Victory Metals Identifies Larger and Higher-grade Vanadium Zone at Iron Point - Plans Maiden Resource Estimate

02.04.2020 | CNW

VANCOUVER, April 2, 2020 - Victory Metals Inc. ("TSX-V: VMX") ("Victory" or the "Company") is pleased to announce assay results from the third and final set of drill holes as part of its 10,532 meter, 52 hole Phase II drilling program at the Iron Point Vanadium Project, Nevada. Today's release includes 27 holes (21 reverse circulation and 6 PQ diamond drill holes) targeting the southern portion of the Iron Point mineralized vanadium zone. These vertical and angle holes were recommended by Mine Development Associates (Sparks, NV) to better define the outer limits of mineralization and add definition to areas within last year's Phase I drill program where low hole density and/or insufficient depth penetration hindered accurate correlation of mineralized zones. With Phase II drilling completed the Company plans to initiate a maiden resource estimate.

The collar locations of the 27 holes released today are shown in Figure 1. Seventeen of these holes are shown in two cross sections oriented in northwest striking (Figure 2, Section L-L) and north striking (Figure 3, Section M-M) directions. This area is below the southern portion of the Historical Vanadium Mineralized Zone and encompasses a rectangular area roughly 800m NW-SE and 300m wide. The deeper Phase II holes drilled within this area significantly expanded the extent of known vanadium mineralization at Iron Point to an area measuring 1500m in a NW-SE direction and 300m to 500m in width. Mineralization remains open to the west, east, south, and to depth in several places.

Paul Matysek, Executive Chairman of Victory, stated, "Phase II drilling returned surprisingly high-grade results in the southern portion of our vanadium rich target area. Most notable is a shallow and relatively uniform zone of vanadium mineralization that is a prime candidate for our initial developmental focus. Furthermore, the increased drill density in the southern portion of the deposit has revealed larger and higher-grade zones of vanadium mineralization than previously identified from Phase I drilling. In summary, the Phase II drill program sought to close-off the lateral and vertical extent of mineralization; it instead confirmed that the deposit remains open in most directions and to depth. Our team is excited to move forward with a resource calculation."

Highlights

- New high-grade RC drill results, reported as estimated true thicknesses comprised of aggregate intercept lengths (see note above Table 1 for definition of aggregate length), include:
- - 30.0 meters grading 0.42% V_2O_5(including 4.9 meters grading 0.64% V_2O_5) in VM-106
  - 29.0 meters grading 0.46% V_2O_5(including 6.1 meters grading 0.70% V_2O_5) in VM-114
  - 17.5 meters grading 0.54% V_2O_5(including 8.1 meters grading 0.71% V_2O_5) in VM-122
  - 61.0 meters grading 0.47% V_2O_5(including 10.7 meters grading 0.90% V_2O_5) in VM-1C
  - 30.5 meters grading 0.50% V_2O_5(including 9.3 meters grading 0.78% V_2O_5) in VM-3C
  - 27.0 meters grading 0.53% V_2O_5(including 15.0 meters grading 0.61% V_2O_5) in VM-9C
  - 35.1 meters grading 0.41% V_2O_5(including 7.6 meters grading 0.78% V_2O_5) in EG-2
- As observed in Phase I drilling, these latest intercepts are consistent with two sub-horizontal higher grade vanadiferous horizons, referred to as the Upper High Grade and New High Grade Zones. Both of these horizons continue to exhibit a high degree of lateral grade continuity between holes. These high grade zones occur within a broader, extensive envelope of lower grade mineralization extending from the surface down to a depth of at least 175 meters. Intercepts of this broader envelope (reported as estimated true thicknesses, see the note above Table 1 for definition of Overall Length) include:

- 175.3 meters grading 0.26% V_2O_5 in hole VM-1C
- 173.2 meters grading 0.28% V_2O_5 in hole VM-8C
- 167.7 meters grading 0.24% V_2O_5 in VM-114

- Most of these new holes tested a large area south of the Historical Vanadium Mineralized Zone, where shallow Phase I drilling did not fully penetrate the entire mineralized sequence. The greater depth and higher hole density of this Phase II drilling program significantly extended vanadium mineralization at depth, thus increasing confidence in the mineralization in advance of a maiden resource estimate.

