

# Silver-Gold-Copper-Zinc Exploration in Mexico and British Columbia, Canada

**Corporate Presentation** 

July 2016

TSX-V:CLZ



#### "Forward-looking Statements"

This presentation contains certain statements that may be deemed "forward-looking statements". All statements in this presentation, other than statements of historical fact, that address future production, reserve potential, exploration drilling, exploration activities and events or developments that the Company expects to occur, are forward-looking statements. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward-looking statements as they constitute what might be found to be present when and if a project is actually developed. 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 may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in the forward-looking statements include market prices, exploration and exploitation success, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that such statements are not quarantees of future performance and actual results and developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management beliefs, estimates or other factors should change.





# Platform for Creating Shareholder Value

Objectives:

- Create Shareholder Value
- Maximize Potential for Success
- Manage and Reduce Risk

Value Drivers:

- Mineral Resource Discovery
- Advance Projects with High Quality Partners
- Low Dilution: High Leverage to Added Value

Focus:

- Explore for Silver, Gold, Copper, Lead and Zinc
- Multiple High Potential Projects
- Durango State, Mexico and BC, Canada
- Mineral Rich Locations, Low Risk, Excellent Infrastructure





# Major Factors for Building Shareholder Value:

- Shareholder focused management team
- Extensive 100% owned project portfolio
- Disseminated near-surface Silver discovery at Sandra-Escobar Under option agreement with Orex Minerals Inc. Initial Resource Estimate, Metallurgical Testing & Phase 3 Drilling
- Several projects with potential for hosting large Silver, Gold and Base Metal mineralized systems
- Active generative exploration program new prospects
- Strong working capital and share structure
- 7 drill ready projects 5 in Mexico and 2 in BC
- Significant exploration expenditures in 2016
   High discovery potential



#### **Directors, Officers, Advisors:**

Alvin Jackson, Director
Michael McInnis, Director
Arthur Freeze, Director
lain MacPhail, Director
Bahman Yamini, Director, Pres. & CEO,
Kerry Spong, CFO & VP Finance
Graham Scott, Corp. Sec., Legal Counsel
Erme Enriquez, Dir. Expl. & Dev., Mexico
Gary Nordin, Advisor
Jerry Blackwell, Advisor, (Qual. Person)



Shares issued: 101,809,872 52 Week Price Range: \$0.03 - \$0.50 Warrants: 4,000,000 Current Share price: \$0.49 \$49.9 Million **Options:** 7,250,000 Market Capitalization: Fully diluted: 113,059,872 3 Mth. Av. Trading Volume: 319,856

Capital raised to date: \$23,100,000 Major shareholders:

Av. price per issued share: \$0.23 Management: 15%

Working Capital: \$5,000,000 Major Private Investors: 30%

Add. Cap. on Full Dilution: \$2,721,000 Institutional: 20%

July 15, 2016



# High Potential Silver-Gold Project Portfolio in Mexico and BC, Canada

4 Exploration Projects In BC, Canada
Located on Major Mineralized Trend Close
to Past Producing Mine and New Deposits
Gold, Silver, Copper
Potential for Discovery of Large GoldCopper Porphyry Deposit

7 Exploration Projects In Mexico
Located on known Mineralized Trend in
Durango and Zacatecas States
Silver, Gold, Copper, Lead & Zinc
Operating Team and Base in Durango
Active Drill Programs
Very High Discovery Potential







#### Multiple Drill Ready Projects Portfolio;

#### 1. Sandra-Escobar, Durango, Mexico:

Gold Silver, disseminated and high grade veins 5 target zones identified over 25 sq. km. area for drill testing Option agreement with Orex Minerals, Phase 1 & 2 drill programs completed Initial resource estimate, metallurgical testing and Phase 3 drill program in progress

#### 2. Salamandra, Durango, Mexico

Large Silver-Zinc-Copper mineralized system
Airborne ZTEM survey and surface sampling define drill targets
17,980 m drill programs completed

#### 3. La Esperanza, Durango & Zacatecas, Mexico

High-grade Silver-Zinc-Lead vein system with district scale potential On recognized Fresnillo Silver trend close to several operating mines

#### 4. Brenda, BC, Canada

Gold/Copper Porphyry system close to Aurico Metals Kemess deposit

#### 5. Carina, Durango, Mexico

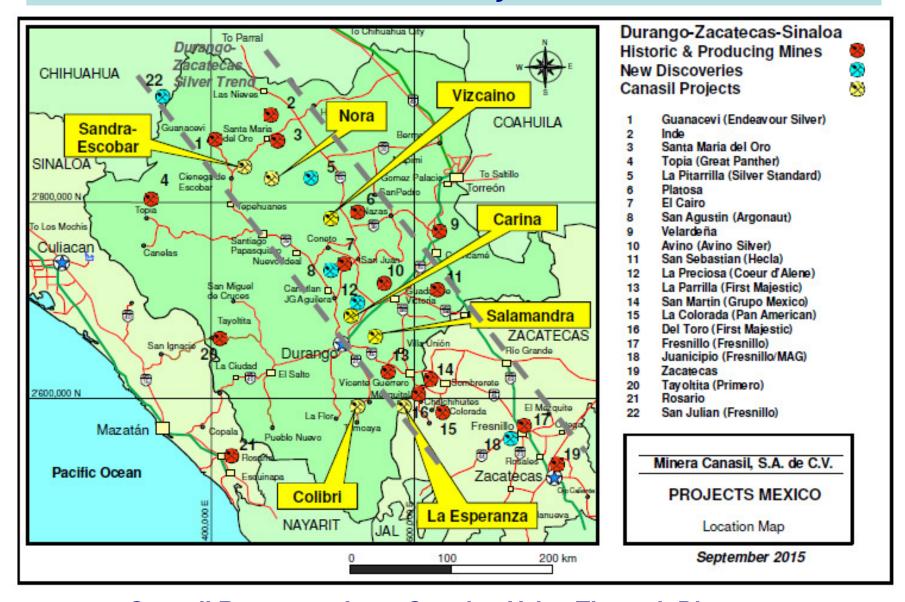
Disseminated Silver Gold; Adjacent to Coeur d'Alene La Preciosa deposit

