

Azteca Gold Corp.: Target Intersected at Two Mile

SPOKANE, WASHINGTON-- May 27, 2009 -- Matthew Russell, President of Azteca Gold Corp. (CDNX:[AZG.V](#) - [News](#)) (the "Company") wishes to provide an update on exploration activities at the Two Mile Project in the Silver Valley of Idaho, as well as announce a proposed interim financing.

The Company is pleased to report the intersection of its initial deep target in hole DDH-006, which is a Sullivan-style sulfide bed beginning at approximately 10,000 FT and continuing to approximately 10,180 FT. The mineralization ranges from disseminated to intermittently massive, and is very fine-grained in nature. Assays are forthcoming, and management believes this intersection may represent a main sphalerite (zinc sulfide) - tetrahedrite (silver-antimony sulfide) zone.

"At the time of this press release, DDH-006 is at a depth of 10,268 FT and is in what appears to be disseminated galena (lead sulfide), with minor sphalerite and chalcopyrite (copper sulfide), and with strong stockwork veining predominantly along the axis of the core," said Mr. Russell. "The nature of the stockwork veining gives us reason to believe that the next mineralized bed in the series may be primarily galena with chalcopyrite and sphalerite. We have reset the target depth of DDH-006 to 10,500 FT in anticipation of an extended intersection of primarily galena mineralization."

"In regards to the geologic model, the prevalence of alternating feldspar and silicate layers immediately above the mineralized intercept is further evidence that a Sullivan style system may exist at Two Mile. While hole DDH-005A showed a similar series of alternating rock types, the series intersected thus far in hole DDH-006 looks considerably thicker," emphasized Mr. Russell.

"We want to stress that the apparent deficiency of pyrrhotite (iron sulfide) within the main mineralized beds makes the Two Mile discovery remarkably different than the Sullivan deposit. Pyrrhotite appears to have caused grade-dilution in the desirable minerals at the Sullivan."

The Company will be looking for additional Sullivan rock types as drilling progress continues. We are analyzing the extent of tourmalinite within the feldspar, as it was particularly indicative of adjacent sulfide mineralization at the Sullivan deposit.

As introduced in the last press release, the Company intends to investigate the continuity of the massive sulfide mineralization between holes DDH-005A and DDH-006. The Company wishes to emphasize that the intersection of significant mineralization as described above does not guarantee grade tenor as intercepted in hole DDH-005A.

The Company also wishes to announce that it is contemplating a term loan of as much as US\$ 600,000 to cover near-term drilling and assaying costs at its Two Mile Project. "Given that assay results from the intersection of our initial and perhaps subsequent targets at hole DDH-006 are due back relatively soon, management believes that it would serve shareholders best to avoid an additional equity raise at this time," said Mr. Russell. "We have a broad shareholder base that collectively holds over \$30 million worth of outstanding warrants, many of which are not far out of the money at this time. Management also believes it is reasonable to assume loan repayment out of warrant exercise."

The interim loan contemplated would pay interest at 6%, and issue a maximum of 900,000 share purchase warrants, each entitling the holder to subscribe for one common share of Azteca Gold at \$0.35 for a period of 2 years from closing, subject to regulatory approval. It is anticipated that insiders may provide a majority of the contemplated financing.

The information contained in this news release has been reviewed and approved by Matthew Russell, President and CEO, the Company's Qualified Person as defined in National Instrument 43-101.

WARNING: the Company relies upon litigation protection for "forward looking" statements. The information in this release may contain forward-looking information under applicable securities laws. This forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking information. Factors that may cause actual results to vary materially include, but are not limited to, inaccurate assumptions concerning the exploration for and development of mineral deposits, currency fluctuations, unanticipated operational or technical difficulties, changes in laws or regulations, the risks of obtaining necessary licenses and permits, changes in general economic conditions or conditions in the financial markets and the inability to raise additional financing. Readers are cautioned not to place undue reliance on this forward-looking information. The Company does not assume the obligation to revise or update this forward-looking information after the date of this release or to revise such information to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

Shares issued: 177,862,964

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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