ArcWest and Interra Copper Sign Earn-In Agreement on ArcWest's Rip Copper-Molybdenum Porphyry Project, B.C.

08.12.2023 | Newsfile

Vancouver, December 8, 2023 - ArcWest Exploration Inc. (TSXV: AWX) ("ArcWest") is pleased to announce that it has entered into an agreement with Interra Copper Corp. (CNSX: IMCX) ("Interra") to explore ArcWest's Rip porphyry copper-molybdenum (Cu-Mo) project ("the Project") in central British Columbia. A technical presentation for Rip is available for download here.

Tyler Ruks, President and CEO of ArcWest commented, "ArcWest views the Rip Project as containing a highly underexplored porphyry copper system and is looking forward to working with Interra to advance the project. Exploration plans for the 2024 field season include a 3D induced polarization geophysical survey in order to identify potential drill targets."

Rip Project Earn-In Agreement with Interra

Under the terms of the agreement, Interra has a two-stage option to earn up to an 80% ownership interest in the Rip project over up to an 8-year period.

To earn an initial 60% interest (the "First Tier Earn-in"), Interra is required to fund $2 million of work expenditures over a 4-year period and make staged cash and share payments to ArcWest totaling $100,000 and 1,050,000 shares, respectively. Interra will issue 200,000 shares to ArcWest before December 4, 2023. ArcWest will be the operator during the initial earn-in period.

Upon Interra earning such 60% interest, it can elect, at its sole discretion, to earn an additional 20% ownership interest in the Rip project (for a total 80% interest; the "Second Tier Earn-in") by, over a four year period, completing and delivering to ArcWest a Feasibility Study for the Property, in addition to making staged cash payments to ArcWest totaling $1,000,000 ($250,000 per year).

The Second Tier Earn-In period may be extended beyond its initial four year term by up to three years under the following conditions:

- Interra sole funding work expenditures of at least CAD $2,000,000 per extension year, and;
- Interra paying ArcWest CAD $100,000 per extension year in addition to the $250,000 required to be paid.

If Interra does acquire the Second Tier Earn-In, Interra and AWX will fund a joint venture company ("JVCo") in proportion to their interests held in JVCo (that is, 80% and 20% respectively), or dilute.

In the event a production decision is made by the JVCo to place the Property into production, Interra shall arrange project financing for the JVCo, the repayment of which shall be made out of cash flows from the property.

If a Party dilutes to less than a 10% equity interest in JVCo, then that Party will forfeit its interest in JVCo in return for a 2.0% Net Smelter Returns Royalty interest, one percent of which may be purchased by the other Party for CAD $5,000,000 at any time. Any transfer of the royalty holder's interest to another person will be subject to a right of first offer in favor of the royalty payor.

Rip Project

ArcWest's 100%-owned Rip Project (2309 hectares) is located 63 kilometers south of Houston and 79 kilometers southwest of Burns Lake in central B.C. The Rip Project is situated in Stikine Terrane in a prolific belt of Late Cretaceous (Bulkley Plutonic Suite) porphyry copper-molybdenum (Cu-Mo) deposits, which includes Imperial Metals' Huckleberry Mine, 33 kilometers to the southwest, presently on care and maintenance. In addition to the Huckleberry Mine, the Bulkley porphyry belt includes the Whiting Creek, Poplar, Seel and Ox Cu-Mo (gold-silver) deposits. The fully permitted Rip Project is road accessible from either Houston or Burns Lake.

The Rip Project covers the central axis of a 15 by 6 kilometer window of Early Jurassic Hazelton Group volcano-sedimentary rocks intruded by several small stocks of Late Cretaceous Bulkley Plutonic Suite porphyritic granodiorite. Faults bounding this block trend northwesterly and separate the Hazelton Group from surrounding blocks of younger (Late Cretaceous to Eocene) volcanics.

