Max AOI

Newly Modeled Polymetallic Targets with High-Grade Silver and Other Gold, Zinc, Lead and Antimony Occurrences

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Introduction

Max is one of four multiple target AOIs on Jaxon's Hazelton Property in the Omenica Mining Division, 35 kilometres north of Smithers, British Columbia. Situated at the northern part of the Property, Max AOI comprises claim 906889 and five surrounding claims (Figure 1).

Exploration work completed to date indicates massive to semi-massive sulfide polymetallic Ag, Au, Zn, Pb and Sb mineralization. The mineralization potential at Max was first identified in the 1970s; and additional work, including rock and soil sampling, trenching, ground-based geophysics and limited shallow diamond drilling, was completed sporadically from 1970 to 2012 (Table 1).

In 1988, Accura Resources Inc. completed 18 holes ~1030 metres of BQ-sized core diamond drilling (Table 1). In 2017-2018, Jaxon completed surface trenching, an IP survey and a ~ 2,000 metre diamond drilling program.

In the winter of 2019-2020, Jaxon's team re-evaluated the 2017-2018 core logs, and reviewed and re-modeled the geochemical and geophysical studies, integrating them with other historical geotechnical datasets. Subsequent modeling defined new and larger polymetallic zones with Ag, Zn, Pb and Sb targets.

Jaxon's modeling now depicts the mineralization at Max to be an analogue for the fracture/shear controlled type of Au-Ag hydrothermal-epigenetic sulfidation mineralization found at the Blackwater/Capoose project located160 km southwest of Prince George, B.C.

Plans for the 2020 exploration season include re-logging the 2017-2018 drill core, petrological and geochronological testing, further mapping and extending the conceptual geological model to better describe the newly defined and targeted areas. The updated model will be used to attract a partner to drill test and expand the newly geologically informed targets.

