

AZTECA GOLD CORP.

Azteca Gold announces acquisition of 100% ownership of the Two Mile Property, settlement of debt, and resumption of drilling

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Calgary, Alberta – Matthew Russell, President of Azteca Gold Corp. ("Azteca" or the "Company") is pleased to announce the purchase of Silver Royal Apex's 50% ownership in the Two Mile Property, the settlement of debts owing to the drilling contractor, and the resumption of drilling.

Azteca 100% Ownership of Two Mile

Azteca has agreed to purchase, subject to regulatory approval and approval of the shareholders of the vendor, Silver Royal Apex's ("SRA", an Idaho corporation) 50% joint venture interest in the Two Mile Property. The agreed net value of SRA's 50% JV interest is Canadian \$6.4 million, which is net of a Two Mile Property joint venture debt of Canadian \$2.6 million owed by SRA to Azteca. The consideration to be paid by Azteca for the purchase is 128,000,000 restricted common shares of the Company, resulting in Azteca owning 100% of the Two Mile Project covering approximately 22 square miles in the Silver Valley of Idaho. The shares issued to SRA will be restricted from trading for four months from closing. Justin Rice, retiring President of SRA, will join the board of directors of Azteca. Mr. Rice has agreed to enter into a two year management consulting contract with Azteca.

In announcing the transaction, Mr. Russell stated, "Staff and management at Azteca Gold have worked closely and productively with Justin Rice since we entered into the exploration joint venture with SRA in August of 2007. Unfortunately, challenging market conditions and other factors prevented SRA from meeting its financial obligations under the joint-venture, despite several extensions of time, as well as an agreed-upon slower exploration program. However, these same conditions have given both companies an opportunity to join together in a way that both consolidates ownership and strengthens control of the Project before any results are obtained from the upcoming third drill campaign. Valuing his tremendous experience and wisdom, we have asked Justin to remain involved in the Project by joining Azteca's board of directors. I expect to continue a very productive working relationship as we endeavor together to realize the value in the Two Mile Project for our combined shareholders."

Debt Settlement

Azteca's outstanding liability of approximately \$3.03 million USD to Ruen Drilling Inc. ("Ruen") has been settled, by agreement pending regulatory approval, as follows: (1) \$1.63 million USD will be paid in cash through an upcoming equity offering (or other means as given in "Financial Plan" below) by the Company over the next 8 weeks and any amount owing beyond this period will be subject to a 6% per annum finance charge; (2) \$600,000 USD will be converted to 12,000,000 units of the Company's common equity, a unit consisting of one

common share and a two year share purchase warrant to purchase one common share of the Company for \$.125 USD; (3) \$800,000 USD will be, at Ruen's option over the next 18 months, settled by any combination of cash payment from an equity offering (or other means as given below) and conversion into up to 10,000,000 units of the Company's common shares, with each unit consisting of one common share and a two year share purchase warrant to purchase one common share of the Company for \$.20 USD; and (4) the payment of an advance of \$250,000 USD to resume drilling activities at Two Mile beginning on hole DDH-009 the week of July 5th, 2010 as discussed below. The shares being issued to Ruen described above are subject to the previously announced vote pooling agreement Ruen has entered into with management of Azteca.

Financial Plan

Management of Azteca plans to raise up to Canadian \$6.0 million through partnering of non-core assets, an equity offering, and / or taking on a minority strategic partner in the Two Mile Project. The Company plans to use \$1.63 million USD of the proceeds for the debt settlement to Ruen stated above, \$2.75 million USD for the next six month's expenses of the Two Mile exploration program, and approximately \$1.25 million USD for general corporate purposes, including key land purchases in support of the Two Mile Project.

Purchase of Mining Claims

Azteca is pleased to announce the purchase of 15 unpatented mining claims from Shoshone Silver/Gold Mining Company, which brings Azteca's unpatented mining claim total within the approximate 22 square mile Two Mile Property to 725 claims. The 15 claims are included in the Company's five year exploration plan currently being submitted to the U.S. Forest Service, and as such are an important part of the longer range planning of the mineral exploration of the Two Mile Property. The 15 unpatented claims are subject to a net smelter return royalty agreement.

