



January 29th, 2020

Salazar Provides Updates on Exploration at Los Osos and an Executive Appointment

VANCOUVER, BRITISH COLUMBIA, JANUARY 29TH, 2020 -- SALAZAR RESOURCES LIMITED (TSXV: SRL) (Frankfurt: CCG.F) ("Salazar" or the "Company") is pleased to provide an update on the Osos project, El Oro province, Ecuador, and to announce the appointment of Merlin Marr-Johnson as Executive Vice-President:

Highlights

- Extensive sulphide mineralization within porphyries, metamorphic rocks and hydrothermal breccias mapped and tested, peaking at 14.5 g/t gold over 0.6 m in a veined quartzite
- Apparent correlation of gold and copper grades with sulphide intensity
- Numerous old workings for gold-silver in high-grade veins and in some hydrothermal breccia zones
- Targets identified for imminent drill program

Fredy Salazar, CEO of Salazar Resources commented, *"Work at Los Osos has returned excellent results with extensive mineralization identified in porphyritic intrusions, metamorphics, and in hydrothermal breccia bodies to date. Sampling and mapping of the extensive network of adits and galleries is ongoing, and we have already drawn up drill targets on previously untested bodies. What makes the Osos project so compelling is that it is only 10 km south of the 17 Moz Cangrejos gold project and Pacho Soria, our Chief Geologist, led the discovery team at Cangrejos. He knows the geology at Cangrejos intimately, and recognizes a very similar mineralizing system at Los Osos. Extensive artisanal work at Los Osos historically focused on high-grade, narrow veins. The potentially higher tonnage bodies with disseminated mineralization will be drill-tested for the first time by Salazar Resources this year.*

We also congratulate Merlin on his promotion to Executive Vice President. Merlin is already an integral member of the management team and will continue to contribute leadership as Salazar Resources focuses on delivering value through discovery in Ecuador."