#### 6. Vizcaino, Durango, Mexico

Gold/Silver vein - Drill targets defined for testing



#### Focused Mexico Projects Portfolio:



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### Full-time Mexico Exploration Team and Facilities in Durango City:



Results driven and cost effective exploration programs

Focused generative program

Close local community relations

**Exploration and administration** office and core storage and processing facility located in **Durango City** 

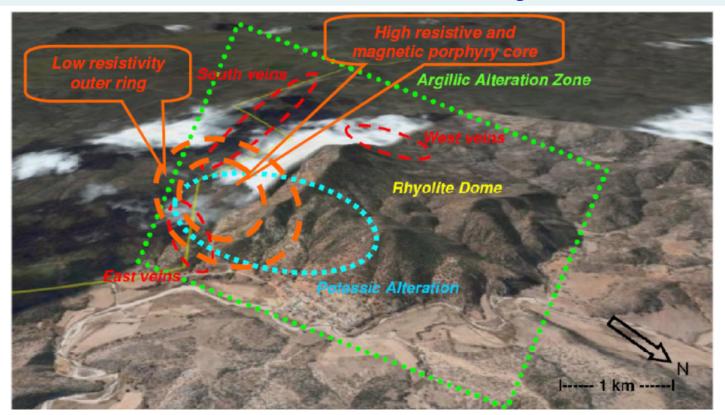


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#### Sandra-Escobar Project, Durango, Mexico

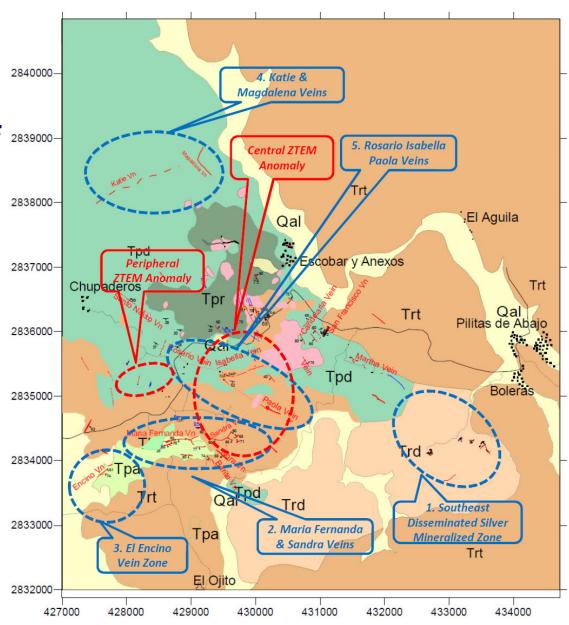
- Option agreement with Orex Minerals to earn up to 65% interest over 5 years:
   \$1 million in cash/share payments and US\$4 million expenditures
- Disseminated Silver and high-grade Silver-Gold-Copper-Zinc-Lead veins
- Physical and geological features of large intrusive hosted disseminated Silver/Gold systems, similar to other deposits in Durango State
- 100% interest in Canasil's Sandra claims, 6,400 hectares
- 40% interest in Pan American Silver's Escobar claims, 600 hectares
- Excellent access and infrastructure in northern Durango State





Sandra-Escobar: Multiple Veins Silver Gold Copper Zinc Lead and Disseminated Silver Targets:

- 1. Southeast Disseminated Silver Zone: 2839000-Surface samples up to:1,465 g/t Ag
  Discovery drill hole 61.00 metres
  (True Thickness 43.13 metres)
  of 359 g/t Silver at surface
- Maria Fernanda & Sandra Veins: SE-11-02 at 72.54 metres 0.40 m
   2.58 g/t Au, 429 g/t Ag, 0.53% Cu
- 3. El Encino Vein: SE-11-05 at 88.00 metres 0.50 m 121 g/t Ag, 1.79% Pb, 6.52% Zn 11.67 m 18 g/t Ag, 0.29% Pb, 0.78% Zn
- 4. Rosario, Isabella and Paolo Veins
- 5. Katie & Magdalena Veins: Surface samples up to 61.9 g/t Ag, 2.95% Pb, 1.63% Zn





