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by @JamesKwantes on April 26, 2016

Spectrum gold resource comes into focus



Skeena Chairman Ron Netolitzky at the Spectrum property in B.C.'s Golden Triangle.

Skeena Resources (SKE-V) has announced a maiden resource estimate for its Spectrum property in northwestern B.C.'s Golden Triangle.

The Central zone at Spectrum hosts an Indicated mineral resource of 8.95 million tonnes grading 1.04 g/t Au, 6.58 g/t Ag and 0.11% Cu, for an estimated 290,000 ounces of gold, 1.82 million ounces of silver and 20.835 million pounds of copper, at a .5 g/t cutoff.

Inferred, there are a further 750,000 ounces gold, 2.8 million ounces silver and 54.9 million pounds copper (22.6 million tonnes with average grades of 1.03 g/t Au, 3.85 g/t Ag and 0.11% Cu).

What Skeena delineated while chasing high-grade vein structures -- which proved complicated to connect -- was a bulk-tonnage deposit with decent gold grades. Some nice high-grade intercepts, too.

Skeena Announces Maiden Resource Estimate for Spectrum Gold-Copper Deposit

Skeena Chairman Ron Netolitzky describes the mineral estimate as an "early first step" toward developing Spectrum.

The company is now planning a summer exploration program that will include soil sampling, trenching and IP, as well as 8,000 to 10,000 metres of drilling -- on both infill and new targets outside the Central zone.

The goal is to prove up the gold-copper porphyry-style mineralization to the west as well as to the north and south, and he expects to find more high-grade mineralization in the process.

The combination of lower-grade bulk tonnage deposits with high-grade vein structures is common in the Golden Triangle, Netolitzky noted. A historic example is the Premier-Silbak mine and a more recent one is Pretium's Brucejack.

"These things are compatible to have together in the Golden Triangle, low-grade bulk-tonnage deposits in conjunction with high-grade veins," Netolitzky said. "They go together, you can't look for one without sometimes running into the other."

In October of last year the deal maker added the neighbouring GJ property to Skeena's portfolio, giving the company two adjoining bulk-tonnage deposits that could potentially be developed together. On that front, similar metallurgy will be key.

The Donnelly and North Donnelly deposits at GJ host 1.56 million ounces of gold measured and indicated (at a .2% copper cutoff), as well as 570,000 gold ounces Inferred (and a substantial copper resource).

"If metallurgy on the deposits is compatible, and I think the likelihood is quite high, we would then look at economics which would require a systematic

look at the resource, including moving some of it to indicated," Netolitzky said.

The near-surface gold deposits at Spectrum and GJ become an interesting value proposition in a rising gold price environment, added Skeena president Walter Coles Jr.

In the meantime, Skeena geologists are working full-time on the database at Snip, the historical high-grade gold operation recently optioned from Barrick (ABX-T).

The Snip deal was a return to roots for Netolitzky, credited with both the Snip and Eskay Creek discoveries. Snip produced about 1 million ounces of gold from 1991 to 1999 at average grades of 25 g/t, at a 12 g/t cutoff.

Skeena is gaining a new understanding of the Snip deposit as it works through Barrick's database and old drill core, according to the veteran geologist: "We're finding things we didn't know about, which is usually a good thing."

For example, it was initially thought that mineralization in the twin zone structures mined at Snip was cut off by a major fault. But Netolitzky says mineralization has now been traced well beyond that fault.

The 12 g/t cutoff used during mining -- Snip was a fly-in, fly-out operation -- can be decreased "dramatically" given the infrastructure build-up in the area, Netolitzky believes. Reducing the cutoff will give Skeena a handle on how much of the resource is left.

"We do know there are areas never mined that had narrow h-g hits that didn't make it because of grade restrictions at the time," Netolitzky said.

Interest in the Golden Triangle has been heating up of late and there has been M&A activity too -- Seabridge Gold (SEA-T) recently took over Snipgold (SGG-V), whose properties adjoin Skeena's Snip.

"We're quite happy to have them as neighbours," said Netolitzky, describing Seabridge as "a more interesting partner."

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