- Thicker zones of higher-grade mineralization are clustered around core hole VM-8C within an area measuring 300m in a N-S direction and 130m wide, in places extending from the surface down to a maximum depth of 170m. The shallow nature of this relatively uniform and vertically continuous mineralization provides Victory with an attractive open pit target.

- Mineralization remains open to the west, east, and south.

- The new PQ diamond drill holes released today allow for a better comparison of vanadium mineralization recovery in core holes versus recovery in surrounding RC holes. Across the deposit, the vanadium grade of samples recovered from core holes is equal to or slightly greater than samples recovered from adjacent RC drilling when comparing Overall Length mineralization. The intercept in core hole VM-5C (181m @ 0.157% V_2O_5 is slightly higher than the 181m @ 0.143% V_2O_5 in twin RC hole VM-38. However, when compared to the adjacent angle RC holes, the 196m @ 0.155% V_2O_5 in VM-5C is identical to the 209m @ 0.155% V_2O_5 returned in VM-100+VM-104. Similarly, the Overall Length intercept in core hole VM-8C (100m @ 0.222% V_2O_5) is only slightly higher than the 99m @ 0.218% V_2O_5 returned in twin RC hole VM-58, while the combined intercepts in adjacent angle RC holes VM-97 and VM-110 (106m @ 0.191% V_2O_5) is slightly lower. Other comparisons include:

- Core hole VM-2C (103m @ 0.244% V_2O_5) is clearly higher than angle RC hole VM-109 (103m @ 0.197% V_2O_5).
- Core hole VM-3C (100m @ 0.234% V_2O_5) is slightly higher than angle RC hole VM-106 (91m @ 0.217% V_2O_5).
- Core hole VM-9C (120m @ 0.274% V_2O_5) is somewhat higher than RC hole VM-60 (116m @ 0.239% V_2O_5).

Drill Results

Assay results released today are reported in % V_2O_5, and intercept lengths within mineralized horizons have been reduced to true thickness. Intercepts are reported as an Overall Length, which includes all contiguous assay intervals within the low-grade vanadium blanket zone (at a 0.09% V_2O_5 minimum grade), while higher grade individual zone intercepts reported as aggregate lengths are comprised of samples grading 0.20% V_2O_5 and greater.

Table 1.

Hole #	Zone		From (m)	To (m)	Interval (m)	% V2O5	% V
New Holes Located ALONG Section Lines L-L' & M-M'							
VM 93^	Overall*		19.6	169.9	150.3	0.19	0.11
	Upper Zone		31.4	84.9	11.8	0.21	0.12
	New Zone		94.1	169.9	54.9	0.25	0.14

VM 97^	Overall*		20.9	142.5	121.6	0.15	0.08
	Upper Zone		57.9	75.0	9.2	0.23	0.13
	New Zone		99.4	139.5	23.2	0.28	0.16
VM 100^	Overall*		0.0	208.3	208.3	0.16	0.09
	Upper Zone		0.0	87.2	53.4	0.28	0.15
	New Zone		154.9	195.3	18.2	0.24	0.13
VM 102^	Overall*		16.0	125.5	109.5	0.16	0.09
	Upper Zone		20.9	66.4	18.5	0.24	0.13
	New Zone		93.5	124.3	11.1	0.24	0.13
VM 106^	Overall*		0.0	91.3	91.3	0.22	0.12
	Upper Zone		2.5	37.0	3.7	0.22	0.12
	New Zone		46.9	82.6	30.0	0.42	0.23
		Includes	62.9	67.8	4.9	0.64	0.36
VM 109^	Overall*		0.0	185.9	185.9	0.19	0.11
	Upper Zone		14.2	58.1	10.3	0.22	0.12
	New Zone		82.6	179.5	47.8	0.32	0.18
VM 113^	Overall*		32.9	165.4	132.5	0.17	0.10
	Upper Zone		53.2	62.3	2.3	0.21	0.11
	New Zone		91.8	164.3	26.1	0.25	0.14
VM 114	Overall*		6.1	173.8	167.7	0.24	0.13
	Upper Zone		6.1	54.9	29.0	0.46	0.26
		Includes	33.5	39.6	6.1	0.70	0.39
	New Zone		67.1	164.6	51.8	0.28	0.16
VM 120^	Overall*		0.0	163.6	163.6	0.12	0.07
	Upper Zone		0.0	27.5	12.5	0.23	0.13
	New Zone		101.1	162.3	32.5	0.24	0.14
VM 122^	Overall*		14.8	188.4	173.6	0.21	0.12
	Upper Zone		17.5	36.3	17.5	0.54	0.30
		Includes	25.6	33.6	8.1	0.71	0.40
	New Zone						