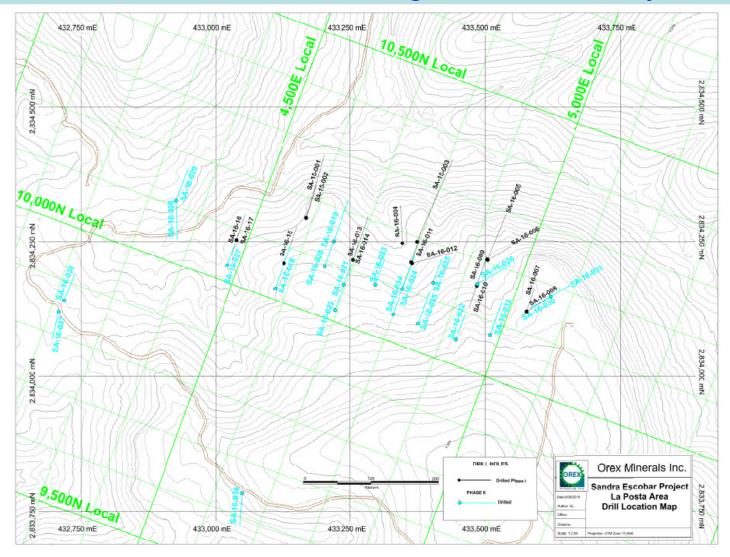
# Sandra-Escobar, Orex 2015-16 Drill Program Phase 1, 17 drill holes & Phase 2, 21 drill holes completed Drill area shown below - Consistent Silver Intercepts at Surface Initial Resource Estimate in progress

(Canasil news Releases dated Jan. 25, Feb. 23, Mar. 23, Apr. 14 and May 09, 2016)





# Sandra-Escobar, Orex 2015-16 Phase 1 & 2 Drill Programs 38 Drill Holes Test Mineralized Zone Along 750m Strike & Adjacent Targets



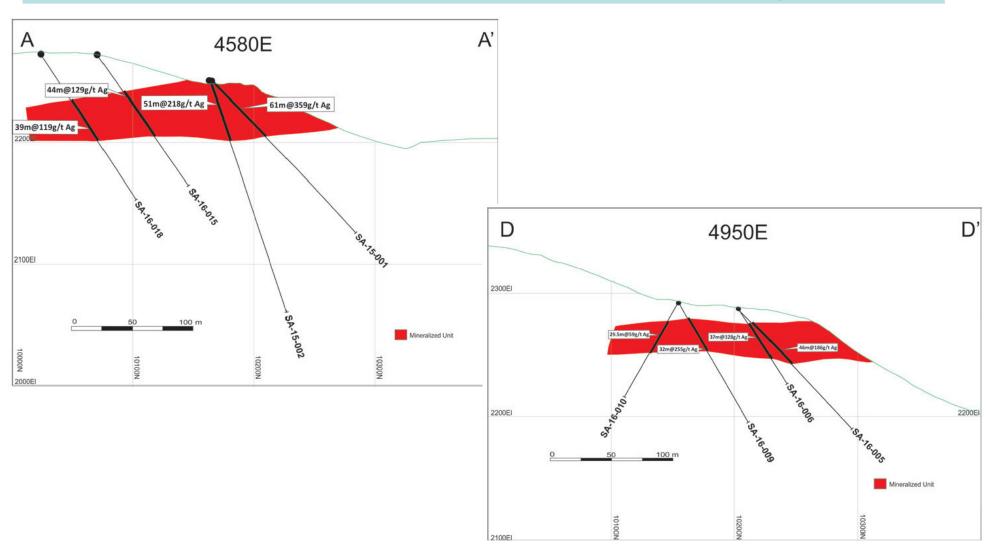


Sandra-Escobar Southeast Area Drill Hole Intercepts – 2015-2016 Phase-1 & Phase-2 Drill Programs											
Hole	From (m)	To (m)	Core Lgth. (m)	True Thick. (m)	Ag (g/t)	Hole	From (m)	To (m)	Core Lgth. (m)	True Thick. (m)	Ag (g/t)
SA-15-001	1.00	62.00	61.00	43.13	359	SA-16-019	24.00	84.00	60.00	49.15	205
SA-15-002	1.00	52.00	51.00	45.00	218	SA-16-020	46.00	113.00	67.00	63.50	88
SA-15-003	1.00	54.00	53.00	40.60	139	SA-16-021	44.50	75.00	30.50	28.50	110
SA-16-004	2.00	49.00	47.00	39.00	91	SA-16-022	69.00	94.00	25.00	24.00	70
SA-16-005	13.00	59.00	46.00	33.31	186	SA-16-023	44.00	90.00	46.00	40.50	218
SA-16-006	13.00	50.00	37.00	33.50	328	SA-16-024	23.00	68.00	45.00	38.50	143
SA-16-007	14.00	19.00	5.00	4.00	112	SA-16-025	37.00	57.00	20.00	19.00	133
SA-16-008	11.00	17.00	6.00	4.80	143	SA-16-026	9.00	58.00	49.00	34.65	46
SA-16-009	11.00	43.00	32.00	30.00	255	SA-16-027	12.00	43.00	31.00	28.54	73
SA-16-010	18.00	47.50	29.50	25.00	59	SA-16-028	10.00	46.00	36.00	25.46	39
SA-16-011	9.00	61.00	52.00	48.00	74	SA-16-029	1.00	31.00	30.00	22.98	32
SA-16-012	8.00	49.00	41.00	28.99	89	SA-16-030	3.00	6.00	3.00	2.12	51
SA-16-013	43.00	102.00	59.00	41.72	93	SA-16-032	67.00	80.50	13.50	11.48	23
SA-16-014	35.00	64.00	29.00	28.01	63	SA-16-033	46.00	55.00	9.00	7.65	51
SA-16-015	32.00	76.00	44.00	36.04	129	SA-16-034	52.00	84.00	32.00	29.00	52
SA-16-016	11.50	41.00	29.50	22.60	97	SA-16-035	46.00	70.00	24.00	22.00	36
SA-16-017	13.50	41.00	27.50	21.07	69	SA-16-036	13.00	17.00	4.00	2.83	43
<b>SA-16-018</b> a	50.00	89.00	39.00	31.95	119	SA-16-037	2.60	17.00	14.40	13.50	101
<b>SA-16-018</b> b	120.50	137.00	16.50	13.52	46	SA-16-038	1.85	48.00	46.15	26.00	156