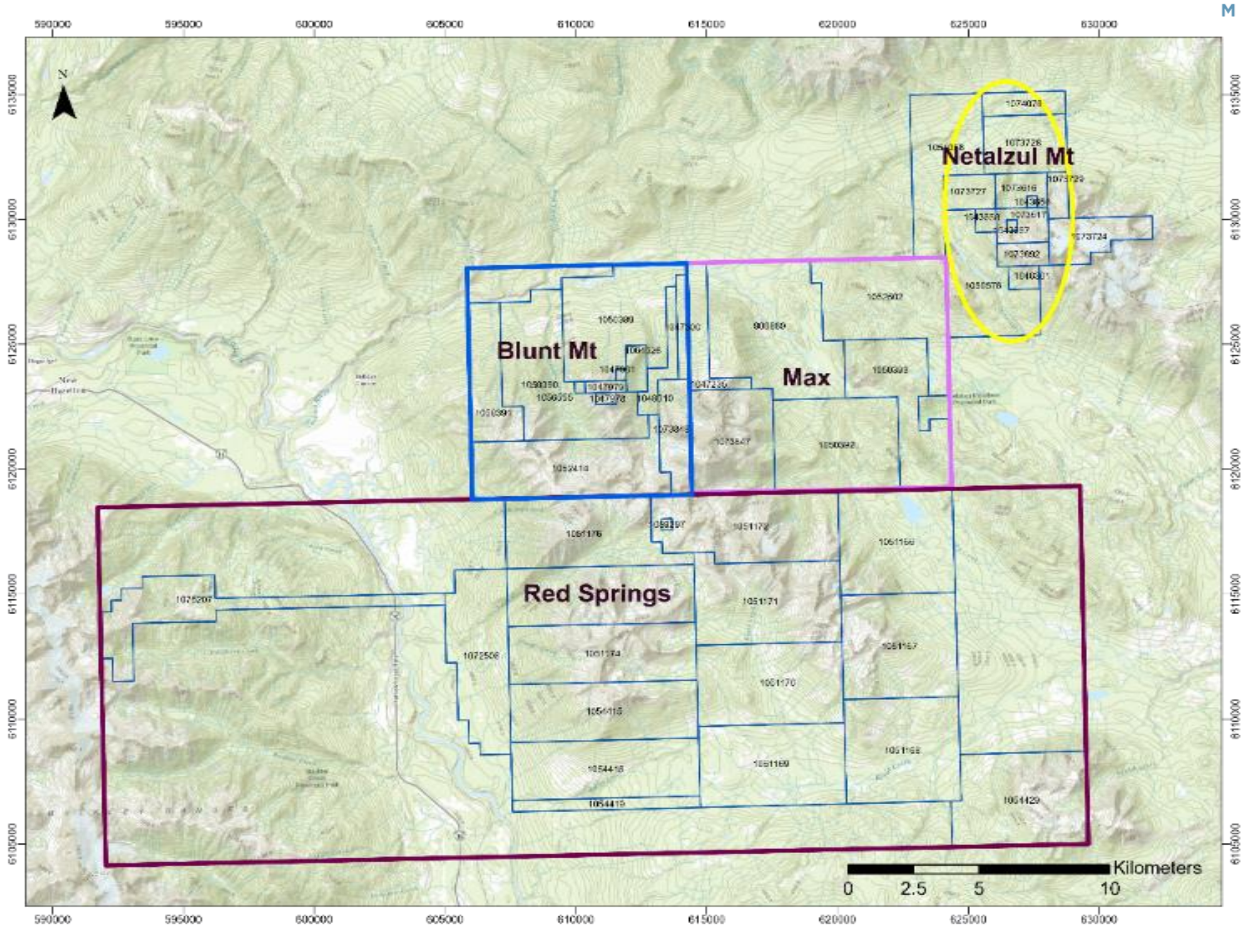

Figure 1. Claims Map of Four AOIs at Jaxon's Hazelton Property

Table 1. Historical Works Conducted at Max

Date	Exploration Works	Company and Operator	BC Assessment Reports
1970	EM Survey	Velocity Survey for Utah Construction and Mining	2495
1977	Prospecting works	John Young for Denegal Development	6431
1978	Trenching and shallow portal holes	Rebel Development	6998 A, 6998B
1985	Soil and bulk sampling	Donegal Exploration	14072
1988	Prospecting on Knoll claim	Dan Ethier	13960
1988	Drilling and IP survey and soil sampling	Accura Resource	18064, 18752
2008	Rock and soil sampling	Otterburn Ventures	30787
2012	Vtem, MG survey	Price Creek Mining	33559
2017-2018	Trenching, IP, drilling	Jaxon Mining Inc	37618, 37112A, 37112B

Max AOI ranges in elevation from 500 to 2000 metres above sea level. The topography is rugged, however, most of the area is accessible by foot. A patchy network of logging roads and exploration trails provides access to lower-elevation regions (Figure 2); alpine regions are accessible by helicopter.

Figure 2. Max AOI Access Map (Google Earth, 2020)

Geology and Mineralization

Max AOI lies within the Omenica Mining Division and is part of the Intermontane Tectonic Belt superterrane situated between the Coast Belt to the west and the Omineca Belt to the east (Figure 3). The Intermontane Belt consists of an assemblage of three accreted tectonostratigraphic terranes: Stikine, Cache Creek and Quesnel (Riddell, 2011). Max is underlain by rocks of the Stikine terrane, comprising an assemblage of magmatic arc and related sedimentary rocks that span the Jurassic to Early Tertiary periods. The rocks at Max are believed to form part of the Bowser Lake or Stikine terrane (BC MINFILE). The regional geology was mapped and compiled by Richards (1980, 1990). The district is largely underlain by volcanic and sedimentary rocks of the Jurassic-age Hazelton and Bowser Lake Groups, as well as younger sequences belonging to the Cretaceous Skeena and Kasalka Groups. Regionally, these rocks are exposed along the north side of the Skeena Arch, which represents a transverse feature of the Stikine Terrain.

