Eskay Mining Provides Update on Drilling; Discusses Property Wide SkyTEM Data

23.08.2021 | ACCESS Newswire

TORONTO, August 23, 2021 - Eskay Mining Corp. ("Eskay" or the "Company") (TSXV:ESK)(OTCQB:ESKYF)(Frankfurt:KN7)(WKN:A0YDPM) is pleased to provide an update on its 2021 drill program and an overview of its property wide SkyTEM results.

Summary:

- To date, approximately 13,500 m of diamond drilling, in approximately 62 holes, has been completed representing 45% of the minimum 30,000 planned meters. With approximately two months left in the drill campaign and four rigs generating approximately 300 m of core daily, Eskay believes it will be able to complete over 30,000 meters of drilling this year.
- To date, drilling has focused on the TV and Jeff precious metal rich VMS targets and areas proximal. Drilling has recently commenced at the C10 target and surrounding areas targeting coincident IP/SkyTEM geophysical anomalies and historic high-grade Au drill intercepts.
- A majority of drill holes completed at TV and Jeff have encountered stockwork and massive sulphide mineralization visually similar to mineralized intercepts encountered in drill holes completed in 2020. In places, precious metal minerals including electrum, pyrargyrite and tetrahedrite have been observed in core (Figure 1). Based on observations of what is clearly replacement style sulphide mineralization, Eskay believes that mineralization encountered to date formed within close proximity to the paleo-seafloor and is associated with syn-volcanic faults. The Lower Zone at TV includes a massive sulphide lens (Figure 2) which likely formed in a black smoker environment on the sea floor.
- Field prospecting and geologic mapping have yielded significant new observations. Perhaps most importantly, crews have recently identified sulphide mineralization in mudstone and rhyolite belonging to the Upper Hazelton Group which sits stratigraphically above the currently drilled TV deposit. TV mineralization occurs in Lower Hazelton Group rocks, especially volcanic rocks belonging to the Betty Creek Formation. Eskay believes these Upper Hazelton rock units have potential to host precious metal rich VMS deposits like those at the nearby Eskay Creek Mine. The Company will soon be drilling holes in these newly discovered mineralized areas to test this concept.
- Soil sampling programs are currently underway over multiple new SkyTEM and BLEG anomalies.
- With the southern part of the survey now complete, property wide SkyTEM results indicate the presence of numerous untested volcanogenic massive sulphide ("VMS") targets within three north-south trending anticlines spanning Eskay's 526 sq km land holdings (Figure 3). Many SkyTEM anomalies coincide with strong stream sediment ("BLEG") anomalies identified from samples collected in 2020 (Figure 4). SkyTEM targets from the TV-Jeff area northwards were discussed at length in a Company news release dated July 13, 2021. Targets highlighted by SkyTEM in areas south and west of TV-Jeff include:
- The C10-Spearhead region where high BLEG Au values are coincident with what is discernibly the eastern flank of the Eskay Anticline and the southern end of the Eastern Anticline. Several areas of elevated conductivity are evident in areas underlain by Hazelton Group rocks, the favourable host for precious metal rich VMS deposits in the region. Numerous historic rock chip samples from this area display highly anomalous Au values and a few historic drill holes encountered high-grade gold intercepts. Similar to TV and Jeff, Eskay thinks the region around C10 is highly prospective for discovery of precious metal rich VMS deposits and has recently initiated an aggressive drill program in this area.
- Two areas along the eastern flank of the Western Anticline are coincident with catchments displaying high BLEG Au values. Although the historic Cumberland VMS prospect is situated in close proximity to these two anomalies, it does not account for these BLEG anomalies. In fact, neither of these targets has any known VMS occurrences, rock chip sampling or drilling. Eskay plans to prospect both areas this season.
- Eskay has delivered numerous batches of core samples to the laboratory. Assay turn around is projected to be slow due to the intense level of exploration in the region this year.

"Drilling is progressing exceptionally well," commented Quinton Hennigh, director and technical advisor to the Company. "To date, approximately 13,500 m of diamond core has been drilled in approximately 62 holes representing about 45% of the planned minimum meterage for the 2021 program. We are on track to hit our targeted meters over the next two months. The majority of holes completed at Jeff and TV display sulphide mineralization similar to that encountered during the highly successful 2020 drill campaign. Visible precious metal mineralization is evident in multiple holes. Field crews have found good evidence of mineralization above the TV target area, an area that will soon be drilled. Mudstone and rhyolite in this area resemble that which hosts the nearby Eskay Creek deposit. With completion of data collection in the south, we now have SkyTEM over most of the property. Areas of high BLEG Au values appear coincident with SkyTEM features suggesting multiple high priority targets are present. We have already commenced drilling at C10, a prominent very high BLEG Au anomaly along the eastern flank of the Eskay Anticline in a setting much like TV and Jeff. We are extremely pleased with our crew's efficient implementation of this multifaceted exploration program."

Dr. Quinton Hennigh, P. Geo., a Director of the Company and its technical adviser, 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. (TSX-V: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

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(Figure 1: Examples of precious metal mineralization encountered in recent drill holes. The Au-Ag alloy, electrum, is labeled Elc. Silver-rich sulphosalt minerals, pyrargyrite and tetrahedrite, are labeled Pyg and Tet, respectively. Pyrite is Pyr and silica is Sil. Assays have not yet returned from these holes.)

(Figure 2: Massive and semi-massive sulphide mineralization encountered in hole TV21-57 completed at the TV target. Such mineralization is likely a fossil sulphide mound associated with black smokers. The photo in the lower right shows a piece of mineralized mudstone found up section from the currently drilled part of the

TV system. Eskay believes these rocks may be stratigraphically correlated with those that host the Eskay Creek deposit. This area will be tested by drilling very soon.)

(Figure 3: Property wide SkyTEM data from Eskay Mining's project area. Cool colors are resistive rocks. Warm colors through purples are conductive rocks. The contact between highly conductive Bowser Lake Group sedimentary rocks and the more resistive Hazelton Group volcanic rocks is readily apparent. It is along this contact and areas of Hazelton Group rocks lying below that Eskay Mining considers prospective for precious metal-rich VMS mineralization.)

(Figure 4: Property wide SkyTEM data with an overlay of anomalous BLEG Au anomalies. Pink denotes Au values greater than 50 ppb, red greater than 30 ppb and less than 50 ppb, and orange greater than 15 ppb and less than 30 ppb. Like TV-Jeff, the highly anomalous C10-Spearhead area appears associated with the east flank of the Eskay Anticline. Note two anomalous areas occurring along the eastern flank of the Western Anticline.)

SOURCE: Eskay Mining Corp.

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