Drill Plan

As part of the Ruen settlement agreement described above, Ruen will mobilize a third deep capacity diamond drill to the Two Mile Project site the week of July 5, 2010 and expects to commence drilling hole DDH-009 the week of July 12, 2010. The drill contractor has maintained two deep capacity drills idle on site, which are currently mobilized at the drill sites for holes DDH-005 and DDH-006.

Proposed drill hole DDH-009 has been re-configured from Figure 6 of the press release dated April 7, 2010 as in accompanying Figure 6-R1 to be dipped approximately 10 degrees from vertical on an azimuth of 105 degrees from True North. The purpose of this re-configuration is to attempt to intersect up-dip mineralization more closely within the apex of the Two Mile Anticline in the upper elevations of DDH-009 and more closely on the East limb of the conceptual Two Mile Anticline in the lower elevations of DDH-009. "The Company believes anticlinal features as well as fault structures are important keys to understanding and exploring in the District," explained Qualified Person for the Two Mile Project Dick Nanna.

Advance working payments to the driller per the settlement agreement are expected to accomplish a depth of at least 2000 FT in DDH-009. The Company, with successful financing as

described above, plans to drill hole DDH-009 to a maximum target depth of 7,000 FT to test up-dip mineralization potential of the expected anticlinal hinge described in the April 7, 2010 press release.

The purpose of DDH-009, as mentioned above, is to investigate the potential for hinge-related up-dip mineralization, especially as it relates to mineralization found in zones “B” through “P” (and “b” through “t”) as summarized in accompanying Tables 1a, 1b, and 1c. As described in the April 7, 2010 press release, of particular interest to the Company is the potential for Harlow vein type silver mineralization in the lower Burk metasediments in approximately the upper third of the hole, as well as mineralization up dip of zone K. Zone K is the intercept zone related to the massive sulfide discovery at approximately 7950 FT in hole DDH-005A. If zone K proves mineralized at the location of hole DDH-009, electrical conductivity tests may also be considered for purposes of establishing continuity of the zone as intersected down dip in DDH-005A (wedge removal as described below would be required). The Company also plans to conduct a gravity geophysical survey of DDH-009 prior to any wedge-off drilling which may be desired. “Zones” or “mineralized zones” refer to summary mineralized intercepts as given in Tables 1a, 1b, and 1c.

The drill plan and purposes for DDH-007 and -008 were outlined in the January 6, 2010 press release to test for down-dip extension of the Harlow silver vein zone mineralization. “Because of its potential for multiple target zones, the Company has decided to drill hole DDH-009 first, and expects to gain useful geologic information within the lower Burk metasediments to make a decision on whether to commit resources to DDH-007 and DDH-008 in the near-term,” explained Mr. Nanna.

Further to the purpose of investigating mineralization in the immediate vicinity of the massive sulfide discovery in DDH-005A at approximately 7950 FT, the Company, financing permitting, plans to remove the wedge at approximately 3950 FT in hole DDH-005B, and insert wedge(s) at approximately 6500 FT – 7500 FT in DDH-005A from which to further investigate the up-dip potential of this mineralization as recommended by the author of the updated 43-101 referred to in the April 7, 2010 press release. “Should DDH-009 intersect up-dip mineralization which can be geologically related to the massive sulfides in DDH-005A, these DDH-005A wedge-off holes may logically be considered to be in-fill drill holes,” said Mr. Nanna.

Summarizing the upcoming drill plans, Mr. Nanna said, “Azteca’s third drill campaign on this Project, beginning with hole DDH-009, has two main goals. The first is to test for a possible up dip extension of the high grade massive sulfide discovery made deep in hole DDH-005A. Given the collar locations of hole DDH-005A and proposed hole DDH-009, drill angles and potential wedge-offs, a large block can potentially be reached by drill adjacent to target zone K should further mineralization be found to support such activity. The second goal is broader, testing the overall exploration model regarding finding mineralization to be associated with the presumed anticline. Hole DDH-009, which is being drilled from within the presumed apex of the anticline and at a slight angle aimed to intersect an up dip projection of zone K, should serve both purposes. It may intersect several zones of interest, including those in approximately the upper third of the hole associated with the lower Burk metasediments.”