The Rip target was initially advanced by Kennco Explorations between 1975 and 1981. Kennco completed an Induced Polarization survey in 1975 which delineated a significant chargeability high. Although Kennco stated "in the final analysis this area will require an extensive drilling program to determine whether a zone of economic mineralization exists within the sulfide system" (Dorval and Stevenson, 1976), it was tested only by a single, 294 meter-long diamond drill hole (at -45 degree inclination) in 1975. The drill hole intersected intensely quartz-sericite-pyrite (QSP) altered andesite and quartz diorite to a depth of 115 meters where the zone was cut off by a fault. The QSP altered zone above the fault averaged 0.07% Cu and 0.005% Mo over 70.3 meters (35.3-105.6m). The IP survey was extended in 1980, outlining the 0.8-1.5 by 2.2 kilometer chargeability high, and 36 shallow percussion drill holes totaling 1763 meters were completed (11 of the drill holes failed to reach bedrock). Logging of drill cuttings from these percussion holes delineated a zone of QSP alteration approximately corresponding to the chargeability high. A multi-element analysis of the core cuttings from 26 of the percussion holes in 1981 outlined a central 0.5 by 1.5 kilometer Cu-Mo anomaly coring a broad peripheral lead-zinc-arsenic-manganese anomaly, a geochemical zonation typical of porphyry copper systems. Although most of the Rip property is covered by glacial deposits, near the core of the Kennco chargeability anomaly a small (50 by 100 meter) area of outcrop and shallow trenches exposes strong multistage porphyry-style stockwork veining within altered Hazelton volcanics and feldspar-quartz porphyry. Early magnetite-chalcopyrite-pyrite 'A' veins with white K-feldspar (or albite) halos are cut by later quartz-chalcopyite-pyrite-molybdenite 'B' veins. Veining accompanies pervasive magnetite-biotite (potassic) alteration which is variably overprinted by quartz-sericite-pyrite (QSP). Multistage porphyry-style veining locally reaches strong stockwork density. Limited rock sampling of these outcrops in 2017-2018 (8 samples), returned 258-1490 parts per million (ppm) copper, 3-238 ppm molybdenum, 7-69 parts per billion gold, and 0.2-1.5 ppm silver. Deleterious elements occur at very low levels (e.g., zinc <77 ppm, lead <4 ppm, and arsenic <5 ppm).

The Proposed Transaction is subject to receipt of all necessary regulatory approvals including approval of the TSX Venture Exchange.

ArcWest's corporate and project specific technical presentations are available for download from www.arcwestexploration.com.

References

Dorval, D.P., Stevenson, R.W. (1976): Report on Induced Polarization-Resistivity and Magnetometer Survey, RIP NOS. 1 and 2 Mineral Claims, January 30, 1976. B.C. Assessment Report 5818.

QA/QC Statement

Assays from historical exploration programs on the Rip Property have not been verified by ArcWest but have been cited from sources believed to be reliable. Rock samples cited in the text were collected from variably mineralized and altered rock in order to help characterize the tenor of different styles of mineralization. The samples comprise representative grabs from outcrops and locally derived subcrop. Samples were collected in plastic sample bags and sealed with plastic zip ties. Sample locations were recorded by GPS. Samples were bundled in security sealed rice bags and trucked to ALS Minerals laboratory in North Vancouver.

At the laboratory, the samples were dried, crushed and pulverized using standard rock preparation

procedures. The pulps were then analyzed for Au using a 30 gram fire assay with ICP-AES finish and for 35 elements by ICP-AES. Aqua regia digestion was utilized for the ICP analyses. Aqua Regia is not a whole rock digestion and may underestimate molybdenum values in particular. Quality control at the laboratory is maintained by submitting blanks, standards and re-assaying duplicate samples from each analytical batch.

About ArcWest Exploration Inc.

ArcWest Exploration is a project generator focused on porphyry copper-gold exploration opportunities throughout western North America. The company is in possession of eight 100% owned copper-gold projects throughout BC's premier porphyry copper-gold districts. These include ArcWest's Todd Creek and Oweegee Dome projects, which are two of the largest and most prospective land positions for copper-gold exploration in BC's prolific Golden Triangle. Oweegee Dome neighbours Seabridge Gold's supergiant KSM-Iron Cap-Snowfield porphyry copper-gold deposit and Todd Creek adjoins Newmont Mining's recently acquired Brucejack mine property. Three ArcWest projects are currently being advanced by partners through earn-in and joint venture agreements. ArcWest has partnered with Freeport-McMoRan to explore ArcWest's 100% owned Todd Creek copper-gold project. By conducting partner funded exploration on multiple exploration projects simultaneously, ArcWest's chances of discovery are enhanced while exposing shareholders to minimal dilution. The company is managed by an experienced technical team with a track record of discovery and a reputation for attracting well-funded senior partners, including Freeport McMoRan, Robert Friedland group companies, ITOCHU, Antofagasta and Teck.

Qualified Person

ArcWest's disclosure of a technical or scientific nature in this news release has been reviewed and approved by John Bradford, MSc, PGeo, Technical Advisor, who serves as a Qualified Person under the definition of National Instrument 43-101.

For further information please contact: Tyler Ruks, President and CEO at +1 (604) 638 3695.

Investors are cautioned that ArcWest Exploration Inc. has not verified the data from the Huckleberry, Whiting Creek, Poplar, Seel and Ox deposits. Further, the presence and style of mineralization on these properties is not necessarily indicative of similar mineralization on the ArcWest Exploration Inc. property. Historical assays from exploration programs on its properties have not been verified by ArcWest but have been cited from sources believed to be reliable.

This news release contains statements about ArcWest's expectations and are forward-looking in nature. As a result, they are subject to certain risks and uncertainties. Although ArcWest believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. The forward-looking statements contained in this news release are made as of the date hereof, and ArcWest undertakes no obligation to update publicly or revise any forward-looking statements or information, except as required by law.

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/190311