Details reported In Canasil News Release dated Jan. 25, Feb. 23, Mar. 23, Apr. 14 and May 09, 24 & 31, 2016



# Sandra-Escobar, Orex 2015–16 Phase 1 & 2 Drill Programs Cross Sections 4580E & 4950E: Consistent Mineralized Zone Along 550m Strike

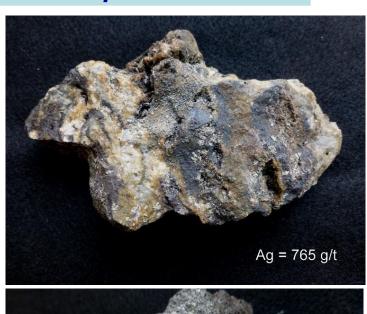




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### Sandra-Escobar, Orex 2015 -16 Drill Program **Drill Core and Surface Samples**







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Sandra-Escobar, Durango. Mexico Stockwork Mineralization at Surface

#### Sandra-Escobar, Durango, Mexico **Disseminated Silver Mineralization** In Permeable Volcanoclastic Horizon







# Salamandra Silver-Zinc-Copper Project, Durango, Mexico

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14,760 hectares, 35km NE Durango City, excellent access and infrastructure

Large Silver-Zinc-Copper mineralized system

Satellite surveys, aerial ZTEM & 3D-IP geophysics, and surface sampling

17,980 metres core drilling in 35 drill holes

Similar geology to San Martin-Sabinas, located 80km southeast on trend







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Extensive Surface Sampling Geological Mapping High-grade surface samples:

9818: Dump:

99.7 g/t Ag, 1.26% Cu, 0.94% Zn

9819: Vein: 0.90m 2,150 g/t Ag,

5.39% Cu, 1.89% Zn

(Canasil News Release Nov. 5, 2012)

# Salamandra Silver-Zinc-Copper Project

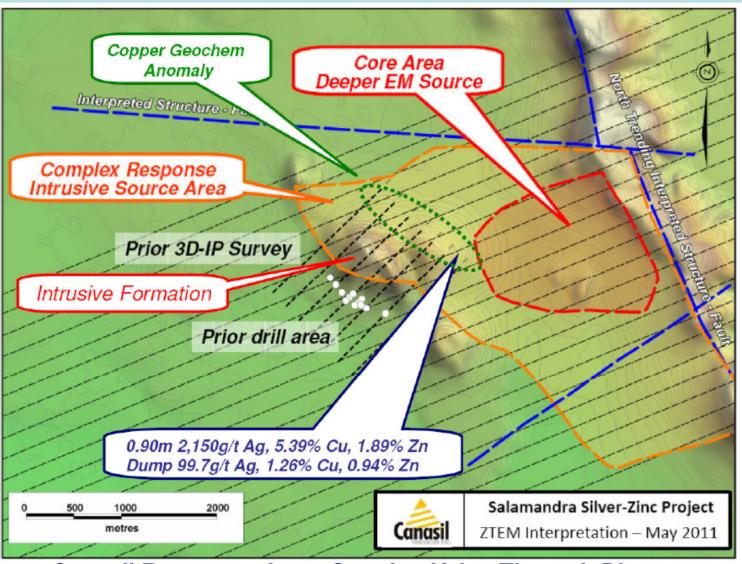
ZTEM Airborne Survey
Satellite Imaging and High
Resolution Mapping Surveys





