

Colibri Resource Corp. Signs Agreement with Silver Spruce Resources – Granting an Option to Acquire 50% of its Wholly Owned Subsidiary Yaque Minerales S.A de C.V.

Colibri Resource Corporation (TSX Venture – CBI) (“Colibri” or “The Company”) is pleased to announce that it has entered into an agreement with Silver Spruce Resources Inc. (Silver Spruce) (TSX-V:SSE) granting an option to purchase 50% of its wholly owned Mexican subsidiary Yaque Minerales S.A de C.V. (“Yaque”) which holds the El Mezquite Gold project (“the Property”), a drill-ready precious metal project in the Caborca District, 10 km northwest of the town of Tepoca, and 170 km southeast of the capital city of Hermosillo, eastern Sonora, Mexico.

The El Mezquite Project is located within the west-central portion of the Sierra Madre Occidental Volcanic Complex within the prominent northwest-trending “Sonora Gold Belt” of northern Mexico and parallel to the well-known, precious metals-rich Mojave-Sonora Megashield. The Property is situated approximately twelve kilometres northeast of the Nicho deposit currently under mine development by Minera Alamos. Other nearby large operating mines include Alamos Gold’s Los Mulatos gold mine and Agnico Eagle’s La India gold mine located 50 and 58 km to the northeast, respectively, Agnico’s Pinos Altos Mine, 100 km southeast and Argonaut’s La Colorada Mine, 100 km west. Exploration in the surrounding area is very active on adjacent and nearby properties held by Evrim, Newmont, Garibaldi, Kootenay Silver and Penoles.

The 180-hectare Property is easily accessible from Mexican Highway #16 via a southerly-trending unpaved road which traverses through the centre of the known gold mineralization. High voltage power lines are positioned along Highway #16.

“Colibri is happy to invite Silver Spruce into this mutually beneficial opportunity. The El Mezquite project is highly prospective, and the deal structure will allow the project to be further advanced and see Colibri still maintain a 50% ownership. The agreement negates the Company’s need to project finance the El Mezquite and incur share dilution, it reduces the Company’s exploration risk, and it significantly cuts the level of liability on our balance sheet”, says Ron Goguen, President & CEO of Colibri.

“We are very pleased to acquire El Mezquite in a very productive, mining-friendly region. The Company is quickly reviewing the geological database and developing exploration plans to earn its 50% interest in Yaque,” stated Greg Davison, PGeo, Director and QP of Silver Spruce. “The presence of historical artisanal mining in highly altered and oxidized andesites, rhyolitic breccias and veins, coincident chargeability anomalies, and discrete geochemical and structural trends containing broad areas of elevated precious metal values to 3.41 g/t Au and 198 g/t Ag clearly warrants a detailed exploration approach. Ground truthing of the high sulphidation Au-Ag system with geological and spectral mapping, rock sampling and a first-ever drilling program will provide the Company with another quality opportunity to grow with the strong gold and silver markets.”

Terms of Agreement

The principal terms to purchase 50% interest in Yaque include US\$210,000 in cash payments over 12 months, specifically US\$82,500 by September 1, 2020 upon Exchange approval, US\$127,500 by September 1, 2021 and a promissory note to the Vendor for \$500,000 for a debenture due in October 2023. The Purchaser will have the option to pay US\$107,500 by December 31, 2020 to complete the cash acquisition for a discounted total of US\$190,000. Upon full payment, the Company and the Purchaser propose to complete a 50:50 Joint Venture Agreement to own and operate Yaque.

Minimum work expenditures total \$600,000 over the four-year term of the Agreement by September 1, 2024, with no specific annual requirements. During the period of the Option, the Purchaser will be responsible for 100% payment of the surface rights agreements when exploration is active, 50% of the property taxes and 50% of the interest due at 2.5% annually on the debenture. The underlying agreement with the original vendors contains a 1% percent Net Smelter Return royalty which can be purchased by Yaque at any time for \$500,000.

Exploration

Exploration work carried out between 2010 and 2019 consisted primarily of rock chip sampling and surface prospecting of numerous altered exposures and historical artisanal workings with 2011 geophysical surveys conducted on the eastern portion of the Property. To date, there has been no detailed geological mapping or drilling on the project.

Two surface rock chip sampling campaigns were completed during 2010 and 2014, totaling 321 samples. An additional 12 independent verification samples were collected in October 2015. Another 25 surface samples were collected in 2019 by Colibri Resources. A second Property visit for the independent 43-101 report (October 2019) verified that no other significant exploration activities have been conducted in the area since 2015.

A magnetic and 3DIP survey (Three-Dimensional Induced Polarization) was completed by SJ Geophysics in 2011 along seven lines, being 1,200 metres long and spaced by 100 metres. One magnetic baseline running perpendicular to the main grid lines covered 8.75-line km of magnetic data. The geophysical study reported that the orientation and amplitude of the chargeability anomalies was consistent with the mapping, structural and geochemical trends of a high sulphidation system.

Alteration and Mineralization

The mineralization in the region commonly consists of disseminated gold hosted in strongly argillized and moderately silicified andesite rocks, typical to the Sierra Madre geological model of the principal deposits.

Four main zones of alteration on the Property have been identified. The principal El Mezquite target area is defined as an alteration zone that extends for about 2 km in a north/south direction and is about 1 km wide. There are at least four of these colorful, hydrothermally altered, contact zones within the El Mezquite prospect area. The yellow, orange and reddish colors of the highly altered areas are caused by hydrothermal solutions oxidizing sulphides. The sulphides are related to gold and silver values and geochemical anomalies which are mostly associated with these zones of alteration. The major trends of the alteration zone are generally north-south; however, the major trend of mineralization within the Property is NE-SW.

The gold and silver mineralization appears to be related to a silicified feldspar porphyry, which outcrops along the southern bank in the bottom of the largest arroyo. Rhyolite breccias and multi-phase breccia veins are also noted.

Assay results from 362 rock chip samples indicate that 22 of the samples report values of gold > 0.5 g/t, averaging 1.35 g/t of Au and 54.4 g/t Ag. These samples are distributed along an area that extends for 600 metres in a north-south direction and 300 metres E-W. The highest values of gold and silver reported are 3.41 g/t Au and 198 g/t Ag. The most recent surface sampling campaign in 2019 confirmed the anomalous values, with precious metal values up to 1.63 g/t Au and 155 g/t Ag.

Exploration Plan

Silver Spruce looks forward to undertaking a more detailed exploration program which was recommended in part by the independent 43-101 report, including the requisite environmental permitting for drilling access and pads, rock geochemical and hyperspectral analysis, QA/QC program development, data compilation and Leapfrog modeling, detailed mapping of geologic structures and lineaments from the available 2020 ortho-mosaic photography and a first exploration drill campaign.

About Colibri Resource Corp.

Colibri Resource Corp. is a Canadian based junior gold exploration and development company which is focused in Sonora State, Mexico where it has five highly prospective projects at various stages of exploration. These projects are near currently producing, past producing, and development mines.

The TSX Venture Exchange has neither approved nor disapproved the contents of this news release. Neither 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 release.

The statements made in this news release may contain forward-looking statements that may involve a number of risks and uncertainties. Actual events or results could differ materially from the Company's expectations and projections.

SOURCE: Colibri Resource Corporation

For further information: Ronald J. Goguen, President, Chairperson and Director, Tel: (506) 383-4274, rongoguen@colibriresource.com