ExGen: Geophysical Report Confirms Significant Gold and Silver Potential at the Navarre Creek Claim Block Within the Empire Mine Project

02.02.2022 | GlobeNewswire

VANCOUVER, Feb. 01, 2022 - ExGen Resources Inc. (TSX.V: EXG; OTC: BXXRF) ("ExGen", the "Company") is pleased to provide an update in respect of Phoenix Copper Ltd.'s ("Phoenix") exploration and development activities at the Empire Mine Project in Custer County, Idaho, USA. Further to previous ExGen news releases, ExGen owns 20% and Phoenix owns 80% of Konnex Resources, Inc. ("Konnex"), which holds the leases and claims to the Empire Mine Project, which includes all of the Navarre Creek claim block. ExGen further owns 1,330,000 common shares of Phoenix.

ExGen is pleased to report that Phoenix, (the operator of the Empire Mine Project), has provided is the results from its ground-based field magnetics survey and airborne hyperspectral mineral surveys.

The following program highlights were provided by Phoenix:

- 169-line kilometres ('km') of ground-based total field magnetics and airborne hyperspectral imaging completed for the entirety of the Navarre Creek claim block
- Two distinct intrusive bodies identified, partially concealed below glacial till showing strong magnetic signatures which complement the existing jasperoid outcrops
- A northeast trending, approximately 2.3-mile-long by 1-mile-wide corridor of hydrothermal alteration also identified, consistent with the gold and silver bearing Carlin-style epithermal deposits
- Markers for Carlin-style gold deposits are the presence of jasperoids, and the association of gold, antimony, silver and zinc. These markers are found at Navarre Creek and may signify the potential for this style of deposit
- The results of these surveys, together with the results of previous exploration, highlight the prospectivity of the claim block. These positive results will drive further exploration and drill targeting in 2022

Navarre Creek Geology, Geochemistry, and Geophysics

During the 2021 field season, Phoenix contracted Magee Geophysical Services to acquire approximately 169 line-km of total field magnetic measurements at the Company's Navarre Creek project and SpecTIR, LLC of Reno, Nevada to complete an airborne hyperspectral survey of the same Navarre Creek area to identify prospective exploration targets in an area, many of which are largely concealed by glacial till.

The ground magnetics survey looked specifically for magnetite and magnetic-bearing minerals, some of which have been identified in limited outcroppings, while the hyperspectral imaging helps to identify alteration minerals often associated with precious metal deposition.

Hyperspectral imaging incorporates a small airplane with mounted infrared lights and sensors to detect a wide range of wavelengths, mineral absorption and reflectance within the target area. The wavelength data collected in this survey are VNIR (Visible and Near-Infrared), SWIR (Short-Wave Infrared), and LWIR (Long-Wave Infrared). The human eye can detect wavelengths (colors) from 390 nanometers ('nm') to 700nm. The VNIR and SWIR sensors collected wavelength data from 390nm to 2,450nm, while the LWIR sensors ranged from 8,000nm to 12,000nm.

The Navarre Creek project is located within an intrusive dome complex, where the magnetic components in overlying volcanic lithologies is destroyed by silicic alteration associated with steam-heated, acidic, and oxidized hydrothermal fluids. The survey highlighted several such areas including the Lehman Creek fault,

one or more porphyry plugs, and several contacts/faults.

The survey identified volcanic associated alteration that is both acidic and of fairly high temperature as evidenced by pyrophyllite and dickite. As would be expected in the Challis Volcanic Field, the white mica is Al-rich (paragenetic) and also shows zoned crystallinity patterns, typical of intermediate-to-high sulfidation systems and is likely proximal to a magmatic heat source. The presence of iron oxide associated with some of these zones adds prospectivity. The alteration pattern is useful in developing an exploration model to optimise future drill targets.

During the summer of 2020, Konnex Resources' exploration team mapped and sampled the Company's Navarre Creek gold property, which was then comprised of 2,420 acres of unpatented mining claims, located approximately five kilometres north-northwest of the Empire Mine. 90 rock chip and grab samples were collected in the hydrothermally altered volcanic rocks that make up the Navarre Creek claims and sent to ALS Laboratories in Reno, USA for geochemical analysis.