# Salamandra Silver-Zinc-Copper Project Systematic exploration; Potential for Large Mineralized System

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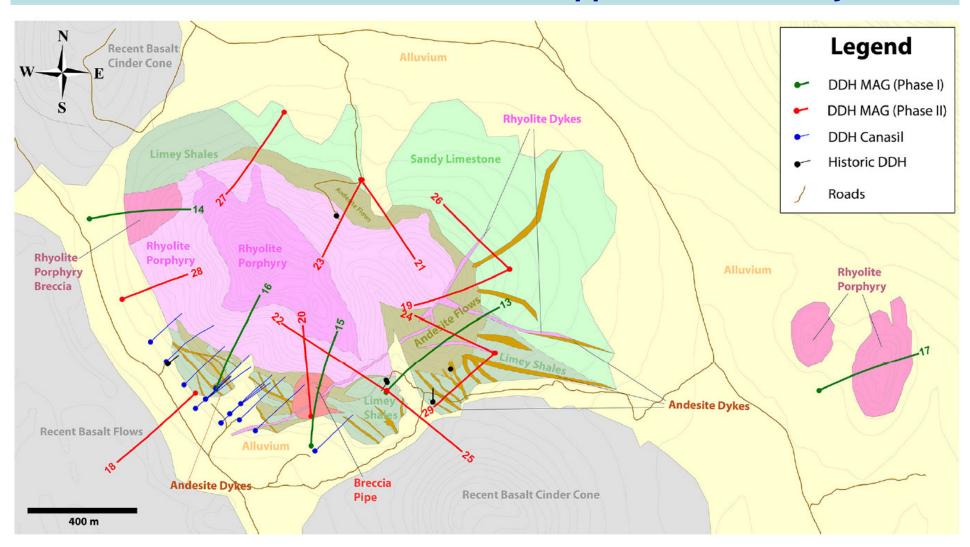
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### Salamandra Project, Durango, Mexico - Drill Intercepts Indicate Potential for Extensive Silver-Zinc-Copper Mineralized System

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Salamandra Project, Durango, Mexico – Selected Drill Intercepts								
Drill	Intercept	Width	Silver	Zinc	Copper	Lead		
Hole	From – To: m	m	g/t	%	%	%		
SA-07-02	7.40 – 17.25	9.85	102	0.55	0.02	0.03		
SA-07-02	27.65 – 35.10	7.45	50	12.00	0.22	0.06		
SA-07-03	195.00 – 205.00	10.00	71	3.48	0.06	1.26		
SA-07-06	3.40 – 15.00	11.60	13	4.05	0.20	0.03		
SA-07-08	261.00 – 271.00	10.00	29	3.51	0.04	0.42		
SA-07-10	230.00 – 234.35	4.35	5	5.51	0.02	0.05		
SA-13-13	20.65 – 830.81	810.16	2	0.6	0	0		
SA-13-13	637.50 - 669.72	31.72	1	3.6	0.1	0		
SA 14-14	165.99 – 182.88	16.89	29	1.8	0	0.2		
SA 14-14	182.40 – 182.88	0.48	197	1.1	0.4	0.6		
SA 14-14	186.38 – 186.80	0.42	108	0.6	0.5	1.4		



Salamandra Project, Durango, Mexico – Selected Drill Intercepts								
Drill	Intercept	Width	Silver	Zinc	Copper	Lead		
Hole	From – To: m	m	g/t	%	%	%		
SA 14-15	605.74 - 613.13	7.89	166	1.2	1.2	0.6		
SA 14-15	607.50 - 609.80	2.30	393	2.8	3.6	0.4		
SA 14-19	128.87 – 130.22	1.35	59	0.9	0	1.1		
SA 14-19	349.87 – 388.36	37.99	1	1.6	0.02	0		
SA 14-25	113.00 – 143.51	30.51	25	0.8	0.02	0.4		
SA 14-25	121.36 – 126.73	5.37	41	1.7	0.02	0.7		
SA 14-25	138.58 – 143.51	4.93	77	1.9	0.03	1.3		
SA 14-27	358.40 – 366.00	7.60	2	2.2	0.03	0.2		
SA 14-27	358.40 – 360.68	2.28	5	3.5	0.04	0.2		
SA 14-27	364.12 – 366.00	1.88	2	4.4	0.05	0.4		
SA 14-28	19.90 – 3193.36	173.46	4	1.0	0.01	0.1		



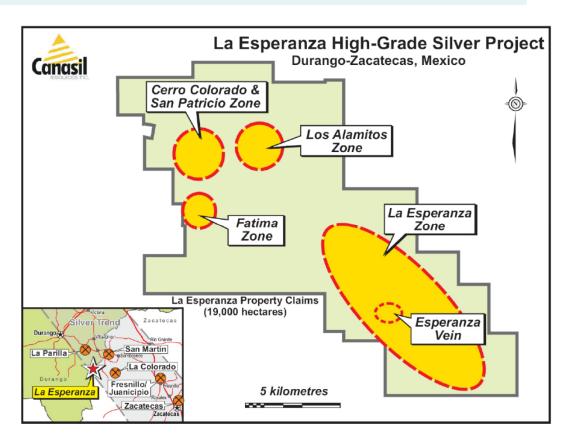
#### La Esperanza Silver-Zinc-Lead Project