Drill Core Assay Updated Results and Summary Assay Data Tables

Azteca has summarized relevant Two Mile Project drill core assay data for the 6 core holes and 2 wedge-off core holes accomplished to date in accompanying Tables 1a, 1b, and 1c. These three tables summarize potentially material economic and geologically significant Azteca drill core assay results to-date for DDH-001/A, -002, -003, -005A/B, and -006/B. The wedge-off hole DDH-005B begins at approximately 3950 FT in hole DDH-005A and wedge-off hole DDH-006B begins at approximately 9900 FT in hole DDH-006.

The Company represents that material economic assays to-date include only those for the massive sulfides of zone K of hole DDH-005A in Table 1b and as disclosed in the January 13, 2009 press release. The Company believes that the potential for extension of this massive sulfide mineralization up-dip and on-strike of the Two Mile Anticline as described in the April 7, 2010 press release remains a priority for further exploration. All other summary assays given in these three tables are presented for their geologically predictive merit only, and at this time are not considered to be material economic assays. Sulfur is not considered to be of economic importance by the Company except as a geologic indicator of potential for adjacent economic metal sulfide mineralization. The use of letters (A, B, C, etc. and a, b, c, etc.) in Tables 1a, 1b, and 1c representing mineralized zones are for organizational purposes only according to similar ranges of drill depth intercepts measured from collar elevations of the respective diamond drill hole series -005 and -006. Any comparison of these results on the basis of stratigraphic level or on-strike extension is premature before these relevant sections of the drill core are geologically logged and analyzed. Resumption of the logging of the core is financing dependent.

The Company directs readers to the most updated 43-101 Two Mile technical document, authored by **Dr. Jennifer Thomson, Ph.D.** and titled "Exploration of the Two Mile Creek Project area near Osburn, Idaho for Lead and Silver," dated April 2, 2010. This document was prepared for Azteca's Joint Venture partner Silver Royal Apex and can be found on www.sedar.com under Liard Resources Ltd.

Zones 3a-e and 2a,b: The Company believes that recent follow-up assays in Azteca drill core and discovery of geologic work by others on the Two Mile Anticline have given context to better understand the significance of the results of holes DDH-002 and -003 drilled in Q4 2007. Accordingly, relevant summary interval assay results are given in Table 1a. Figure 6-R1 shows the projection of DDH-002 and -003 on section A2-A2' and suggests these two holes were drilled on or near the apex of the Two-Mile Anticline and that their dips were nearly coincident with the dips of the East and West limbs of the Two Mile Anticline respectively. The Company believes these two holes were collared within the Burk metasediments, and stratigraphically below the level of the Harlow vein as described in the January 6, 2010 press release but were too shallowly dipping to drill test the deeper portion of the Harlow Vein zone in the lower Burk metasediments as could be accomplished with DDH-009 as well as future proposed holes DDH-007 and -008. Notable intervals within these summary intervals include:

DDH-003

1244-1246 FT → 2 FT @ 28.8 g/tonne Ag and 0.153% Pb

1250-1252 FT → 2 FT @ 21.4 g/tonne Ag, 0.312% Pb, and 0.151% Zn

Zones B, b, C, and c: Summary assay results are found in Table 1a and geologic description can be found for select intervals in the updated 43-101 technical document. Assays for all zone B, b, C, and c intervals were given in the January 6, 2010 press release except for the following zones for which there are new assays: Zone B – 005A interval 1633.5-1653.5 FT, Zone C – 005A interval 1666.0-1683.5 FT, and Zone c – 006 interval 1789.0-1797.0.