Of the 90 samples, 53 were above the detection limit for gold with a high of 0.569 grammes per tonne ('g/t'), and 25 above the detection limit for silver. There was also a strong correlation between elevated gold values and elevated antimony values, typical of epithermal gold and silver systems in the western US. With the exception of one sample, all samples with a gold value greater than 0.1 g/t occurred within the same alteration type, that being predominantly a jasperoid-hosted quartz stockwork and micro-veining system. This provides valuable information for future sampling and drill targeting. The quartz stockworking and micro-veining appear to occur predominantly in felsic volcanic tuff units in the Navarre Creek area. One anomalous sample, 32519, registered a gold value of 0.387 g/t, in a magnetite skarn sample located on the southern end of the Navarre Creek claim block where the skarn body is exposed as subcrop through the surface volcanics tuffs. Additionally, the presence of limestone in surface float near the skarn sample location is evidence that the Paleozoic sedimentary rocks that occur at the Empire Mine may be near the surface. The Empire orebody is partly comprised of a magnetite skarn body hosted in Paleozoic limestone. It was also noted that volcanic outcropping across the Navarre Creek area is strongly weathered and highly leached to depths of two to four metres.

The Navarre Creek claim block now covers 3,577 acres (14.48 km?), representing over six kilometres of prospective strike length, including an area of secondary alteration thought to be epithermal in nature, with over 2.5-kilometres of highly brecciated, west-trending jasperoid intersecting argillically and silicically altered Eocene Challis volcanics.

Phoenix noted:

- Both surveys covered the entirety of the 3,577-acre claim block, including the 1,054 acres of additional claims filed in July 2021, and identified two magnetic bodies partially concealed below glacial till and overburden, a roughly 2.3-mile-long by 1-mile-wide zone of hydrothermal alteration similar to that associated with Carlin-style epithermal deposits in the western US.
- The results confirm the geological and geochemical testing results reported from previous field studies, in particular the iron-rich Lehman Fault and Bear Cave gossan.
- The geophysical results coincide well with previous mapping and sampling conducted by Phoenix, as well as with the findings of the Idaho Geological Survey reported in "Geology and Geochemistry of Jasperoid Near Mackay, Idaho" 1988, Bulletin 27. This report states "Hydrothermal solutions that formed the jasperoids may also have formed large low-grade precious metal deposits within the jasperoid bodies or within altered country rocks associated with the jasperoids." Jasperoids and the association of gold, antimony, silver, copper and zinc, as found at Navarre Creek, can be the signatures of precious metal deposits.
- Phoenix believes the Navarre Creek area to be quite remarkable, with the combination of iron-rich faults and gossans, jasperoid bodies, and favourable surface geochemistry all supported by the results of the latest geophysical surveys.
- Phoenix has developed an exploration model at Navarre targeting the geology, geochemistry, and geophysics typical of epithermal precious metal deposits. Findings thus far, including the recent geophysical results, support the exploration model and will provide the basis for further exploration, including a planned drilling program in 2022.
- In addition to the evaluation of these latest Navarre Creek results, Phoenix continues to focus its efforts on the Empire Open-Pit copper oxide feasibility study, scheduled for completion in Q2 of this year, and with the ongoing permitting of the Empire copper-oxide open pit.

Jason Riley, CEO of ExGen commented: "ExGen is very pleased with the results of the program so far on

the Navarre Creek Claim block. The recognition of a major northeast trending corridor of hydrothermal alteration, consistent with the gold and silver bearing Carlin style epithermal deposits is extremely encouraging. With so much activity on both the Empire Pit deposit and the blue sky of Navarre Creek, Red Star, and the Sulphide zone at depth, we are truly excited for all the potential that lays ahead this year."

