

Cantex to Drill Four Carlin-Type Gold Targets, Nevada

KELOWNA, BC, July 15, 2020 /CNW/ - **Cantex Mine Development Corp.** (TSXV: CD) (the "Company") has released an update on the work program at its Nevada gold project.

Dr. Charles Fipke reports

Cantex is pleased to announce that a drill program on its Nevada claims is planned to commence in the Fall of 2020.

Cantex previously completed a heavy mineral stream sediment sampling program in Nevada that resulted in the discovery and staking of several properties containing anomalies of gold as well as key pathfinder elements (such as arsenic, antimony, mercury, thallium and lead), characteristic of bulk mineable heap leach ("Carlin-style") gold mineralization. The proprietary heavy mineral processing methods utilised by C.F. Minerals Research Ltd. have been utilized to detect four previously unknown Carlin-style gold deposits now in production in Nevada.

Follow-up heavy mineral, BLEG and soil-talus sampling as well as prospecting, geophysics, and geologic mapping have established drill targets on four claim blocks, 100% owned by Cantex. As Cantex's management is focused on the North Rackla project in the Yukon, Discovery Consultants have been engaged to manage the US\$800,000 drill program to test all four of the Nevada claim blocks.

A summary of the four claim blocks to be drilled in 2020 is as follows:

1) Baxter Springs Property

Heavy mineral stream sampling detected anomalous gold and Carlin-style pathfinders within the Baxter Springs property which is underlain by Cambrian to Ordovician shale, limestone and quartzites of the Palmetto Formation. The Palmetto Formation hosts many of Nevada's heap leach gold mines such as Carlin, Cortez as well as the Manhattan Mine, 10 km to the north of the property. The northeast corner of the property is intruded by Cretaceous age granitic rocks. A major northerly trending block fault crosscuts the property.

Cantex funded a 307 sample composite soil-talus sampling survey at 60 metre intervals and a CSAMT (Controlled Source Audio Frequency Magnetotelluric) geophysical survey over the gold anomalous area underlain by the Palmetto Formation rocks. A north-northwest trending gold-antimony-bismuth anomaly underlain by a (>600 m by 300 m) resistivity high occurs in the northwest corner of the area surveyed. A 200 metre vertical hole is planned to establish if the resistive block is mineralized and a 530 metre 60 degree inclined hole is to test the gold-antimony-bismuth anomaly within and at the edges of the resistivity high.

A second west-northwest trending arsenic-antimony-mercury \pm gold anomaly is underlain by a (>900 m by >600 m) strongly conductive anomaly. A vertical 250 metre hole is needed to test the core of the strong conductor which is coincident with anomalous gold-arsenic-mercury and antimony in soil-talus samples. Two additional vertical holes comprising 260 metres are planned to test for altered meta-sedimentary rocks within the highly conductive area. These holes are 135 m and 320 m east of the hole discussed above.

2) Bruner Property

The Bruner property, within the Bruner Mining District, lies within a watershed anomalous in gold as discovered by the Company's heavy mineral sampling. It is situated within 1km of three former gold

mines, the Penelus, Duluth and Derelict Mines which were active between 1906 and 1940.

Cantex's Bruner claims host tuffaceous sediments underlain by rhyolitic and rhyodacitic volcanic rocks, all of Miocene age. The three former mines are also hosted in the same tuffaceous sediments. The Round Mountain Mine located 70 km southeast of Bruner is the pre-eminent example of these deposits.

The Paradise Peak Gold Mine is situated about 40 km southwest and the Santa Fe Gold Mine is situated about 60 km southwest of Cantex's Bruner claims.

The property is cut by extensive southwest trending faults. A 619 composite soil-talus sampling program was completed on a line spacing of 60 metres and a sample spacing of 60 metres. This survey defined a large (>600 m by 850 m) gold anomaly, commonly accompanied by anomalous mercury.

The upcoming program will initially build roads to 16 proposed drill pads at the highest gold values within the large gold anomaly. Outcrops cut by the road will then be sampled and sixteen drill holes comprising 2,000 metres are planned.

3) Carico Lake Property

Cantex's Carico Lake property is situated about 25 km southwest of the historic Cortez Mining District, which hosts many large low grade gold mines including Cortez, Pipeline, Cortez Hills and Horse Canyon.

The Carico Lake claim block covers an area drained by streams containing anomalous gold. The claims area is underlain by commonly brecciated Ordovician aged Valmy formation cherts, quartzites and minor siltstone. The target deposit is sediment-hosted gold in lower plate rocks similar to that found in the Cortez Mining District.

A 292 composite (soil/talus) sample survey detected a 1km long arsenic anomaly. The east end of this arsenic anomaly is marked by north-south oriented antimony and tungsten anomalies. Most of the highest geochemical anomalous areas were covered by a CSAMT geophysical survey.

Three 60 to 64 degree dipping holes, totalling 1,220 metres, are planned. The first will test a conductive anomaly beneath high arsenic in soil-talus samples. The second hole will test a resistivity high geophysical anomaly coincident with strong antimony and strong arsenic anomalies in soil-talus samples. The third hole will pass through a major fault block into a deep conductive zone under strongly anomalous arsenic in soil-talus.

4) Weepah South Property

The Weepah South Property is situated 4 km southwest of the Weepah Gold Mine in Esmeralda County, South Nevada. Mining at Weepah commenced in 1934, with open pit, heap leach mining methods being implemented in the late 1980's. In 1986 and 1987 alone, 58,000 oz of gold were produced (NBMG, 1986).

The claim block is centred on a 300 m by 470 m induced polarization chargeability anomaly that is thought to be the source of anomalous gold and Carlin pathfinder elements in streams draining the property. The property is mapped as being underlain by alluvium and Tertiary rhyolitic and rhyodacitic rocks which are in turn underlain by the Ordovician Palmetto Formation and Cambrian Emigrant Formation which are comprised of mainly claystones and limestones. These formations are the host of the nearby Weepah Gold Mine as well as many other large-tonnage, low grade gold mines throughout Nevada.

A report by geophysicist Phil Nielson states that the IP chargeability anomaly "is about four times

background" and that it "is overlain by a layer of more resistive rocks." The overlying resistive rocks are likely the Tertiary rhyolites and the IP target is likely the underlying prospective Cambrian to Ordovician sedimentary rocks.

The 2020 drill program includes four drill holes totalling 900 metres testing the IP anomaly.

Summary

The four wholly owned claim blocks were staked based on their drainages hosting anomalous gold and Carlin-style pathfinder elements. The subsequent geochemical, geophysical and geological work completed has defined 12 drill targets. These targets are to be tested by 28 holes totalling 5,360 metres. Cantex's board of directors looks forward to the commencement of drilling on these promising targets in a prolific gold producing region.

The technical information and results reported here have been reviewed by Mr. Chad Ulansky P.Geol., a Qualified Person under National Instrument 43-101, who is responsible for the technical content of this release.

Signed,
Charles Fipke

Charles Fipke

Chairman

About the Company

Cantex's main focus is its wholly owned Massive Sulphide discovery in the Yukon Territory, Canada. Also within the Yukon, the Company is advancing a number of new gold and base metal discoveries this season.

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For further information: Cantex Mine Development Corp, Tel: +1-250-860-8582; Email: info@cantex.ca

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