Eskay Mining Corp. Drill Results

22.12.2020 | ACCESS Newswire

Including 5.1 Meters Grading 31.23 gpt Au and 138.1 gpt Ag and 4.1 Meters Grading 11.09 gpt Au and 44.2 gpt Ag Confirm Discovery of Two Precious Metal-Rich VMS Deposits for Eskay Mining

TORONTO, December 22, 2020 - Eskay Mining Corp. ("Eskay" or the "Company") (TSXV:ESK) (OTC PINK:ESKYF)(FSE:KN7) (WKN:A0YDPM) is pleased to announce that it has confirmed discovery of two precious metal-rich volcanogenic massive sulphide ("VMS") deposits at the TV and Jeff targets on joint venture ground held with Kirkland Lake Gold Ltd. (80% Eskay/20% Kirkland Lake Gold). Assays for 9 of 20 diamond drill holes (TV20-35, TV20-36, TV20-37, TV20-38, TV20-39, TV20-40, J20-31, J20-34 and J20-37) completed between August and October, 2020 are discussed in this news release. Importantly, all drill holes encountered significant Au and Ag intervals. Assays for the remaining 11 holes are expected back by late January, 2021.

Highlights and Summary:

- All drill holes assayed to date display one or more significant intervals of precious metal-rich VMS mineralization (Au eq = Au + Ag/72) with highlights including:
  - TV:
    - TV20-40: 29.92 m grading 3.5 gpt Au eq including 4.10 m grading 11.7 gpt Au eq and a second zone of 65.27 m grading 1.6 gpt Au eq
    - TV20-39: 40.74 m grading 1.8 gpt Au eq including 10.50 m grading 2.9 gpt Au eq
    - TV20-38: 20.53 m grading 2.4 gpt Au eq including 10.50 m grading 3.5 gpt Au eq
    - TV20-37: 17.46 m grading 3.3 gpt Au eq including 4.2 m grading 7.9 gpt Au eq and a second zone of 54.95 m grading 1 gpt Au eq
    - TV20-36: 32.83 m grading 2.3 gpt Au eq including 1.5 m grading 17.3 gpt Au eq
    - TV20-35: 15.00 m grading 2.2 gpt Au eq and a second zone of 16.33 m grading 3.2 gpt Au eq
  - Jeff:
    - J20-31: 24.55 m grading 2.0 gpt Au eq
    - J20-34: 5.08 m grading 33.1 gpt Au eq including 1.59 meters grading 83.4 gpt Au eq
    - J20-37: 7.66 m grading 4.6 gpt Au eq
- Figures 1, 2 and 3 show plan views of drill holes completed at TV and Jeff, and Figures 4, 5, 6 and 7 provide cross sectional views of drill intercepts. True widths of mineralization vary between 50-100% of reported intercept lengths.

The TV and Jeff targets are approximately 1.8 km apart. Right now, the Company is interpreting these discoveries to be separate systems, but a recent SkyTEM geophysical survey suggests strong continuity of stratigraphy along this segment of the east limb of the Eskay Anticline. Therefore, it is conceivable that TV and Jeff are actually connected and part of a larger approximately 6 km long corridor along which numerous electrically conductive anomalies occur.

Mineralization encountered to date is predominantly of stratabound stockwork to massive sulphide replacement style hosted by mudstone and peperite sills (intrusive rocks) within the Hazelton Group, the same host rocks hosting the Eskay Creek Deposit approximately 13 km to the north. Intercepts that Eskay Mining has encountered in its drill program are remarkably similar in grade, thickness and style to those recently encountered in the Lower and Even Lower mudstone units drilled by Skeena Resources.

Both the TV and Jeff deposits are wide open along strike, down dip and up section. Key prospective stratigraphy including the mudstone that is host to high grade mineralization at Eskay Creek that is sandwiched between a footwall rhyolite and hanging wall basalt has yet to be drilled at TV and Jeff. This unit is hypothesized to be a short distance up section from the current drill holes making for a very intriguing untested target.

Eskay Mining is particularly excited by the presence of local bonanza grades of Au and Ag within recent drill intercepts suggesting the potential for discovery of high-grade mineralization similar to that mined historically

at Eskay Creek. Several holes yet to be assayed displayed local intervals of silver rich minerals such as pyrargyrite and the native gold-silver alloy, electrum. Assays from these holes are eagerly awaited.

