Eagle Plains Suspends Drilling at Donna Gold Project, Provides Updates on Olson, Kalum Projects

16.10.2020 | ACCESS Newswire

CRANBROOK, October 16, 2020 - Eagle Plains Resources Ltd. (TSXV:EPL) ("EPL" or "Eagle Plains") has suspended drilling activity on its 100%-owned Donna Project located 60km east of Vernon, B.C. due to unseasonal winter conditions and heavy snow. A recent storm front resulted in a significant and persistent accumulation of heavy snow to the property area which created unsafe conditions for crews accessing the property and resulted in difficulties supplying water to the drill. 300m of progress was reported in deepening drillhole D19001, but target depth was not achieved prior to the shut down of the program. All equipment and personnel have been safely moved from the property. Work is expected to resume in Q2, 2021.

The 5-7 hole, 1,500m (5,000') drill program was designed to test for gold and silver mineralization associated with a prominent gold-in-soil geochemical anomaly delineated at the Gossan Zone and to complete the first-ever drilling in the area of the historical Morgan mine workings. The overall program was intended to provide a test of near-surface, high grade precious metal mineralization and to search for signs of deeply buried porphyry-style mineralization.

The Donna Property is located within rocks of the prolific Quesnellia Terrane, host to many major B.C. porphyry deposits such as Highland Valley, Gibraltar, Mount Polley, Mount Milligan, Copper Mountain and others. Despite the rich endowment of mineralization in these rocks, the Donna area has seen relatively little exploration activity by industry or government. Placer gold claims overlie many of the creeks draining the Donna Property. Management cautions that past results or discoveries on proximate land are not necessarily indicative of the results that may be achieved on the Donna or Dictator properties.

Donna Project Summary - see map here

The core claims of the Donna property were acquired in 2016 by Eagle Plains with additional tenures subsequently added through staking. Certain claims comprising the property are subject to an underlying 2% royalty. The project area is located in the Monashee Mountains within the source headwaters of the historic Kettle River and Yeoward Creek placer gold camps. The claims lie within one of the largest clusters of anomalous values in gold and typical associated pathfinder elements identified in the British Columbia Regional Geochemical Surveys stream-sediment program carried out in the joint Federal - Provincial programs from 1985 -1990.

The Donna property is underlain by a sequence of marine sediments comprising carbonaceous black argillite, limestone, and volcanic rocks of Permian to Lower Triassic age. Locally these rocks were intruded by stocks and plugs of mafic-intermediate composition. The project area is considered to hold good potential to host intrusive-related gold mineralization.

Since acquiring the property, Eagle Plains has carried out annual systematic exploration including a 470 line-km geophysical survey in 2017 which followed a comprehensive compilation of all historical work. The property boasts a robust GIS database consisting of rock, soil, silt, till, trench and drill-hole results within and adjacent the property area. In July, 2020, EPL completed the purchase of historical crown grants covering workings documented at the St. Paul and Morgan mines (BCMINFILE 082LSE010), which include shafts, tunnels, winzes and an unknown number of open cuts and trenches, as well as a tramline and stamp mill that operated in the early 1900's. Recorded production from the St. Paul and Morgan deposits for the period 1914-1961 total 392 tonnes containing 5,630 grams of gold, 112,406 grams of silver, 3,720 kilograms of lead and 1,258 kilograms of zinc. Various geological reports and government publications report underground sampling returning values ranging from trace quantities to highs of up to 93.9 g/t (2.74 oz/t) gold and 60.3 g/t (1.76 oz/t) silver over a 0.6m sample width. All historical mine workings are currently inaccessible. The previous results were taken directly from the BCMINFILE descriptions and assessment reports filed with the

BCEMPR. Management cautions that historical results were collected and reported by past operators and have not been verified nor confirmed by a Qualified Person, but form a basis for ongoing work at the Donna property.

No historical drilling activity has been reported on the St Paul/Morgan property. As announced on September 3rd, 2020, Eagle Plains recently completed a 211 line-km airborne magnetometer and radiometric geophysical survey on the property, carried out by Precision GeoSurveys.