Los Osos

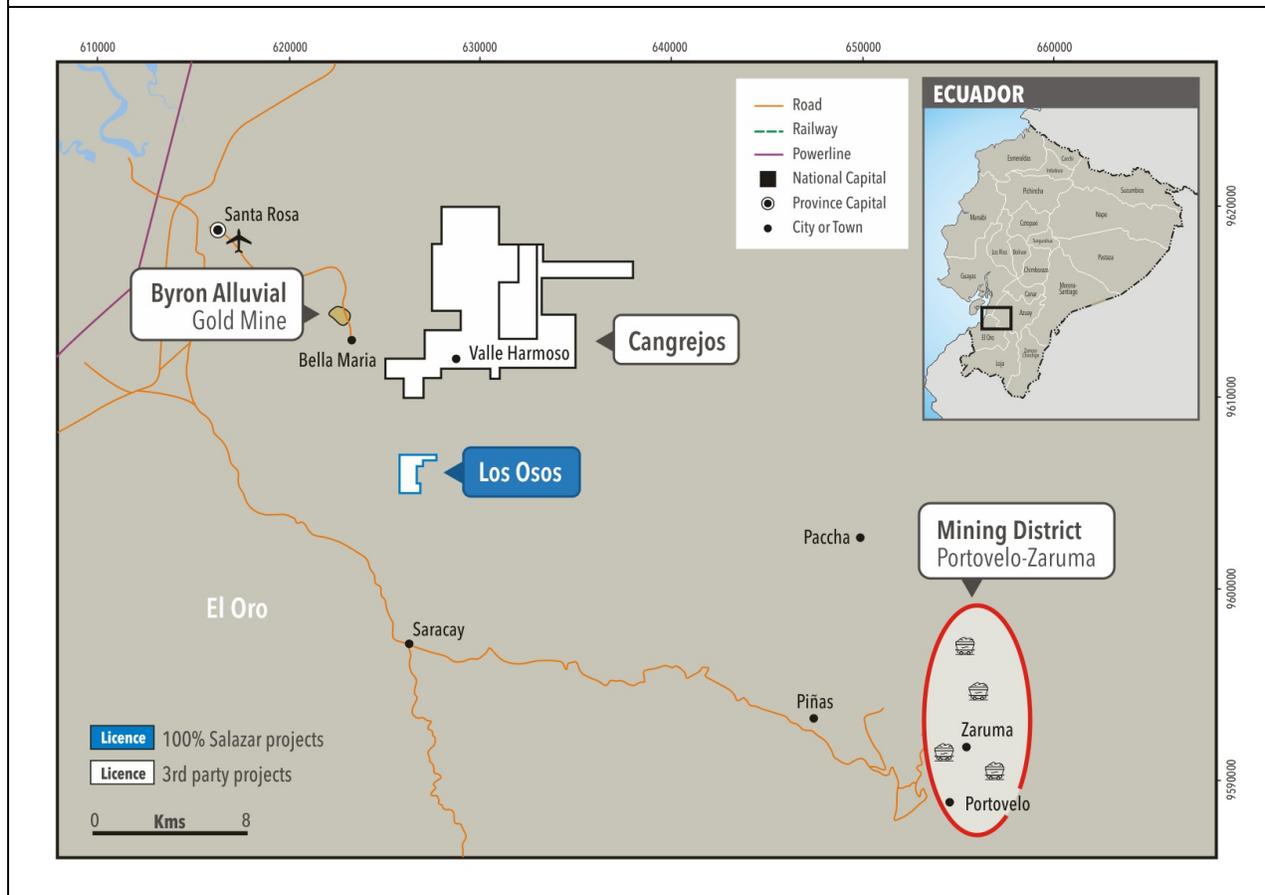
Location

The Osos project is located in the southwest of Ecuador, in El Oro province, 35 km to the southeast of the town of Machala (population ~240,000), and 10 km to the southwest of the Cangrejos project. Cangrejos is the flagship project for Lumina Gold which contains 16.7 million ounces of gold in the measured and indicated categories, as per the NI 43-101 report published in November 2019.

Exploration history

Past exploration including mapping, sampling, and an airborne magnetic survey has been carried out by a number of companies, notably Newmont Overseas Exploration (1992-2001) and Kinross Ecuador (2005-2012). Salazar Resources has inherited a partial database of geological, geochemical and geophysical data, including 813 soil samples and 500 rock samples taken from surface and underground in the Kinross era. Separately the company also has maps and magnetic survey data from work done by Newmont. In the past six months Salazar Resources has collected 334 rock samples, re-mapped the area, and digitized historic data.

Figure 1. Map of Los Osos Licence area and other licences of interest nearby



Regional Geology

The southwestern part of Ecuador hosts a Miocene porphyry intrusive belt typified by multiple nested late Oligocene to Early Miocene intrusions that are in turn punctured and intruded by a number of porphyry dikes and breccia pipes. The approximately 20 Ma age of the intrusions in the intrusive belt is the same as that of the giant Chilean copper-gold porphyries which range in age from 10-40 Ma years.