	39.0

185.7

52.5

0.27

0.15

VM 1C	Overall*		6.1	181.4	175.3	0.26	0.15
	Upper Zone		6.1	41.2	13.7	0.29	0.16
	New Zone		44.2	123.5	61.0	0.47	0.26
		Includes	54.9	65.5	10.7	0.90	0.50
VM 2C	Overall*		64.4	167.6	103.2	0.24	0.14
	New Zone		75.6	167.6	53.1	0.35	0.19
VM 3C	Overall*		4.0	103.7	99.7	0.23	0.13
	Upper Zone		4.0	32.6	7.8	0.27	0.15
	New Zone		44.2	89.9	30.5	0.50	0.28
		Includes	56.7	66.0	9.3	0.78	0.44
VM 5C	Overall*		0.0	196.5	196.5	0.16	0.09
	Upper Zone		0.0	98.8	20.6	0.30	0.17
	New Zone		109.5	184.0	30.0	0.32	0.18
VM 8C	Overall*		6.1	179.3	173.2	0.28	0.16
	Upper Zone		6.1	74.4	28.4	0.34	0.19
	New Zone		79.9	176.5	79.9	0.37	0.21
VM 9C	Overall*		0.0	120.4	120.4	0.27	0.15
	Upper Zone		4.3	69.5	37.2	0.31	0.17
	New Zone		87.7	119.2	27.0	0.53	0.28
		Includes	87.7	102.7	15.0	0.61	0.34
New Holes Located OUTSIDE Section Lines L-L' & M-M'							
VM 99^	Overall*		0.0	190.3	190.3	0.12	0.07
	Upper Zone		0.0	7.7	7.7	0.26	0.14
	New Zone		132.4	186.4	12.9	0.32	0.18
VM 101^	Overall*		0.0	184.0	184.0	0.13	0.08
	Upper Zone		5.7	9.9	4.2	0.21	0.12
	New Zone		100.5	179.7	45.3	0.30	0.17
VM 103^	Overall*		13.2	109.3	96.1	0.16	0.09
	Upper Zone		24.0	70.9	21.6	0.25	0.14

VM 104^	Overall*		0.0	210.9	210.9	0.15	0.08
	Upper Zone		0.0	51.4	43.7	0.29	0.16
	New Zone		165.9	181.3	11.6	0.37	0.21
VM 107^	Overall*		2.5	80.9	78.5	0.14	0.08
	Upper Zone		39.2	77.3	4.9	0.21	0.12
	New Zone		100.6	101.8	1.2	0.26	0.14
VM 110^	Overall*		2.3	92.3	89.9	0.25	0.14
	Upper Zone		24.5	35.0	9.3	0.28	0.16
	New Zone		38.5	82.9	26.9	0.49	0.27
		Includes	40.9	50.2	9.3	0.71	0.40
VM 111	Overall*		1.5	183.2	181.6	0.15	0.08
	Upper Zone	`	22.5	52.5	27.0	0.25	0.14
	New Zone		172.6	174.1	1.5	0.24	0.13
VM 112^	Overall*		1.3	205.4	204.1	0.08	0.04
	Upper Zone		16.9	37.7	10.4	0.25	0.14
	New Zone		183.3	184.6	1.3	0.23	0.13
VM 115^	Overall*		0.0	98.7	98.7	0.30	0.17
	Upper Zone		6.2	38.2	28.4	0.47	0.26
		Includes	6.2	14.8	8.6	0.70	0.39
	New Zone		58.0	96.2	24.7	0.35	0.19
VM 116^	Overall*		2.3	94.3	92.0	0.17	0.09
	Upper Zone		11.5	35.7	16.1	0.32	0.18
	New Zone		57.5	93.2	10.4	0.36	0.20
EG 2	Overall*		1.5	170.7	169.2	0.23	0.13
	Upper Zone		1.5	57.9	35.1	0.41	0.23
		Includes	48.8	56.4	7.6	0.78	0.44
	New Zone		67.1	166.2	61.0	0.24	0.14