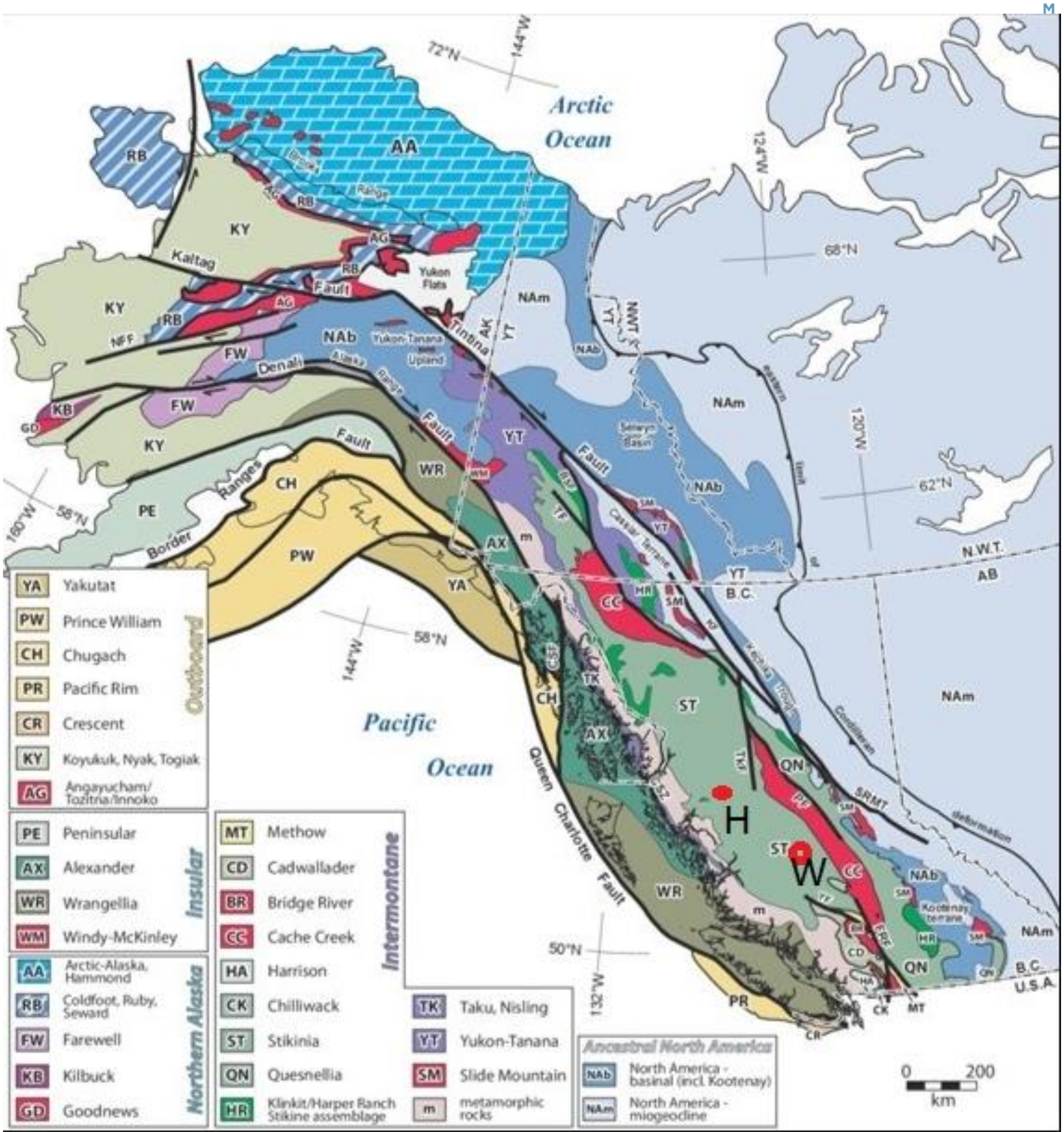

Figure 3. Tectonic Map of Northwest B.C. and Yukon – H, Hazelton Property; W, Blackwater Property

The geology of Max includes a folded package of Jurassic-Cretaceous sedimentary and volcanic rocks deposited in a tectonically active, magmatic arc marine environment. The bimodal volcanic rocks include andesite and rhyo-dacite flows and tuffs, as well as some rhyolite domes. These rocks are considered correlative with the Early Cretaceous Rocky Ridge Formation of the Skeena Group or Late Cretaceous Kasalka Group and need to be further studied. Several small Late Cretaceous stocks belonging to the Bulkley plutonic suite intrude the supracrustal rocks. Several north to northeast-trending regional faults occur in the area, which may have formed on the margins of sedimentary basins and volcanic collapse features. Numerous smaller faults are present and, in some cases, are interpreted to have acted as conduits for mineralization (Figure 4).