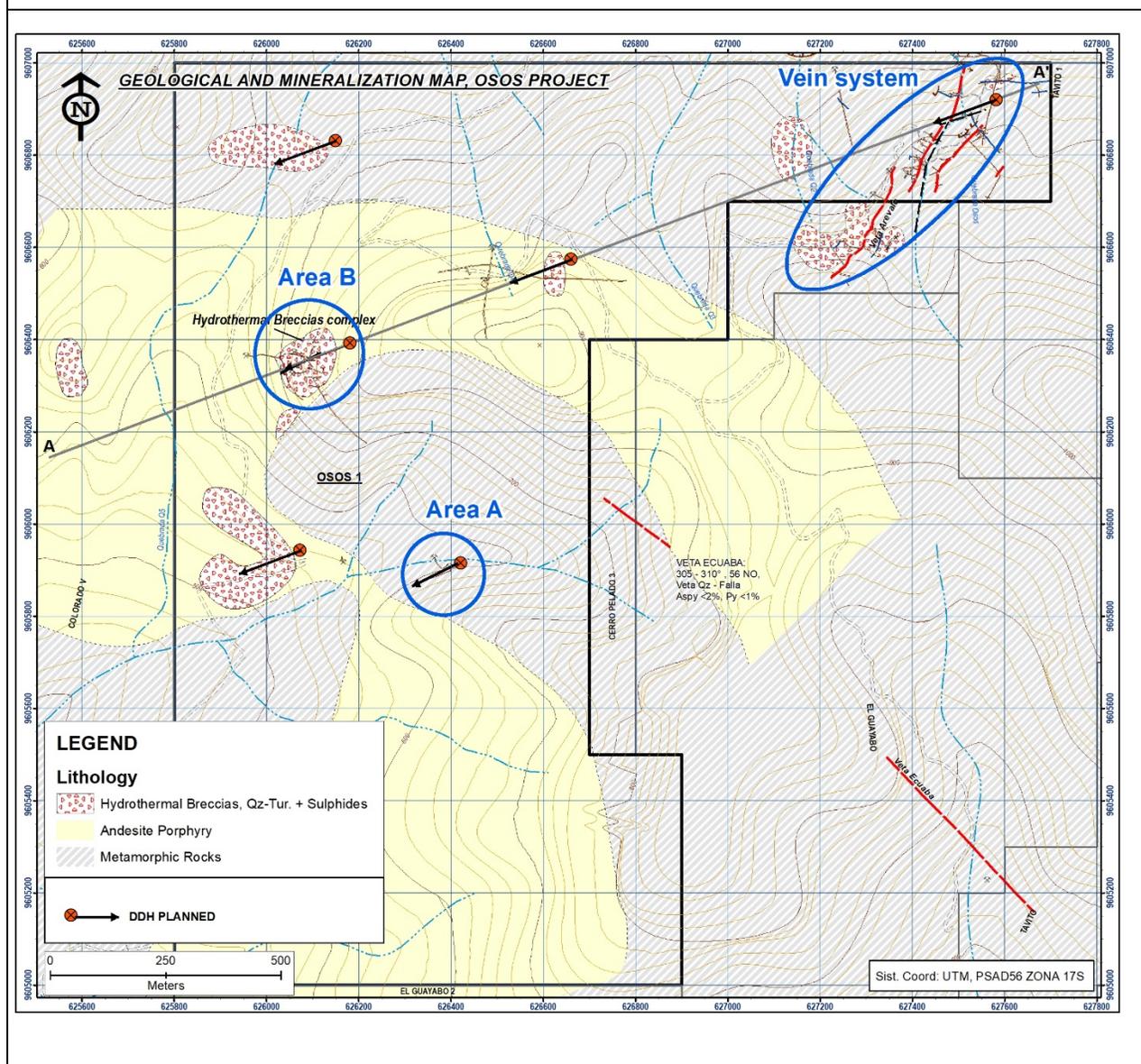
Local geology and mineralization

The geology of the property is comprised of metamorphic rocks, intruded by Tertiary andesites and diorites. Mineralization is present in multiphase hydrothermal breccias, stockwork zones, and porphyry intrusions. When present, the mineralization in the rocks is pervasive and widespread, consisting of pyrite and chalcopyrite in varying quantities. There appears to be a correlation between the intensity of sulphide mineralization and gold and copper grades.

In the northeast of licence area there are several NE-SW trending quartz-breccia veins that are up to one meter in thickness and can be traced over several hundred meters. These arsenopyrite-pyrite-

chalcopyrite veins contain significant gold and silver values, and have been extensively worked by artisanal miners. Intense propylitic-argillic alteration and silicification can be observed across the property.

Figure 2. Prospect Geology and Mineralisation



Results

Salazar has taken 334 rock samples from both the mineralization in hydrothermal breccias and the veins worked by artisanal miners. The main exploration target for Salazar Resources are the potentially large-tonnage porphyry-related hydrothermal breccias, and to date multiple breccia bodies have been identified within the concession area, some up to 300 m by 200 m in size. As noted above, there is abundant sulphide mineralization in the area and mapping and sampling is ongoing. Results shown below are from two separate areas (Areas A and B shown in Figure 2 above) that the Company believes are illustrative of the type of mineralization present in Los Osos.

Area A exhibits porphyritic intrusions into metasediments visible in the walls of a stream gully in the central portion of the licence area. The mineralization can be traced over approximately 50 m, despite limited exposure. Four samples were taken from the gully ranging from 0.4 g/t gold over fault zone, to 14.5 g/t gold from a channel sample in veined quartzite.