QUALITY ASSURANCE AND QUALITY CONTROL PROTOCOLS

Rock, drill core and reverse circulation samples were analyzed by ALS Global, Reno, an ISO/IEC 17025:2005 accredited facility. Copper, zinc, silver, lead, molybdenum, and tungsten were determined by ICP method. Copper, zinc, and lead >1% ICP are assayed using four-acid digestion and silver >100ppm by four acid digestion, whereas gold was determined by a 30gm fire assay followed by atomic absorption. Standards, duplicates and blanks were inserted into the sample stream for QA/QC purposes. Blanks and duplicates were inserted roughly every 50ft and standards were inserted roughly every 100ft. Core samples are saw cut in half and stored in a secure facility. RC chips and channel samples are stored in the same secure facility. All samples are delivered to the laboratory under chain of custody protocol and submitted using sub-form sample numbers.

QUALIFIED PERSON

Kieran Downes, Ph.D., P. Geo., a Qualified Person as defined by National Instrument 43-101, has reviewed and verified the technical information provided in this release.

ABOUT EXGEN RESOURCES INC.

ExGen, formerly Boxxer Gold Corp, is a project accelerator that seeks to fund exploration and development of our projects through joint ventures and partnership agreements. This approach significantly reduces the technical and financial risks for ExGen, while maintaining the upside exposure to new discoveries and potential cash flow. The company intends to build a diverse portfolio of projects across exploration stages and various commodity groups. ExGen currently has 6 projects in Canada and the US.

For more information on ExGen please contact ExGen Resources Inc.

Jason Tong
Chief Financial Officer
Email: jason@catapultgroup.ca

Neither the 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.

Forward-Looking Information: This news release contains certain forward-looking information. All statements included herein, other than statements of historical fact, are forward-looking information and such information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. In particular, this news release contains forward-looking information in relation to: the observations made on drill core from the diamond drilling program on the Empire Mine Project; the further exploration and development of the Empire Mine Project; the exploration and development strategy of the Empire Mine Project, including the exploration program, drilling, mine development, and permitting. The results of the sampling and geophysical survey at Navarre Creek, the markers of Carlin style deposits and the potential for such deposits to exist at Navarre Creek. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. There can be no assurance that the development of the Empire Mine Project will be completed, and if development is completed, that such development will result in a producing mine. In the forward looking information contained in this news release, ExGen has made numerous assumptions, based upon practices and methodologies which are consistent with the mineral industry. In addition, ExGen has assumed: the continued market acceptance of its joint venture partnership model; the ability of ExGen and its partners to raise future equity financing, if needed, at prices acceptable to ExGen or its partners; ExGen's current and initial understanding and analysis of the Empire Mine Project; the ability of ExGen or third parties to discover viable exploration targets and the results of exploration on the Empire Mine Project; the ability of Phoenix to explore and develop the Empire Mine Project; the cost of exploration, including sampling, drilling

and assaying, on the Empire Mine Project, the costs of developing the Empire Mine Project and the costs and the ability of Phoenix to produce a feasibility study in compliance with NI 43-101; and ExGen's general and administrative costs remaining sustainable. While, ExGen considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies. Additionally, there are known and unknown risk factors which could cause ExGen's observations, actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Known risk factors include, among others: the possibility that the analytical results from future core sampling does not return significant grades of copper, gold, silver, zinc, lead or any other molybdenum by-products; uncertainties relating to interpretation of drill results and the geology; continuity and grade of mineralization; there is no certainty that the ongoing work programs will result in significant or successful exploration of the Empire Mine Project or development of the Empire Mine Project into a producing mine; uncertainty as to the actual results of exploration and development or operational activities; uncertainty as to the availability and terms of future financing; uncertainty as to timely availability of permits and other governmental approvals; ExGen may not be able to comply with its ongoing obligations regarding its properties; the early stage development of ExGen and its projects, and in particular, the Empire Mine Project; general business, economic, competitive, political and social uncertainties; capital market conditions and market prices for securities, junior market securities and mining exploration company securities; commodity prices, in particular copper, gold, silver, and zinc prices; competition; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting ExGen; conclusions of economic evaluations; and lack of qualified, skilled labour or loss of key individuals. A description of additional assumptions and risk factors used to develop such forward-looking information that may cause actual results to differ materially from forward-looking information can be found in ExGen's disclosure documents on the SEDAR website at www.sedar.com. Although ExGen has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. ExGen does not undertake to update any forward-looking information except in accordance with applicable securities laws.