Eskay's 2020 drill program is the first to be undertaken in this area since the early to mid-1990's when a few scattered holes were drilled at these targets. This was at a time when the geology of the Eskay Creek deposit was not all that well understood. In July of this year, Eskay Mining's team, led by Dr. John DeDecker and Dr. Thomas Monecke of the Colorado School of Mines, confirmed that TV and Jeff are indeed VMS systems similar to Eskay Creek and therefore designed the drill program to test them as such, including systematic evaluation of the host stratigraphy.

Interestingly, rock alteration associated with mineralization encountered to date is not as intense as that seen at the Eskay Creek deposit. Eskay Mining thinks this is possibly because its recent drill holes are situated in a distal part of the system. Therefore, there is good opportunity to vector in on the more intensely altered and higher grade part of the system. As mentioned above, bonanza Au and Ag grades encountered within some recent intercepts suggest potential for finding Eskay Creek type high-grade mineralization nearby.

These discoveries confirm the presence of new Eskay Creek type massive sulphide deposits within the highly propsective Eskay graben, or geologic trough, that extends southward from the Eskay Creek deposit. Approximtely 85% of this belt occurs within Eskay Mining's tenure. In 2020, Eskay Mining has identified numerous other VMS targets on its tenure. The Company plans an aggressive +30,000 m drill program in 2021 to follow up on the TV and Jeff discoveries but to also test at least another dozen high priority drill targets.

"We are delighted to confirm the discovery of two precious metal-rich VMS systems," commented Dr. Quinton Hennigh, director and technical advisor to Eskay Mining. "Once we saw that we had hit significant mineralization in our first drill hole at TV, the goal of the remainder of the 2020 drill program came into sharp focus, more aggressive drilling at the TV and nearby Jeff targets. It is remarkable that every hole assayed thus far reports one or more significant mineralized intercepts. We expect similar results from the remaining eleven holes to be assayed.

Although TV and Jeff are nearly 2 km apart, we see growing evidence these systems are connected and lie within a 6 km long highly prospective corridor of electrically conductive geophysical anomalies thought to be associated with sulphide mineralization. Given the large analogue, Skeena's Eskay Creek deposit, a few km to the north, we are very excited by the potential at TV-Jeff. With approximately $15 million in the bank, we look forward to an aggressive drill program to follow up on these exciting discoveries and test a multitude of additional high priority VMS targets."

Table of Assays from the TV and Jeff Deposits:

Hole	From (m)	To (m)	Length (m)	Gold (gpt)	Silver (gpt)	Gold eq (gpt)	
TV:							
TV20-35	9.00	24.00	15.00	1.80	30.7	2.2	
includes	9.00	18.00	9.00	2.33	33.9	2.8	
	188.85	205.18	16.33	1.12	149.8	3.2	
includes	193.94	205.18	11.24	1.23	210.0	4.1	*
	199.70	205.18	5.48	0.70	324.5	5.2	*
TV20-36	7.67	40.50	32.83	1.92	27.2	2.3	
includes	20.90	31.00	10.10	4.17	40.2	4.7	
includes	29.50	31.00	1.50	16.83	35.1	17.3	
TV20-37	8.59	26.05	17.46	2.58	48.7	3.3	
includes	14.48	24.00	9.52	3.86	63.4	4.7	
includes	16.80	21.00	4.20	6.91	70.3	7.9	
	179.05	234.00	54.95	0.60	28.6	1.0	
includes	198.82	201.00	2.18	0.62	193.1	3.3	
TV20-38	7.51	28.04	20.53	2.01	30.5	2.4	

includes	15.00	25.50	10.50	2.99	34.9	3.5
	237.00	260.19	23.19	1.03	12.3	1.2
includes	244.50	255.00	10.50	1.39	15.3	1.6
TV20-39	3.00	43.74	40.74	1.39	28.4	1.8
includes	22.00	32.50	10.50	2.32	40.8	2.9
	60.17	118.16	57.99	0.74	16.4	1.0
includes	98.50	117.72	19.22	1.22	8.9	1.3
TV20-40	3.08	33.00	29.92	3.18	25.7	3.5
includes	8.90	13.00	4.10	11.09	44.2	11.7
	65.43	130.70	65.27	1.28	25.6	1.6
includes	101.53	128.50	26.97	1.82	28.7	2.2
Jeff:						
J20-31	29.25	53.80	24.55	1.54	31.3	2.0
includes	36.30	40.30	4.00	5.16	56.1	5.9
J20-34	37.92	43.00	5.08	31.23	138.1	33.1
includes	38.41	40.00	1.59	78.83	326.0	83.4
	50.00	52.67	2.67	2.49	8.5	2.6
	56.30	63.61	7.31	1.46	16.7	1.7
includes	56.30	58.60	2.30	2.67	12.8	2.8
	74.62	77.12	2.50	1.63	1.7	1.7
	102.95	105.00	2.05	3.05	0.5	3.1
J20-37	5.82	13.48	7.66	2.53	151.4	4.6
	24.50	42.50	18.00	0.67	38.2	1.2
includes	29.12	39.50	10.38	0.97	48.7	1.6