Results from Area A, sampled over 50 m

Sample #	Sample type	Width m	Au_ppm	Ag_ppm	Cu_ppm	Zn_ppm	As_ppm	Lithology
52455	Panel	0.1	0.4	0.3	271	42	242	Fault zone
52456	Panel	0.6	14.5	8.8	3430	19	>10000	Quartzite / Vein
52457	Panel	0.5	8.1	43.5	7117	23	>10000	Quartzite
52458	Channel	0.8	0.6	4.3	215	14	256	Quartzite

Area B is traceable as a broadly continuous breccia body in underground workings over approximately 100m, and mappable at surface approximately 600 m northeast of Area A. Thirty three samples were taken from the underground workings, and range in grade from six separate samples that returned 0.1 g/t gold in channel samples, to a panel sample in breccia that returned 4.5 g/t gold.

Results from Area B, sampled over 100m

Sample #	Sample type	Width m	Au_ppm	Ag_ppm	Cu_ppm	Zn_ppm	As_ppm	Lithology
52254	Panel	1.0	0.2	3.7	314	3	922	Breccia
52255	Panel	0.5	0.3	3.1	350	13	446	Breccia
52256	Panel	0.8	0.2	3.7	1357	260	113	Intrusive
52258	Channel	0.8	0.7	0.5	105	3	219	Vein
52261	Panel	1.0	0.3	0.3	901	41	332	Intrusive
52263	Panel	0.6	0.4	0.2	106	10	106	Breccia
52264	Panel	0.5	0.3	4.1	8291	98	22	Intrusive
52267	Panel	0.7	0.7	4.6	244	7	1436	Breccia
52268	Panel	0.8	1.1	5.2	632	3	1168	Breccia
52269	Panel	1.2	0.2	4.9	151	11	517	Breccia
52271	Panel	0.9	0.6	2.3	1307	49	6118	Breccia
52275	Panel	1.2	0.2	5.6	160	3	263	Quartzite
52276	Channel	3.0	2.5	3.5	201	3	863	Breccia
52277	Panel	1.0	0.1	0.3	57	3	350	Breccia
52278	Panel	0.8	4.5	15.5	281	3	>10000	Breccia
52279	Channel	0.0	0.7	1.4	1246	64	>10000	Fault
52281	Channel	0.1	0.2	0.8	776	122	9177	Fault
52284	Panel	0.7	0.2	0.4	125	17	83	Quartzite
52285	Panel	1.0	0.1	0.1	55	61	50	Quartzite
52287	Channel	0.0	0.2	0.4	98	125	248	Vein
52291	Panel	0.8	0.1	0.4	179	20	507	Quartzite
52294	Panel	1.0	0.3	0.7	233	30	17	Quartzite
52295	Panel	1.0	0.4	0.4	275	24	23	Intrusive
52296	Panel	0.8	1.2	0.6	65	8	8889	Breccia
52298	Panel	1.0	0.1	0.3	130	37	17	Quartzite
52301	Chips	5.0	0.1	0.1	37	3	10	Breccia
52366	Panel	1.0	0.2	4.6	1377	44	742	Quartzite
52367	Panel	1.0	0.1	1.6	346	29	196	Quartzite

Sample #	Sample type	Width m	Au_ppm	Ag_ppm	Cu_ppm	Zn_ppm	As_ppm	Lithology
52371	Panel	1.0	0.1	1.3	167	9	152	Quartzite
52375	Panel	1.0	0.1	2.8	549	31	166	Intrusive
52376	Panel	1.0	0.5	1.6	291	31	123	Intrusive
52384	Channel	0.6	0.3	0.1	134	12	86	Fault
52386	Channel	0.6	0.2	5.4	222	20	545	Fault / Breccia

Results from the underground vein sampling in the far northeast of the concession returned extremely high grades. Of 63 underground vein samples in this area, 32 were in the range of 3.0 to 79.8 g/t gold, and 52 of the samples were 1.0 g/t gold or above. The results from these samples are included below.