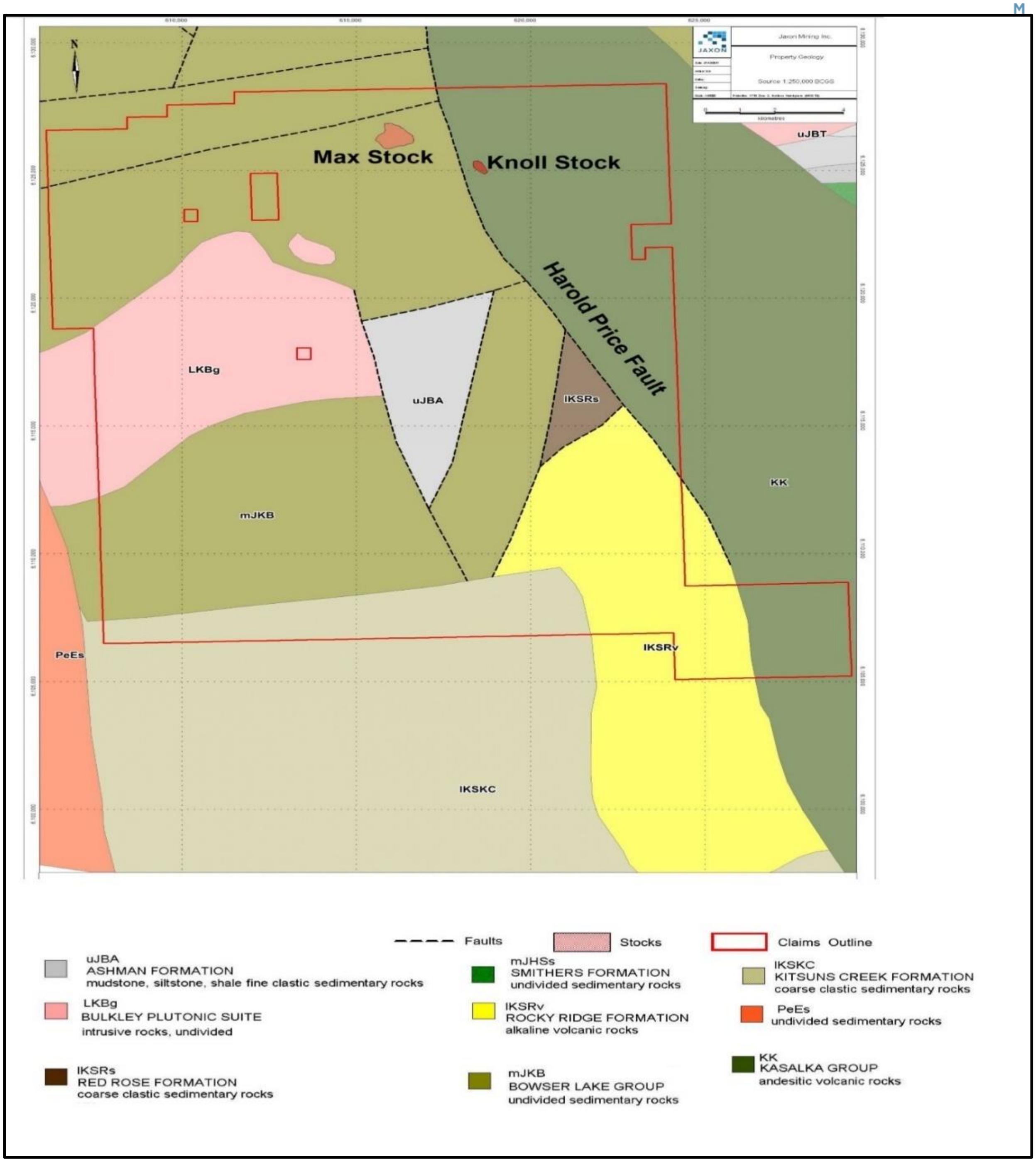

Figure 4. Geology Map of Max AOI

There are uncertainties regarding the age of the rocks at the Max AOI and their relationship to other units in the district. Richards (1980, 1990) mapped the rocks in the Knoll area as Suskwa volcanic, which form part of the Late Cretaceous Kasalka Group. However, similar rocks in the Babine Lake area have been dated as Early to mid-Cretaceous (104-107 Ma by MacIntyre et al.,1997). 2020 field work will include collecting intrusive and volcanic rock samples as part of a new rock dating study. This study will result in a better understanding of the timing and mechanisms of the formation of these rocks and the origins of the sulfidation mineralization.

Currently, four styles of mineralization have been identified at the MAX AOI:

1. Veins hosted by the Late Cretaceous intrusive Max Stock and its associated hornfelsic envelope. These steeply-dipping veins strike north to northeast and contain pyrite, arsenopyrite, galena and sphalerite. Showings on the Property interpreted to be related to intrusive activity include the Arseno and Spine showings. A 15 centimetre chip sample across the Spine showing assayed 12.7 g/t Au (BC MINFILE). This style of mineralization has not yet been discovered due to the absence of drill holes within the Max Stock.

2. Rhyolite-hosted disseminated pyrite and sphalerite, which previously had only been identified in some drill holes from the Knoll area (Ray, 2009). BC MINFILE notes the mineralization includes disseminations and veinlets of pyrite, sphalerite and galena, hosted by rhyolite breccias and lapilli tuffs, as well as pyrite and manganese staining in the rhyolite flows. Analytical results of ten grab samples collected by Wojdak and Ethier (2000) from the drill core show values of up to 47 g/t Ag and 40 ppm Sb, with some samples containing >1% Zn, Pb and As. Assay values in Au, Cu and Ba were low. The 2017 drilling program did not identify this style of sulphide mineralization hosted in rhyolite.