14,916 hectares, southern Durango and northern Zacatecas States, Mexico

On major Fresnillo Silver Trend, 80km NW of Fresnillo

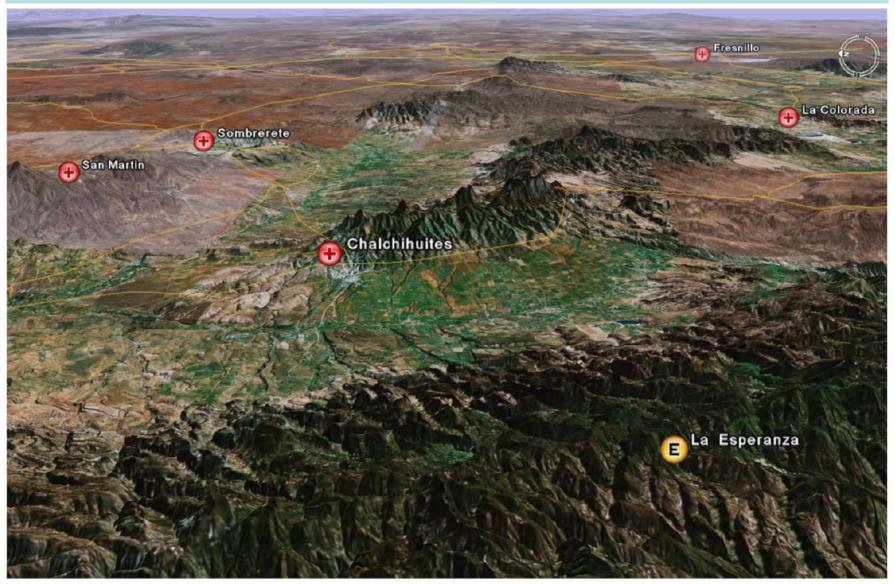
Close to First Majestic's La Parilla and Del Toro mines, Pan American Silver's La Colorada mine, & San Martin-Sabinas-Sombrete mining district

- Target: multiple veins and silver-zinc-lead mineralized zones
- High-grade silver-zinc-lead drill intercepts from La Esperanza vein, open along strike and at depth
- Potential for large district scale silver mineralized system



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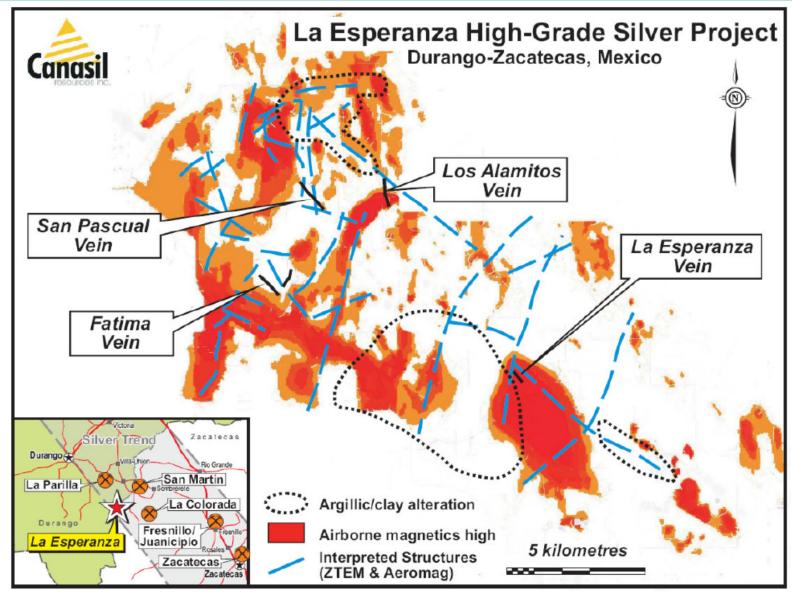
# La Esperanza: Located on world class Fresnillo Silver Trend







#### La Esperanza: Argillic Alteration & Airborne Magnetic Anomalies



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# La Esperanza vein – consistent high-grade silver-zinc-lead intercepts Canasil News Release 21.09.2006

Drill Hole	From – To m	Intercept m	True Width m	Silver g/t	Zinc %	Lead %
Average	Hanging Wall Vein		1.53	324	1.37	1.80
Average	La Esperanz	4.21	330	0.93	1.57	
ES-06-02 LE	100.22 – 107.74	7.52	5.14	210	1.25	1.00
ES-06-03 HW	78.90 – 80.66	1.76	1.44	274	0.20	0.10
ES-06-03 LE	102.80 - 104.30	1.50	1.23	287	0.38	2.12
ES-06-04 HW	88.45- 70.80	2.35	1.79	142	2.32	1.07
ES-06-04 HW	116.83 – 127.25	10.42	7.52	388	1.36	1.35
Incl.	118.92 – 121.58	2.66	2.09	634	1.56	1.45
<b>ES-06-05 HW</b>	118.46 – 119.88	1.42	1.12	471	3.11	6.04
ES-06-05 LE	147.82 – 160.92	13.10	10.30	396	0.71	1.96
Incl.	148.22 – 150.15	1.93	1.52	1,360	0.38	3.40
ES-06-07 HW	152.68 – 154.65	1.97	1.65	551	0.42	1.42
ES-07-07 LE	160.02 – 162.40	2.38	1.99	272	0.34	0.24
ES-06-08 LE	183.85 – 196.40	12.55	4.69	115	1.02	1.30