Au eq (gpt) = Au (gpt) + Ag (gpt)/72

* Previously announced in a Company news release dated September 22, 2020

QA/QC, Methodology Statement:
Halved HQ drill core samples are submitted to ALS Geochemistry in North Vancouver, British Columbia for preparation and analysis. ALS is accredited to the ISO/IEC 17025 standard for gold assays. All analytical methods include quality control standards inserted at set frequencies. The entire sample interval is crushed and homogenized, 250 g of the homogenized sample is pulped. All samples were analyzed for gold, silver, mercury, and a suite of 48 major and trace elements. Analysis for gold is by fire assay fusion followed by Inductively Coupled Plasma Atomic Emission Spectroscopy (ICP-AES) on 30 g of pulp. Analysis for silver is by fire assay and gravimetric analysis on 30 g of pulp. Mercury is analyzed using the trace Hg Inductively Coupled Plasma Mass Spectroscopy (ICP-MS) method. All other major and trace elements are analyzed by four-acid digestion followed by ICP-MS.

Coordinates of Drill Holes Reported in the Table Above:

Hole ID	UTM E	UTM N	Elevation	Length	Azimuth	Dip
TV20-35	409515	6265883	775.0	273	327	56.4
TV20-36	409515	6265883	775.0	150	261.3	89.3
TV20-37	409515	6265883	775.0	300	322.2	56.8
TV20-38	409515	6265883	775.0	285	336.4	57.9
TV20-39	409515	6265883	775.0	148	90.6	62.1
TV20-40						

409515

6265883

775.0

193

87.2

54.0

J20-31	409557	6267944	389.1	161	117.4	75.6
J20-34	409596	6267944	380.3	175	219.9	80.5
J20-37	409830	6267829	452.0	162	274.8	45.9

Dr. Quinton Hennigh, P. Geo., the Company's technical adviser, and a qualified person as defined by National Instrument 43-101, has reviewed and approved the technical contents of this news release.

About Eskay Mining Corp:
Eskay Mining Corp. (TSXV: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 along the Eskay rift in a highly prolific region of northwest British Columbia known as the "Golden Triangle," approximately 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.

For further information, please contact:
Mac Balkam
President & Chief Executive Officer
T: 416 907 4020
E: Mac@eskaymining.com

Forward-Looking Statements: This Press Release contains forward-looking statements that involve risks and uncertainties, which may cause actual results to differ materially from the statements made. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to risks and uncertainties. Many factors could cause our actual results to differ materially from the statements made, including those factors discussed in filings made by us with the Canadian securities regulatory authorities. Should one or more of these risks and uncertainties, such as actual results of current exploration programs, the general risks associated with the mining industry, the price of gold and other metals, currency and interest rate fluctuations, increased competition and general economic and market factors, occur or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, or expected. We do not intend and do not assume any obligation to update these forward-looking statements, except as required by law. Shareholders are cautioned not to put undue reliance on such forward-looking statements.

(Figure 1: Plan view show the TV and Jeff area with location of drill holes. Please see figures below for more detail.)

(Figure 2: Plan view of the TV target area showing 2020 drill traces and assay flags.)

(Figure 3: Plan view of the Jeff target area showing 2020 drill traces and assay flags.)

\

(Figure 4: Sectional view showing holes TV20-35, TV20-37 and TV20-38 at the TV target.)

(Figure 5: Sectional view showing holes TV20-36, TV20-39 and TV20-40 at the TV target.)

(Figure 6: Sectional view showing holes J20-31 and J20-34 and other unassayed holes at the Jeff target.)

(Figure 7: Sectional view showing hole J20-37 and other unassayed holes at the Jeff target.)

SOURCE: Eskay Mining Corp.