* Overall values represent contiguous averages that include V_2O_5 values ranging from 0% to 1.71%

+ Hole reported in previous release

^ Denotes angle hole

QA/QC and Qualified Person

The Victory drilling program was directly supervised in the field by the QP and other site geologists working for Victory. All RC samples were split at the drill site using a Gilson bar splitter and Jones riffle splitter, with two samples per 5-foot (1.52m) sample interval collected and placed into heavy plastic bags together with sequentially numbered sample tags. A 2kg sample was collected for assay, while a 4kg reference sample was kept on-site. All core sample intervals were marked by Victory personnel in the field, while the intact core was shipped directly to American Assay Lab in Reno, NV, where it was cut and sampled by trained core technicians under controlled conditions.

Three different vanadium standards (71 ppm V, 320 ppm V, and 5172 ppm V) and coarse blank samples were purchased from Minerals Exploration and Environmental Geochemistry (MEG) Inc. of Reno, NV. Victory site geologists inserted field blank, standard, and duplicate samples into the drill sample stream per NI 43-101 guidelines, maintaining a 1-in-20 insertion rate for each of the field blank, standard, and duplicate samples such that every 7th sample is a control sample. Field duplicate samples were split from the 4kg reference samples using a Jones riffle splitter.

Drill samples were transported by Victory personnel to locked storage sheds rented by Victory and located in Golconda, NV, about 14km west of the project area. Samples were picked up in Golconda by American Assay Laboratories utilizing its own truck and driver and transported directly to American Assay's facility in Reno, NV. At American Assay Laboratories, the RC and core samples were crushed to 70% passing 2mm, and then a 0.3km split was ground to 85% passing 75 micron. A 0.5gm split was digested in a 5 acid process (ICP-5A035 method uses HNO3, HF, HClO4, HCl, H3BO3) and analyzed via ICP-OES. The detection limit for vanadium is 1ppm, the upper limit is 10,000ppm, and sample results are reported in PPM V. As a separate QAQC check, American Assay inserted laboratory standards, blanks, and duplicates into the sample stream. American Assay Laboratories is accredited by the International Accreditation Service, which conforms with requirements of ISO/IEC 17025:2005.

Victory is currently using SGS Canada Inc. to perform umpire assays on 1-in-40 drill pulps obtained from American Assay Laboratories and submitted to SGS Canada in Burnaby, B.C. Victory is re-numbering the pulp samples and inserting the same field standard and blanks into the sample stream in order to better compare results between the two labs.

The scientific and technical information in this news release has been reviewed and approved by Calvin R. Herron, P.Geo., who is a Qualified Person as defined by National Instrument 43-101.

About Victory Metals

Victory owns a 100% interest in the Iron Point Vanadium Project, located 22 miles east of Winnemucca, Nevada. The project is located within a few miles of Interstate 80, has high voltage electric power lines running through the project area and a railroad line passing across the northern property boundary. The Company is well financed to advance the project through resource estimation and initial feasibility study work. Victory has a proven capital markets and mining team led by Executive Chairman Paul Matysek. Major shareholders include Palisades Goldcorp (48%), and management, directors and founders (27%). Approximately 28% of the Company's issued and outstanding shares are subject to an escrow release over the next two years.

Please see the Company's website at www.victorymetals.ca.

On Behalf of the Board of Directors of
Victory Metals Inc.

Paul Matysek
Executive Chairman and Director

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 and forward-looking statements within the meaning of applicable securities legislation (collectively "forward-looking statements"). Certain information contained herein constitutes "forward-looking information" under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "expects", "believes", "aims to", "plans to" or "intends to" or variations of such words and phrases or statements that certain actions, events or results "will" occur. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed by such forward-looking statements or forward-looking information, including the business of the Company, the speculative nature of mineral exploration and development, fluctuating commodity prices, competitive risks, and delay, inability to complete a financing or failure to receive regulatory approvals. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company does not undertake to update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.

SOURCE [wp=3715]Victory Metals Inc.[/wp

Contact

Collin Kettell at ck@victorymetals.ca or (301) 744-8744