Results from NE-SW veins in the northeast of the licence area

Sample #	Width m	Au_ppm	Ag_ppm	Cu_ppm	Zn_pp,	As_ppm	Lithology
50831	1.0	12.9	27.7	1548	19	>10000	Vein
50832	0.5	0.1	1.4	97	45	987	Vein
51996	0.8	22.6	27.7	1708	527	>10000	Vein / Breccia
51998	0.8	2.3	13.0	454	190	>10000	Vein / Breccia
51999	0.5	2.8	28.3	572	897	3255	Vein / Breccia
52156	0.1	18.5	28.2	3144	54	>10000	Vein
52157	0.2	2.5	4.3	213	16	>10000	Vein
52158	0.2	7.5	13.2	832	415	>10000	Vein
52159	0.4	1.9	12.8	1251	809	8088	Vein
52160	0.2	32.7	81.9	8828	1699	>10000	Vein
52161	1.0	1.2	10.8	367	152	2418	Vein
52162	0.1	1.1	12.0	499	68	2598	Vein
52167	0.2	0.1	1.5	67	19	116	Veinlets
52168	0.4	1.3	8.3	1664	111	2495	Vein
52169	0.1	4.2	14.6	557	206	>10000	Vein
52171	0.1	46.1	46.6	224	160	2008	Vein
52173	0.1	1.9	1.5	19	21	432	Vein
52175	0.4	6.0	2.9	107	35	612	Vein
52178	0.1	1.0	7.6	66	27	2348	Vein
52182	0.1	0.3	5.0	112	135	343	Vein
52185	0.5	8.5	16.5	1118	190	>10000	Veinlets
52186	0.8	0.3	2.0	303	25	978	Veinlets
52188	0.5	0.1	1.3	51	124	282	Veinlets
52192	0.1	1.0	29.7	361	98	2878	Vein
52196	0.6	0.4	33.6	51	46	740	Veinlets
52197	0.7	0.5	21.3	143	115	4388	Veinlets
52201	0.6	0.2	5.3	74	190	414	Veinlets
52204	0.3	3.5	25.0	1384	7670	>10000	Vein
52209	0.4	10.9	43.8	922	95	>10000	Vein
52211	0.2	6.8	7.6	970	2531	>10000	Vein
52212	0.4	14.7	36.3	657	183	>10000	Vein
52214	0.3	5.3	12.7	447	740	>10000	Vein
52215	0.2	31.1	94.1	2778	40370	>10000	Vein

Sample #	Width m	Au_ppm	Ag_ppm	Cu_ppm	Zn_pp,	As_ppm	Lithology
52225	0.3	14.0	65.0	1414	8253	>10000	Vein
52233	0.1	18.3	4.0	10	103	>10000	Vein
52237	0.1	79.8	124.8	1809	39830	>10000	Vein
52243	0.4	11.8	63.1	1055	3540	>10000	Vein
52245	0.4	3.3	17.9	846	144	>10000	Vein
52302	0.4	1.2	6.6	464	177	5259	Vein / Breccia
52304	1.0	1.8	13.1	684	126	6061	Vein / Breccia
52306	0.8	0.9	6.3	597	27	6773	Vein / Breccia
52308	1.0	29.4	74.0	5514	106	>10000	Vein / Breccia
52311	1.0	31.1	116.8	1151	71	>10000	Vein / Breccia
52313	1.2	3.2	19.7	221	54	>10000	Vein / Breccia
52318	3.0	1.1	5.4	387	185	2118	Vein / Breccia
52319	1.5	8.8	9.5	664	113	>10000	Vein / Breccia
52320	1.3	1.3	3.1	41	7	3955	Vein / Breccia
52321	1.3	0.4	2.5	30	13	341	Vein / Breccia
52323	0.7	2.1	2.5	145	44	>10000	Vein / Breccia
52330	0.7	6.4	64.2	8511	325	>10000	Vein / Breccia
52331	0.2	36.4	40.7	1091	1428	>10000	Vein
52332	0.2	2.0	10.4	941	545	>10000	Vein
52334	0.4	15.7	13.5	751	189	>10000	Vein
52335	0.5	1.2	15.5	79	19	726	Vein
52338	0.3	34.6	11.2	486	303	>10000	Vein
52339	0.4	2.8	19.0	109	24	5208	Vein
52342	0.3	3.2	23.5	2081	163	>10000	Vein
52343	1.1	1.7	5.5	319	25	>10000	Vein
52352	0.2	4.7	22.6	1141	666	>10000	Vein
52355	0.9	2.5	59.5	75	34	3578	Vein
52356	0.6	28.1	41.8	158	131	6978	Vein
52358	0.7	0.6	8.1	552	66	378	Vein
52359	0.3	22.0	60.4	468	563	>10000	Vein

Interpretation and plans

Salazar notes the similarities in the geological setting of Los Osos to the Cangrejos deposits. Francisco "Pacho" Soria, Chief Geologist for Salazar Resources spent five years exploring the Cangrejos deposits, taking the project through targeting, soil and rock chip sampling, mapping, and the first twenty nine drill holes, all of which intersected mineralization. Collating Pacho's experience, the historic database and recent assay results, the Company believes that the distribution of gold mineralization visible to date at Los Osos is highly encouraging. A drill plan targeting areas of intense sulphide mineralization is being developed and the Company aims to start drilling at Los Osos in Q2 2020.