Zones D and d: Summary assay results are found in Table 1a and geologic description can be found for the “d” zones in the updated 43-101 technical document. Results were given in the April 2, 2009 press release for the DDH-006 interval 3576.0-3592.0 FT. Assays are newly provided for the lower DDH-006 interval 3593.5-3607.0 FT. Notable intervals within the “d” zone include:

DDH-006:

3583.0-3584.0 → 1 FT @ 15.3 g/tonne Ag, 1.39% Pb, and 0.072% Cu

3587.0-3588.0 → 1 FT @ 5.0 g/tonne Ag, 2.76 % Pb, and 0.015% Cu

Anomalous silver, lead, and copper are of interest to the Company in these zones. The Company’s QP has recommended assaying DDH-005A in the interval 3600-3700 FT.

Zones E, e, F, and f: Per the Company QP’s recommendation as stated in the January 6, 2010 press release under the heading “Gravity Anomaly (1)”, the Company has assayed and is reporting summary assays within the E, e, F, and f zones as given in Table 1a. Notable summary intervals within the “F & e” zones include:

DDH-005A:

4758.5-4766.0 → 7.5 FT @ 2.3 g/tonne Ag and 0.064% Pb

DDH-006:

4439.5-4449.5 → 10.0 FT @ 2.2 g/tonne Ag, 0.252% Pb, and 0.497% Zn

Anomalous silver, lead, and zinc are of interest to the Company in zones “E, e, F, & f”.

Zones G, g, H, and h: Summary assay results are found in Table 1b and geologic description for select intervals can be found in the updated 43-101 technical document. Results were given in the April 2, 2009 press release for the DDH-006 interval 5291.5-5552.0 FT. The DDH-006 “g” zone summary intervals are notable intervals within this larger 260.5 FT mineralized interval. Assays are newly provided for the “H” zone DDH-005A interval 5896.0-5902.0 FT and the “h” zone DDH-006 interval 5832.0-5887.0 FT. Notable intervals within the “g” zones include:

DDH-006:

5359.0-5382.0 → 23.0 FT @ 6.38% Sulfur and 0.038% Cu

5382.0-5542.0 → 160.0 FT @ 1.90% Sulfur and 0.017% Cu

Anomalous sulfur and copper over a relatively wide width as given in the April 2, 2009 press release as 260.5 FT @ 1.98% Sulfur and 0.0177% Cu are of interest to the Company. The author of the updated 43-101 made the following statement about the DDH-006 interval from 5,286.5 FT to 5,394 FT: “From 5,286.5 ft. to 5,325 ft., the core exhibits laminae that are subparallel to the core axis with chalcopyrite and pyrite disseminated within the darker colored laminae. Narrow veins of calcite cut the core at various angles toward the bottom of this interval. From 5,327 ft. to 5,394 ft. the rock is coarse-grained with pink-colored horizons that are disrupted and brecciated. Epidote is found dispersed throughout this interval, probably an alteration mineral. The interval contains disseminated chalcopyrite and pyrite.”

Zones I, i, J, j, K, and k: Summary assay results are found in Table 1b and geologic description for select intervals can be found in the updated 43-101 technical document. Results were given for the DDH-005A “K” zone in the January 13, 2009 press release. Reference was made to portions of DDH-005A and -005B zones “I&J” in the April 2, 2009 press release wherein these zones were referred to as “upper beds”. The Company believes that recent follow-up assays in Azteca drill core and discovery of geologic work by others on the Two Mile Anticline have given context to better understand the significance of the assay results previously obtained for zones “I&J”. Accordingly, relevant summary interval assay results are given in Table 1b. Summary results for newly assayed intervals in DDH-006 for zones “i,j,&k” are also given in Table 1b. Notable intervals within the “I, J,& K” zones include:

DDH-005A:

7643.5-7651.0 → 7.5 FT @ 3.8 g/tonne Ag, 0.300% Pb, and 1.480% Zn
7683.5-7751.0 → 67.5 FT @ 0.108% Pb and 0.325% Zn
7883.0-7968.5 → **85.5 FT @ 33.6 g/tonne Ag, 1.995% Pb, 9.218% Zn**

DDH-005B:

7562.0-7654.0 → 92.5 FT @ 0.046% Pb and 0.155% Zn
7662.0-7699.5 → 37.5 FT @ 0.092% Pb and 0.197% Zn
7939.5-7947.0 → 7.5 FT @ 0.40% Sulfur

The Company estimates that wedge-off hole DDH-005B is approximately 150-165 FT northwest of DDH-005A at zones “I-K”, which, coupled with the above stated summary assay results, suggests some potential for continuity of mineralization up-strike to the NW between DDH-005A and -005B. The Company’s QP has recommended prioritization of core logging and geologic analysis, finances permitting, in zones I, J, and K to investigate this potential for continuity of mineralization on-strike. Potential for metal sulfide mineralization adjacent to zones “i,j,&k” is suggested by the relatively weak but broad anomalous zone of sulfur mineralization in DDH-006 summarized from Table 1b as follows:

DDH-006:

7556.0-7576.0 → 20.0 FT @ 0.47% Sulfur
7756.0-7816.0 → 60.0 FT @ 0.47% Sulfur
7875.5-7938.0 → 52.5 FT @ 0.68% Sulfur
7943.0-8053.0 → 110.0 FT @ 0.59% Sulfur

Zones L, l through S, s: Summary assay results are found in Table 1c and geologic description for select intervals can be found in the updated 43-101 technical document. Notable summary intervals within these zones include:

DDH-005B:

9507.0-9519.5 → 12.5 FT @ 1.8 g/tonne Ag, 0.164% Pb, & 0.331% Zn

DDH-006:

10,680.5-10,683.0 → 2.5 FT @ 2.3 g/tonne Ag, 0.136% Pb, & 0.247% Zn

10,860.8-10,863.5 → 2.7 FT @ 7.2 g/tonne Ag, 0.857% Pb, & 2.166% Zn

DDH-006B:

10,826.5-10,829.0 → 2.5 FT @ 2.7 g/tonne Ag, 0.311% Pb, & 1.320% Zn

10,833.0-10,835.0 → 2.0 FT @ 3.3 g/tonne Ag, 0.324% Pb, & 1.745% Zn

Zone “t”: Summary assay results are found in Table 1c. The Company does not currently have a geologic explanation for the DDH-006B carbonate interval: 11,136.5-11,345.0 FT @ 12.96% CO₃. The Company believes it can test these carbonates for mineralization by deepening proposed hole DDH-009 below the proposed 7000 FT. The Company estimates DDH-009 would have to be drilled at least to 10,500 FT to test this carbonate zone for mineralization.

Summary

“Our continuing work on the geologic model for Two Mile, which includes follow up assay work, limited core logging, acquisition of third-party historical work, further geologic research, and reinterpretation of existing data has brought us to this upcoming third drill campaign. With this plan, drilling is expected to resume within the next two weeks. We have obtained all necessary drill permits for the third drill campaign, which is designed to test for mineralization which may have been concentrated within the central hinge of the Two Mile Anticline, including up-dip from our initial discovery,” said Mr. Nanna.

“In the process, we have consolidated ownership of the Two Mile Project into Azteca Gold and settled our debt with the drill contractor, who is now a committed partner with us on the Project,” said Mr. Russell.

Diamond drill core was processed as per the Company’s chain of custody controlled by Azteca personnel who transferred the samples directly to American Analytical Labs, located at Osburn, Idaho, an independent and fully accredited lab. The assay lab has provided assay results to only those within Azteca’s control pursuant to the list provided to them by Matt Russell. Material assay results are considered preliminary by the Company until check assays are received.

Assay methods include fire assay for Ag > 15g/tonne and all Au. ICP (inter-coupled plasma) was used for lead, zinc, copper, and sulfur. Carbonate (CO₃) was titrated.

The technical and scientific information contained in this news release has been reviewed by the Company's QP Richard Nanna, who is also a director of the Company.

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[Table 1a](#)

[Table 1b](#)

[Table 1c](#)

[Figure 5](#)

[Figure 6-R1](#)

[Backup for Tables 1a-1c](#)