying 'where there is smoke there is fire'; in this case the fire would be a large-scale IOCG deposit within the San Javier project area.

"The next step in our process at San Javier is to locate the source of the silver at depth and perhaps the mineral rich chambers in the lower levels of an IOCG deposit within our mineral claim group," he says.

"We have proven the presence of extensive silver, gold and copper in magnetite. We've studied mineralogy, completed magnetic surveys and identified the targets. We're set up and fully financed for a drill programme on our 100%-owned claims in a jurisdiction with a great history for discovery of highly economic silver and gold deposits."

Christopher Berlet Full Interview with RGN.



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