3. Strong silicification and chlorite altered sediment and/or volcanic-hosted cross-cutting veins and hydro-fracturing breccias of felsic to intermediate composition, semi-massive to massive sulfide up to 11.5 metres wide drilling interceptions, containing variable quantities of pyrite, arsenopyrite, sphalerite, silver-bearing lead-antimony sulfosalts and traces of gold. Cross-cutting stockwork vein/breccia mineralization is seen in many occurrences at the Max AOI, including the Knoll, Dud Cap and Marc, as well as several other smaller showings. These stockwork vein occurrences trend north to northeast, are moderate to steep in dip, and were previously considered the conduit feeder zones for the stratiform sulfide horizons comparable to the Creek and Max Main Trench occurrences.

   Data from previous work was recently reviewed and re-modeled based on a re-evaluation of the 2017 drilling core. Jaxon's new conceptual model indicates Max AOI hosts a high-grade silver polymetallic sulfidation mineralization occurrence, not of a classical VMS origin but more of an analogue to the type of deposit at Blackwater/Capoose, an Au-Ag structure controlled hydrothermal and epigenetic sulfides deposit. The 2017 drilling program identified this style of sulphide mineralization hosted in most holes, notably in holes Jax17-6, 7, 8 ,11 and 12.

4. Stratiform, bedding-parallel sulfide mineralization. This was previously interpreted as a shallow marine, VMS exhalative (hot spring) hydrothermal system. The main focus of the 2017 exploration, this style forms zones up to 1.5 metres thick and has been observed at the Creek, Max Main Trench, Forgotten, Lower Forgotten and Knoll View occurrences (Figure 5). It may have been formed by the hydrothermal or epigenetic solutions along the bedding or contact zone. The stratiform sulfides zones include pyrite, arsenopyrite, galena, sphalerite, jamesonite, stibnite and gold. Argentite and native silver are also suggested to be present. 2020 field work will include collecting rock samples for petrographic study and verifying the origin of massive sulfidation.