Update on Olson Gold Project, Saskatchewan

Eagle Plains is pleased to provide an update with respect to work at its 100% owned Olson property in the Trans Hudson Corridor, Saskatchewan. To date a total of 10 holes totaling 1388m have been completed on the Jena, Juba, Point, Tuscan and Siskin targets. It is anticipated that an additional 3-4 holes will be completed before the end of the current program. Management is encouraged by drill reports from field geologists which have confirmed the conceptual targets generated by geological and geophysical modelling, including consistent intercepts of sulphide mineralization.

The drill program is being funded by SKRR Exploration Inc. (TSX-V:"SKRR") who may earn a 75% interest in the 5038 ha property by completing exploration expenditures of $3,000,000, making cash payments of $250,000 and issuing 1,000,000 voting class common shares to EPL over a 4 year period.

Update on Kalum Gold Project, NW British Columbia

Eagle Plains is pleased to report that 2020 fieldwork at its 100% owned Kalum gold project has been completed. The project is located in BC's Golden Triangle approximately 35 km northwest of Terrace in the Skeena Mining Division. 2020 fieldwork included a high resolution helicopter-borne aeromagnetic and radiometric survey flown by Precision GeoSurveys Inc. of Langley, British Columbia. Data was collected on 247 line-km covering an area of 11.1 square kilometers. Eagle Mapping of Port Coquitlam, BC has recently completed an airborne LiDAR and high resolution aerial photographic survey covering the entire Kalum property area. A two-day field program was also completed with geological mapping, prospecting and drill site and infrastructure reconnaissance to determine locations for diamond drilling, planned for 2021. Final results for the fieldwork are pending.

The program was funded by Rex Resources, a private BC company, who have entered into an agreement to earn an undivided 60% interest in the property by completing exploration expenditures of $3,000,000, making cash payments of $500,000 and issuing 1,000,000 common shares to EPL over a four year period.

Charles C. Downie, P.Geo., a "qualified person" for the purposes of National Instrument 43-101 - Standards of Disclosure for Mineral Projects and a director of Eagle Plains, has prepared, reviewed, and approved the scientific and technical disclosure in the news release.

Update on Recently Completed Financing

Eagle Plains recently closed a non-brokered private placement to arms-length and non-arms-length investors for gross proceeds of $529,060 CDN as announced on October 25th, 2020. Certain directors of Eagle Plains have participated in the Financing and are considered "related parties" to the Company under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Financing is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any securities issued to or the consideration paid by those directors will exceed 25% of the Company's market capitalization.

About Eagle Plains Resources

Based in Cranbrook, B.C., Eagle Plains continues to conduct research, acquire and explore mineral projects throughout western Canada. The Company is committed to steadily enhancing shareholder value by advancing our diverse portfolio of projects toward discovery through collaborative partnerships and development of a highly experienced technical team. Managements' current focus is to preserve its treasury while advancing its most promising exploration projects. In addition, Eagle Plains continues to seek out and secure high-quality, unencumbered projects through research, staking and strategic acquisitions. Since 2012, Eagle Plains has added to its portfolio a number of new projects exceeding 130,000 ha targeting mainly gold, uranium and base-metals in Saskatchewan, a highly-prospective mining jurisdiction which was recently recognized by the Fraser Institute as one of the top 3 jurisdictions in the world in terms of Investment Attractiveness. Throughout the exploration process, our mission is to help maintain prosperous communities by exploring for and discovering resource opportunities while building lasting relationships through honest and respectful business practices.

Expenditures from 2011-2019 on Eagle Plains-related projects exceed $20M, most of which was funded by third-party partners. This exploration work resulted in approximately 30,000 m of diamond-drilling and extensive ground-based exploration work facilitating the advancement of numerous projects at various stages of development.

On behalf of the Board of Directors

"Tim J. Termuende"
President and CEO

For further information on EPL, please contact Mike Labach at
1 866 HUNT ORE (486 8673)
Email: mgl@eagleplains.com or visit our website at http://www.eagleplains.com

Cautionary Note Regarding Forward-Looking Statements

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. This news release may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore, involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.

SOURCE: Eagle Plains Resources Ltd.

View source version on accesswire.com:
https://www.accesswire.com/610796/Eagle-Plains-Suspends-Drilling-at-Donna-Gold-Project-Provides-Updates-on-Olso