VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov 1, 2016) - San Marco Resources Inc. (TSX VENTURE:SMN) ("the Company" or "San Marco") announces that surface right access agreements have been reached with the local ejidos (community landowners) at the Company's 100% controlled Chunibas project, Sonora, Mexico. The agreements are an essential step, allowing San Marco to advance the permitting process for planned mechanical trenching and drilling at Chunibas. The agreements are for an indefinite period, and are subject to reasonable annual payments.

Chunibas mineralization consists of variably oxidized, shear / vein gold occurrences, hosted in an intermediate intrusive of Cretaceous age. The area contains numerous prior workings, which testify to the presence of locally high-grade free gold in the near surface. Past workers completed several widely spaced reconnaissance RC drill holes at varying orientations in 1997. Results of that drilling included the following near surface intercepts*;

- 1.04 g/t gold over 42.6 metres, including 1.25 g/t gold over 30.4 metres.
- 2.04 g/t gold over 22.9 metres, including 4.4 g/t gold over 9.1 metres
- 2.80 g/t gold over 15.2 metres, including 6.20 g/t gold over 6.1 metres.

Driving structures are thought to be oriented north - south; east-west bridging shears and stockworks occur between the main faults. The stockworks developed at the intersections of these two structural orientations are key to localization of higher grade gold. This is a well-organized, structurally controlled gold system which appears open in all directions, and which has been tested to only 60 metres below surface. Click here to view map.

Mineralized shear/veins are generally 1 - 2 metres in width, but are surrounded by haloes of lower grade stockworks, breccias and fractures that constitute broader targets. This disseminated style of mineralization occurs in intrusive host rock without visible vein or shear development.

Recent field studies have led the Company to reclassify the exploration model for Chunibas as intermediate sulfidation or intrusion-related rather than low sulfidation epithermal as past workers assumed. The company believes there is real potential for both bulk tonnage, near surface deposits as well as high grade, underground mineable resources.

San Marco field crews are currently completing detailed geological mapping and sampling within the 800 X 800 meter area of known mineralization. Preliminary work has already identified additional mineralized structures to the west, where follow up detail sampling is ongoing (please see the Company's news release dated December 14th, 2014 for more details regarding Chunibas). Many of these newly discovered structures trend under alluvial cover. Crews will shortly begin a 1.25 by 1.25 kilometre soil geochemical survey to aid in tracing new and existing zones under cover. In addition, San Marco is working to acquire all historic geological and geophysical data to better plan for future exploration. Permit applications for trenching and drilling have been submitted to SEMARNAT and are expected to be approved before year-end.

San Marco's CEO, Bob Willis stated, "We're excited to be back at work at Chunibas, completing the multi-faceted exploration program the project deserves. Initial work has shown that mineralization is much more extensive than records indicated, and that there is potential for bulk tonnage zones in addition to narrow, high-grade targets. The current program will position us to carry out an efficient and cost effective program of trenching and drilling on this 100% owned project."

About San Marco

San Marco Resources Inc. is a Canadian mineral exploration company with a portfolio of promising projects in mining-friendly Mexico, including the Chunibas & Mariana Projects in Sonora State.

San Marco actively pursues strategic project generation program focused on high-calibre, low acquisition cost opportunities in the North-western Mexico. The Company has a committed management team with extensive experience in Mexico and a proven track record of building shareholder value.

On behalf of the Board of Directors,

Robert Willis, P. Eng.
President & CEO

National Instrument 43-101 Disclosure

This news release has been approved by San Marco's CEO, Robert D. Willis, P. Eng. a "Qualified Person" as defined in National Instrument 43-101, *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.

*This news release includes technical information that was generated prior to the introduction of National Instrument 43-101.

Details of the sampling methods, handling, and quality control methods used in the generation of this historical technical data are unknown to San Marco, and the drill material, assay results, true width of intercepts herein cannot be and have not been verified by the Company's Qualified Person for the purposes of National Instrument 43-101.

Forward-Looking Information

Information set forth in this document may include forward-looking statements. While these statements reflect management's current plans, projections and intents, by their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the control of San Marco Resources Inc. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on these forward-looking statements. San Marco's actual results, programs, activities and financial position could differ materially from those expressed in or implied by these forward-looking statements.

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