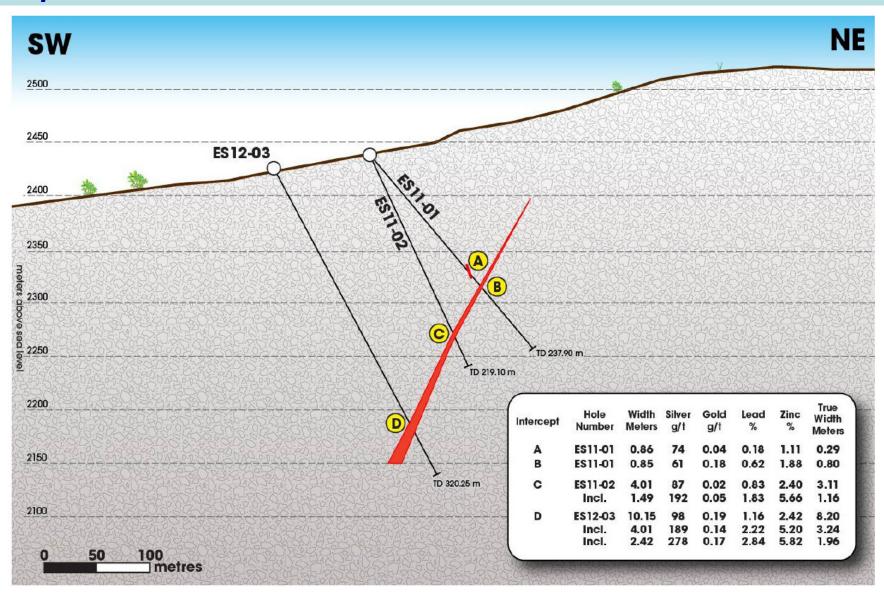
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#### La Esperanza vein: blind section with wide silver-zinc-lead structure

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La Esperanza Project, Durango & Zacatecas, Mexico

Classic high grade Silver-Zinc-Lead banded epithermal vein textures

ES-06-05: 148.22 - 149.17m Intercept 0.95m, 2,144 g/t Silver, 3.49% Zinc + Lead

ES-06-05: 149.17 – 150.15m Intercept 0.98m, 600 g/t Silver, 4.06% Zinc + Lead

ES-06-05: 155.22 - 155.93m Intercept 0.71m, 837 g/t Silver, 21.37% Zinc + Lead





ES-12-03: 2.42m: 278g/t Ag, 8.6% Pb+Zn at 267m





*29* 



#### Carina Silver-Gold Project, Durango State, Mexico

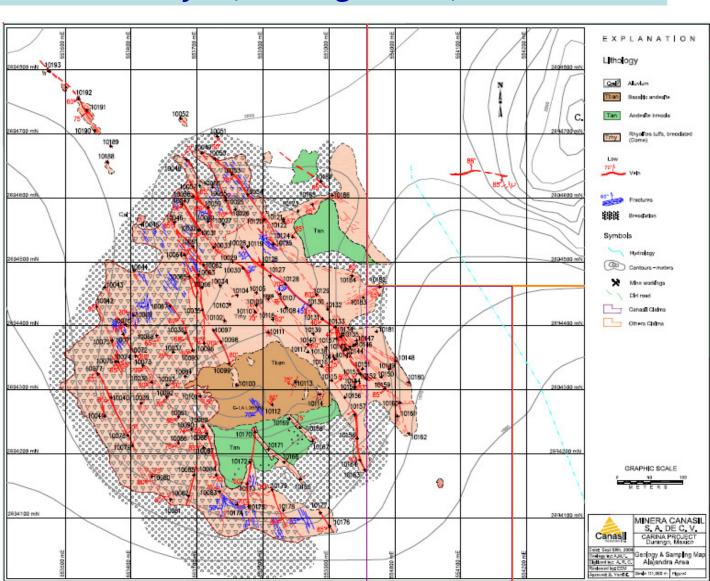
7,107 ha located 45km NE of Durango

Adjacent to Coeur d'Alene Mines La Preciosa Deposit

Multiple NW-SE trending veins with quartz stockwork over 700m x 500m

Anomalous Au & Ag 100-700 ppb Au 10-100 g/t Ag

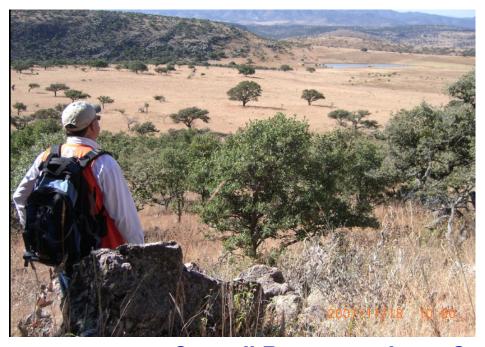
Potential for large Disseminated Au/Ag system





#### Vizcaino Silver-Gold Project, Durango State, Mexico

- 3,400 ha located 127 km N of Durango
- Epithermal quartz vein outcrop on hillside up to 12 m in width
- Anomalous gold values
   32 to 141 ppb Au in 20 samples
   over 1,000 m strike distance
- 2,300 m to 2,350 m elevation





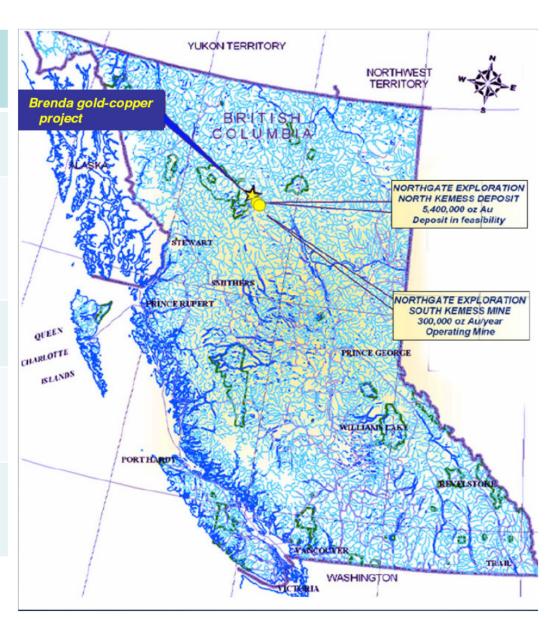
- Vein traced down across fields over strike distance of 2,500 m
- 161 to 667 ppb Au in 9 samples over 400 m strike distance
- 2,250 m elevation
- Increasing Gold grades with depth