The high grade veins in the northeast of the concession area illustrate that the mineralizing systems at Los Osos are metal rich. The veins do not, however, represent a priority exploration target for Salazar Resources.

QAQC

Salazar maintains a rigorous chain-of-custody and quality assurance/quality control program that includes the insertion of certified standard control samples and blanks, and re-analysis of samples with high levels (over limit) of gold, copper and zinc. All samples were analysed by Inspectorate Services Perú S.A.C. (Bureau Veritas), a certified ISO 17025:1999 and ISO 9001:2000 laboratory. The laboratory also maintains a QAQC program that includes insertion of blanks, standards and duplicate reanalysis of selected samples. Gold was analysed by fire assay – atomic absorption spectroscopy (FA-AAS). Silver, copper, zinc and other elements were analyzed by aqua regia extraction with an Inductively Coupled Plasma — Mass Spectroscopy (ICP-MS) finish.

Qualified Person

Kieran Downes, P. Geo., a Qualified Person as defined by National Instrument 43-101, has reviewed and verified the technical information provided in this release.

Corporate

Salazar Resources is pleased to announce the appointment of Merlin Marr-Johnson as an Executive Vice President of the Company. Mr Marr-Johnson joined the company in January 2019 as VP Corporate Development.

About Salazar

Salazar Resources (SRL.V) (CCG.F) is a mineral resource company engaged in the exploration and development of mineral deposits in Ecuador and Colombia. The company has a proven Ecuadorian discovery team led by ex-head of Newmont Ecuador, Fredy Salazar; a team of 40 people including fifteen geologists; three drill rigs and an unrivalled Ecuadorian 'grass roots' network. The Salazar team has been involved with many discoveries in Ecuador, including including Curipamba (Adventus Mining and Salazar Resources), Fruta Del Norte (Lundin Gold), the Mozo deposit, Cangrejos (Lumina Gold) Rio Blanco (Junefield Mineral Resources and Hunnan Gold), and Gaby (ENAMI).

Salazar Resources aspires to be Ecuador's leading project generator with the right partners at the right time making the company self-funding.

Salazar Resources has a farm-out agreement with Adventus on the Curipamba VMS discovery, whereby Adventus can earn 75% of the project by funding exploration and development expenditures of US\$25 million before October 2022. A feasibility study is expected to be completed during 2021, after which Adventus is required to fund 100% of the development and construction expenditures to commercial production. In addition, Salazar Resources has a funded exploration alliance with Adventus on two other projects, Pijili and Santiago, within a defined Area of Interest.

Salazar Resources is advancing its 100% owned Rumiñahui, Macara, and Los Osos projects with the aim of making Ecuador's next significant copper-gold discovery.

ON BEHALF OF THE BOARD OF SALAZAR RESOURCES LIMITED

Fredy Salazar

Salazar Resources (Chief Executive Officer)

fsalazar@salazarresources.com

Tel: +593 (0) 99 733 6152

Merlin Marr-Johnson

Salazar Resources (Executive Vice President)

merlin@salazarresources.com

Tel: +44 20 7389 5023

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

This press release contains “forward -looking information” within the meaning of applicable Canadian securities laws. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as “believes”, “anticipates”, “expects”, “is expected”, “scheduled”, “estimates”, “pending”, “intends”, “plans”, “forecasts”, “targets”, or “hopes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “will”, “should” “might”, “will be taken”, or “occur” and similar expressions) are not statements of historical fact and may be forward-looking statements.

Forward-looking information herein includes, but is not limited to, statements that address activities, events or developments that Salazar expects or anticipates will or may occur in the future. Although Salazar has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Salazar undertakes to update any forward-looking information except in accordance with applicable securities laws.