TORONTO, ONTARIO--(Marketwired - Feb 13, 2017) - Eskay Mining Corp. ("Eskay" or the "Company") (TSX VENTURE:ESK) wishes to announce that, further to its Press Release dated January 26, 2017, St Andrew Goldfields Ltd. ("St Andrew"), a wholly-owned subsidiary of Kirkland Lake Gold Ltd., which holds a 20% undivided interest the SIB Property, has waived its right of first refusal and Eskay will proceed to negotiate the terms of a formal agreement for the option (the "Option") of up to a 60% undivided interest in part of the SIB Property to Silver Standard Resources Inc. (the "Optionee"), the senior mining company referred to in the Janaury 26, 2017 Press Release.

The part of the SIB Property subject to the Option consists of 30 mining claims representing approximately 4823 ha or approximately 10% of the SIB Property land package (the "Optioned Property"). Eskay holds an 80% undivided interest in the SIB Property pursuant to a joint venture agreement (the "JVAgr") with St Andrew. The remainder of the SIB Property will remain subject to the terms of the JVAgr between Eskay and St Andrew.

The Optionee can earn a 51% undivided interest in the Optioned Property by completing a $300,000 private placement into Eskay at $0.20 per share, subject to the rules of the TSX Venture Exchange ("TSXV"), and expending $11.7 million on the Optioned Property over three years ($3.7 million in the first year and $4 million in each of the second and third years of the Option). In the event that the price of gold does not meet certain thresholds in any option year, the Optionee has the right to reduce minimum expenditures to $2 million in such option year and the term of the Option will be extended for a further year, subject to the requirement by the Optionee to spend at least $10 million in the first three years of the Option (in accordance with the terms of the JVAgr). Once a 51% undivided interest is earned, the Optionee can either proceed to form a joint venture (with the Optionee holding 51%, Eskay holding 29% and St Andrew holding 20% (assuming they contribute their pro rata share of expenditures on the Optioned Property)) or exercise a second option to earn a further 9% undivided interest in the Optioned Property for an aggregate 60% undivided interest (with the Optionee holding 60%, Eskay holding 20% and St Andrew holding 20% (assuming they contribute their pro rata share of expenditures on the Optioned Property)) by either delivering a Preliminary Economic Assessment or completing 23,000 m of diamond drilling on the Optioned Property. Eskay has a carried interest during the Option term but St Andrew must either contribute its pro rata share of expenditures or be diluted. If St Andrew is diluted to a 10% or less interest in the Optioned Property, it will be converted to a holder of a 2% net smelter returns royalty in the Optioned Property. Once a joint venture is formed, Eskay will be carried (the "Eskay Financing") for any joint venture expenditures in respect of the Optioned Property it would otherwise be required to make until the earlier of a production decision by the Technical Committee or an aggregate of $10 million in expenditures has been made on its behalf (for example, if Eskay held a 20% undivided interest in the Optioned Property on the formation of the joint venture, it would not be required to fund its 20% undivided interest until an aggregate of a further $50 million had been spent on the Optioned Property). The Eskay Financing, with interest, is repayable by Eskay out of 100% of Eskay's free cash flow from production of the Optioned Property.

The Option is subject to a number of conditions including certain technical amendments being made to the JVAgr, the grant of certain rights of first refusal to the Optionee, the execution of a formal Option Agreement, TSXV approval and such other conditions as are usual for a transaction of this nature.

For further information regarding the SIB Property, see the companies press releases of October 17, 2016, August 8, 2016, May 9, 2016 and January 23, 2013.

About Eskay Mining Corp:

Eskay Mining Corp. (TSX VENTURE:ESK) is a TSX Venture Exchange listed company, headquartered in Toronto, Ontario. Eskay is an exploration company focused on the exploration and development of precious and base metals in British Columbia in a highly prolific, poly metallic area known as the Eskay Rift Belt located in the "Golden Triangle", 70km northwest of Stewart, BC. The Company currently holds mineral tenures in this area comprised of 177 claims (130,000 acres).

All material information on the Company may be found on its website at www.eskaymining.com and on SEDAR at www.sedar.com.

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