### Brenda Gold-Copper Project Kemess District, BC, Canada

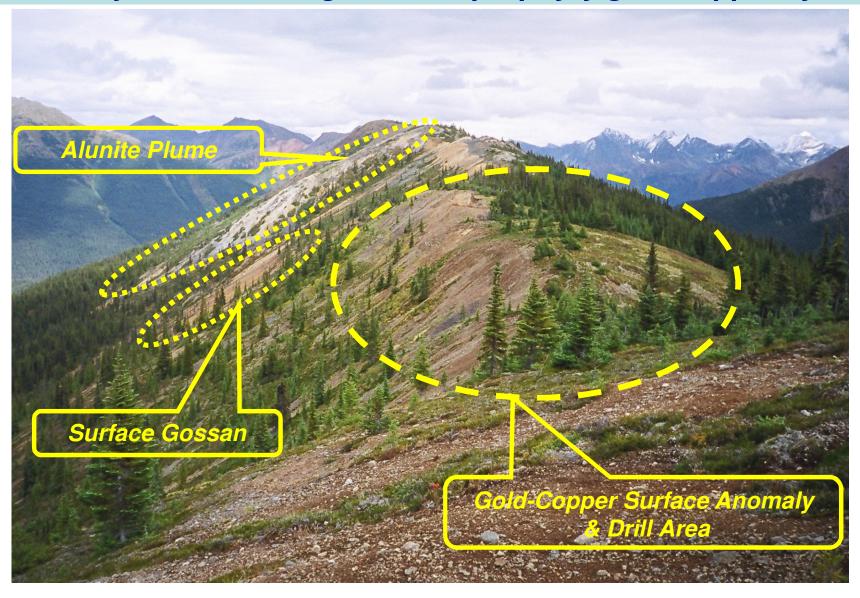
- Target: large Gold-Copper porphyry system
- 25km NW of Northgate Minerals past producing Kemess South mine & AuRico Metals North Kemess Deposit
- Excellent access and infrastructure
- Past drilling confirmed ore grade porphyry Gold-Copper mineralization
- Drilling and geophysics indicates potential for deep porphyry Gold-Copper system





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### Brenda Project: surface signature of porphyry gold-copper systems



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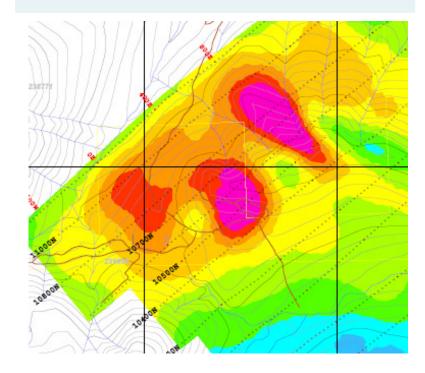


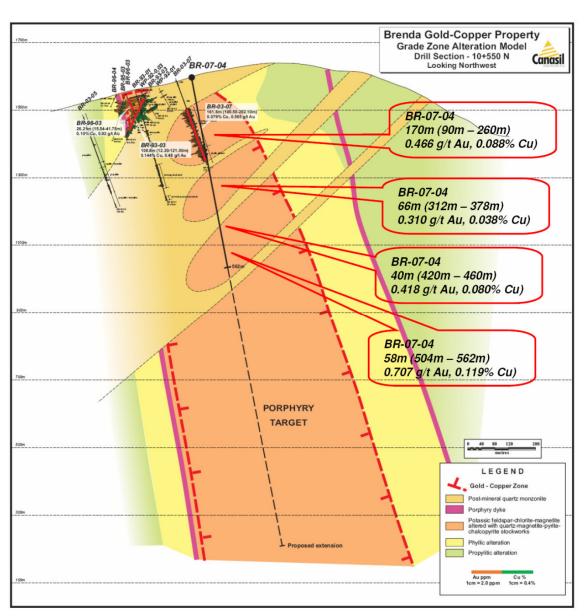
#### Brenda Gold-Copper Project:

Increasing Gold and Copper grades with depth

3D-IP Geophysics: Chargeability plan view at 300 metres depth

Ref: Canasil News Release 5.11.2007







### Why Canasil? Key Factors for Creating Shareholder Value:

- Sandra-Escobar disseminated near-surface Silver discovery
   Advancing under option agreement with Orex Minerals Inc.
   Initial Resource Estimate and Metallurgical Testing in progress
   3,000 metre Phase-3 drill program started July 2016
- Portfolio of advanced exploration projects in Mexico and BC Potential for discovery on other drill ready projects
- Active exploration and generative programs new prospects
- Strong working capital and share structure
- Higher precious and base metal prices
- Improving resource market environment
- High upside potential, low downside risk