

Skeena seeks next discovery in BC's Golden Triangle

VANCOUVER — It's been more than two decades since veteran geologist Ron Netolitzky won the Prospectors & Developers Association of Canada's Bill Dennis Prospector of the Year award for his role in exploring and financing the Eskay Creek and Snip discoveries in northwestern B.C. But Netolitzky-led **Skeena Resources** (TSXV: SKE; US-OTC: SKREF) is hoping that this scene of past success will reveal more discoveries.

Netolitzky serves as the company's chairman and was instrumental in picking up the dormant, 36 sq. km Spectrum gold project in B.C.'s "Golden Triangle" along the Stikine Arch, which sits 37 km west of **Imperial Metals'** (TSX: III) Red Chris copper-gold mine.

"I find if you can't follow the Tecks and Norandas of the world, sometimes you have to look for the individuals that have been successful in the business," Netolitzky comments during an interview.

"And one such geologist is John Brock, who was really involved in a lot of ways with the discovery of Red Chris. Spectrum was another property he was exploring in the area around the same time, and I had happened to be working on a project next door," he continues.

Brock had been operating at Spectrum through his Columbia Gold Mines vehicle in the early 1990s, but the project hit a snag when the New Democratic Party came into power provincially and created access problems due to new provincial park boundaries imposed around the property.

The issue has since been resolved, and the claim areas now sit outside any

park lands.

Columbia outlined a historic inferred resource of 614,000 tonnes grading 12.3 grams gold per tonne for 243,600 contained oz. at a 5 gram gold cut-off grade. The resource extends to a depth of 150 metres.

The property hosts more than 10 different showings of high-grade sulphide-gold mineralization, spatially associated with steeply dipping fracture zones contained within a broad area of propylitic and potassic-altered Stuhini Group intermediate volcanics and volcanoclastic rocks at the contact zone of a sill-like, monzonite intrusion of Jurassic age.

"It has the attributes I like if you look at the Golden Triangle. You have historic production at Eskay and Snip, and now you have the new lion, which is **Pretium Resources'** (TSX: PVG; NYSE: PVG) Bruejack project," Netolitzky says.

"All these deposits have, from my point of view, pretty similar geology. And Spectrum has that sort of flavour. These porphyry systems are nice to be around, with the adjacent vein systems. What I like about the whole district is that when you find a porphyry it tends to have a high gold ratio, so it's a great place to explore," he adds.

The main focus of past exploration has been the Central zone, which consists of four sub-parallel vein sets — which vary from 3 to 10 metres wide — comprising porphyry intrusive veins, quartz and quartz-carbonate veins, quartz veinlet stockworks and silicification zones that appear to have their origin from solutions coming from porphyry intrusives.

Central has been drilled tested for over 600 metres of strike length within a larger



Skeena Resources chairman
Ron Netolitzky.

altered zone. Mineralization consists of gold-bearing pyrite, native gold, arsenopyrite, chalcopyrite and sphalerite that is partly open along strike and essentially open down-dip.

Netolitzky says Skeena's main target will be the possible on-strike continuation of Central toward the East Creek zone, which lies 1.5 km due north. East Creek is a north-trending, 5 metre-wide silicified zone with gold, pyrite, arsenopyrite, chalcopyrite and sphalerite, traced at surface over 600 metres of strike length. A historic trench sample at the target yielded 58.4 grams gold over 2.6 metres.

"What struck me was the potential between Central and the East Creek. There's a lot of heavy overburden between the two targets, and that area hasn't seen much exploration at all," Netolitzky says. "I figured there could be a lot of strike length here, and a lot of vertical extension. So in our initial drilling, we looked at the long sections and tried to find windows to expand the

THE NORTHERN MINER

THE GLOBAL
MINING
NEWSPAPER

www.northernminer.com

JANUARY 5-11, 2015 • VOL. 100, NO. 47 • SINCE 1915



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Workers atop Skeena Resources' Spectrum gold property in British Columbia.

mineralized footprint. There's nothing cutting it off right, and I'd say it's rare to walk into an asset in these markets with this type of grade and room for growth."

Apart from a single drill hole north of the Central zone fault, most of the intervening 1.5 km section between Central and East Creek has not been drill tested.

Skeena's secondary target will be copper-gold mineralization of alkalic, porphyry-style affinity. The Skarn showing, which yielded 2.9 grams gold and 0.5% copper over 20 metres in a trench, and the West Creek showing, which yielded a grab sample of 31 grams gold and 10% copper, are both interpreted to host the potential for a larger, underlying porphyry system.

Skeena did not get into the field until October due to delays on its notice of work permits, but the company still completed nine holes over 1,940 metres this

season. Drilling tested continuity to depth along the Central occurrence via a series of intercepts averaging 50 metres beneath historic intersections.

On Dec. 11 the company released results from its first five holes at Spectrum, with highlights including: 6.5 metres grading 23.8 grams gold from 78 metres depth in hole 3; 27 metres of 10.63 grams gold from 106 metres in hole 4; and 2 metres averaging 18.6 grams gold from 80 metres in hole 5.

"You can see the intervals in our assays that really carry the juice, but there's also some good noise in between. There are fairly extensive areas of anomalous gold values in the geochemistry, and we're still working our way through the systems to make sure we understand the interpretation," Netolitzky says.

"A lot of these occurrences are essentially surface occurrences with a bunch of high-grade gold values. The magnetics

suggest there is a continuation of these structures that tie into the porphyry system. If it exists, it gives us a hell of a strike length."

In late October Skeena closed a private placement for gross proceeds of \$2.6 million. The company issued 25.3 million units at 6.5¢ per unit, which each consist of a flow-through share and a 10¢ purchase warrant exercisable for two years; and 15.1 million units priced a 6¢ that include a common share plus a warrant. Netolitzky says the company should have enough capital left over to get a "chunk" of its exploration work done this year.

Skeena has traded within a 52-week range of 3¢ to 14¢, and closed at 10¢ per share at press time. The company has 160 million shares outstanding for a \$16-million market capitalization. Skeena issued 80 million shares as payment for a 100% interest in Spectrum.