

ArcWest Exploration Inc. Signs Oxide Peak Earn-In Agreement with Locrian Resources Inc.

Vancouver, British Columbia--(Newsfile Corp. - December 23, 2019) - ArcWest Exploration Ltd. (TSXV: AWX) ("ArcWest" or the "Company") is pleased to announce that Locrian Resources Inc ("Locrian"), a privately held mineral exploration company that is partly owned by OceanaGold Corp., has entered into an agreement to explore ArcWest's Oxide Peak property (the "Property") in northern British Columbia. Locrian can earn an initial 60% interest ("First Option") in the Property by funding over a three-year period cumulative exploration expenditures of \$2,400,000, and staged cash payments of \$55,000. In addition, Locrian will issue to ArcWest 5% of its outstanding shares 12 months from signing, or immediately prior to a going public transaction. A minimum exploration expenditure of \$400,000 is required before December 31st, 2020.

Tyler Ruks, President and CEO of ArcWest commented: "ArcWest is pleased to join with Locrian in advancing our Oxide Peak property, an exciting early stage porphyry copper-gold project in the prolific Kemess-Toodoggone porphyry copper-gold and epithermal gold-silver district of northern British Columbia. This agreement is consistent with ArcWest's goal of attracting partners to successfully explore and develop its projects while minimizing shareholder dilution. Discussions with potential joint venture partners for ArcWest's additional porphyry copper-gold projects throughout British Columbia are ongoing."

Locrian may achieve the First Option by fulfilling the following terms:

- By December 31st, 2020, funding \$400,000 of exploration expenditures on the Property;
- By December 31st, 2021, funding cumulative aggregate exploration expenditures of \$900,000 on the Property, including a minimum 1,000 meters of drilling;
- By December 31st, 2022, funding cumulative aggregate exploration expenditures of \$2,400,000 on the Property, including an additional minimum 1,000 meters of drilling.

ArcWest's 100% owned Oxide Peak project is situated in the northern part of the Toodoggone gold-copper district, a region of extensive Early Jurassic porphyry copper-gold (Cu-Au) and epithermal gold-silver (Au-Ag) mineralization, including several past producing Au-Ag mines (Baker, Lawyers, Shasta) and the large Kemess South Au-Cu porphyry deposit. Historical production in the district exceeds 3.2 million ounces of gold and 360,000 tonnes of copper. The property adjoins ground currently being explored for porphyry copper-gold by Freeport McMoRan.

The 8,437 hectare Oxide Peak property contains multiple undrilled zones of copper-gold mineralization that have yet to undergo systematic mapping and geophysical surveys, in addition to zones of strong gold in stream sediment anomalies that have yet to be traced to source (see ArcWest press release, July 26th 2019).

Previous exploration of the northern half of Oxide Peak by Seven Devils Exploration in 2016 and by ArcWest in 2018 identified widespread copper-gold mineralization with features typical of high-level porphyry systems. These include multi-phase intrusive complexes with associated breccias, extensive propylitic, phyllic and advanced argillic alteration, and porphyry-style copper-gold mineralization comprising quartz-magnetite-chalcopyrite veins with secondary biotite alteration. Despite promising geological indicators and widespread high-grade Au-Cu veins, including historical grab samples up to 43.32 g/t Au and up to 3.64% Cu, very limited geophysics and no drilling has been carried out to date on the original Oxide Peak property.

Recently acquired claims comprising the southern half of the property (see ArcWest press release, July 26th, 2019) host multiple unexplored copper and gold occurrences, a number of which are spatially associated with significant magnetic anomalies and intrusions. These include the Saunders Creek area, which is interpreted to represent the southern extension of the 12 kilometer long Oxide Peak - JD - McClair alteration zone, currently being explored for porphyry copper-gold mineralization on neighbouring claims to the north by Freeport-McMoRan. Previous exploration of the Saunders Creek area has documented widespread gossans, silicified zones and associated intrusions. Steam sediment sampling in the zone has returned gold values in excess of 10 g/t Au. Soil sampling in the area has delineated a greater than 100 ppb gold in soil anomaly (gold values up to 2800 ppb) over an 885 m strike length. Based on public assessment filings, no subsequent exploration was carried out to follow up on these significant results.

To the south of the Saunders Creek area, multiple copper occurrences have been documented by previous workers that have yet to receive follow up exploration. Chip sampling of quartz-pyrite-chalcopyrite stockwork at the SOM occurrence returned 0.28% Cu over 9.1 m, with later select grab samples from the zones returning assays up to 9.5% Cu, 122 ppb Au and 220 ppm Ag. Multiple copper occurrences occur on two separate ridges approximately 1.5 and 2.0 km southeast of the SOM showing. Five grab samples over an area about 350 meters across on the western ridge averaged 0.50% Cu (290 to 21200 ppm), primarily from epidote altered tuff with disseminated chalcopyrite and local quartz stockworks. On the eastern ridge, four grab samples over an area about 150 meters across averaged 0.58% Cu (767-12300 ppm).

Upon exercise of the First Option, Locrian may, at its option, elect to earn an additional 20% interest, for an aggregate 80% interest ("Second Option"), by funding and causing within two years the preparation and delivery to ArcWest of a Preliminary Economic Assessment. Following the exercise or lapse of the Second Option, the parties will form a Joint Venture ("JV") to hold and operate the properties, and each party will proportionately fund or dilute. Should Locrian or ArcWest's interest be diluted to

less than 10%, then that interest will convert to a 2% Net Smelter Return (NSR) royalty, of which 1% of the royalty can be bought back for a \$2 million cash payment at any time.

Qualified Person

ArcWest's disclosure of a technical or scientific nature in this news release has been reviewed and approved by John Bradford, PGeo, technical advisor, who serves as a Qualified Person under the definition of National Instrument 43-101. Historical exploration data summarized in this release is compiled from publically available assessment reports, but assays and geological observations have not all been verified by ArcWest. With the exception of the 1969 Cominco copper assays, all quoted assays are accompanied in the cited reports by copies of certified laboratory assay sheets. Grab and chip sample assays are cited as strong evidence of the presence of mineralization, but these values should not be considered representative of values obtainable from larger rock volumes. Soil and silt samples were collected and analyzed by industry standard techniques. Soil samples were collected by mattock from the top of B horizon at chained 25 meter intervals along cut lines 200 meters apart. Silt samples were collected from Saunders Creek at nominal 100 meter intervals by sieving sand, gravel and silt through a 16 mesh screen and analyzing the fines.

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

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.



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