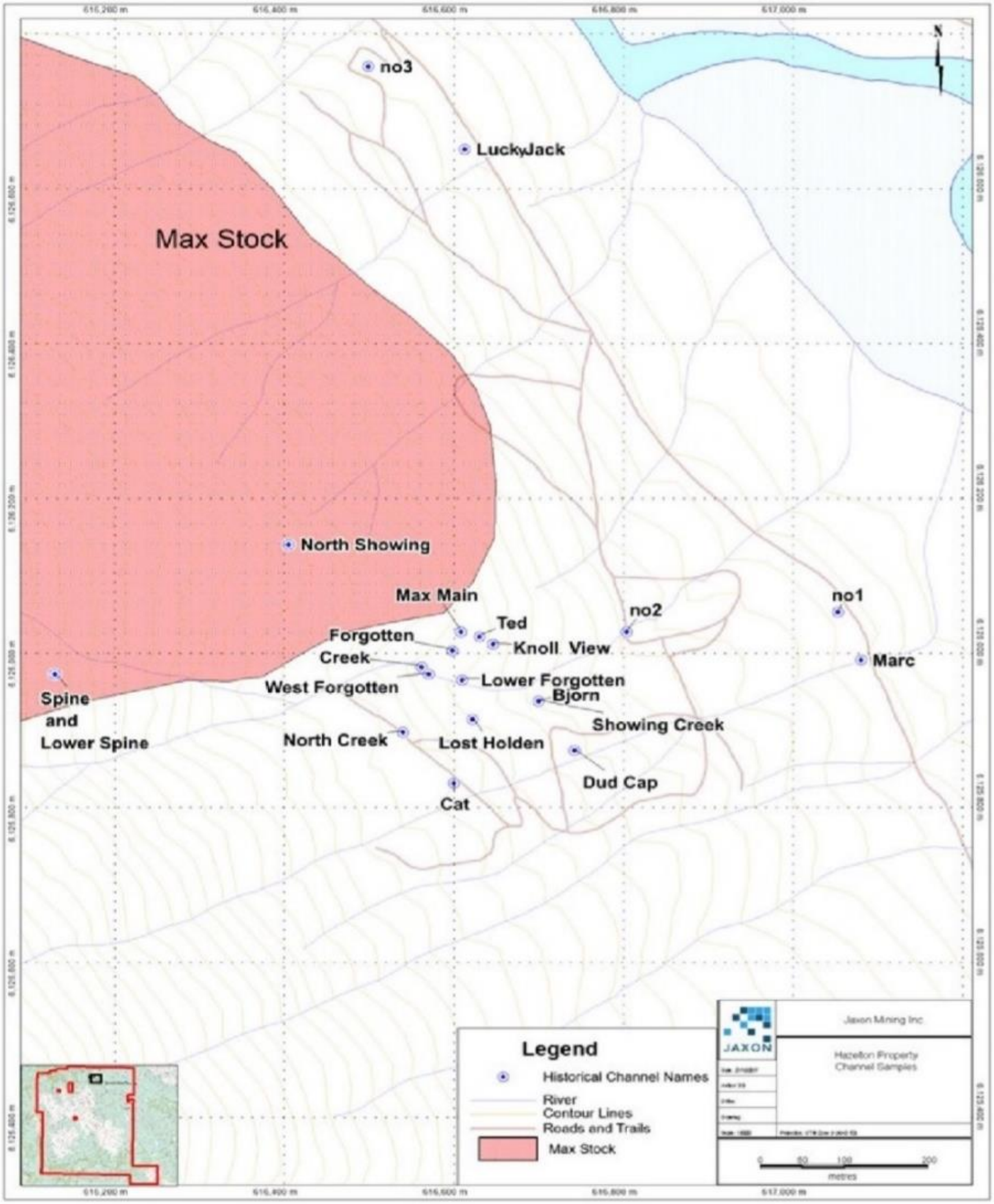

Figure 5. Surface Mineralization Showings at Max AOI

2017 Drilling Program

After conducting detailed trenching, an IP survey and VTEM data processing in 2017, Jaxon completed 12 drill holes, a total of 2020 metres of diamond drilling. The drill program targeted mineralized stockwork veins and bedding-parallel sulfide horizons identified in surface showings or inferred from the 2017 IP geophysical survey. All drill holes are located within the boundaries of Claim No. 906889 (Figure 6).

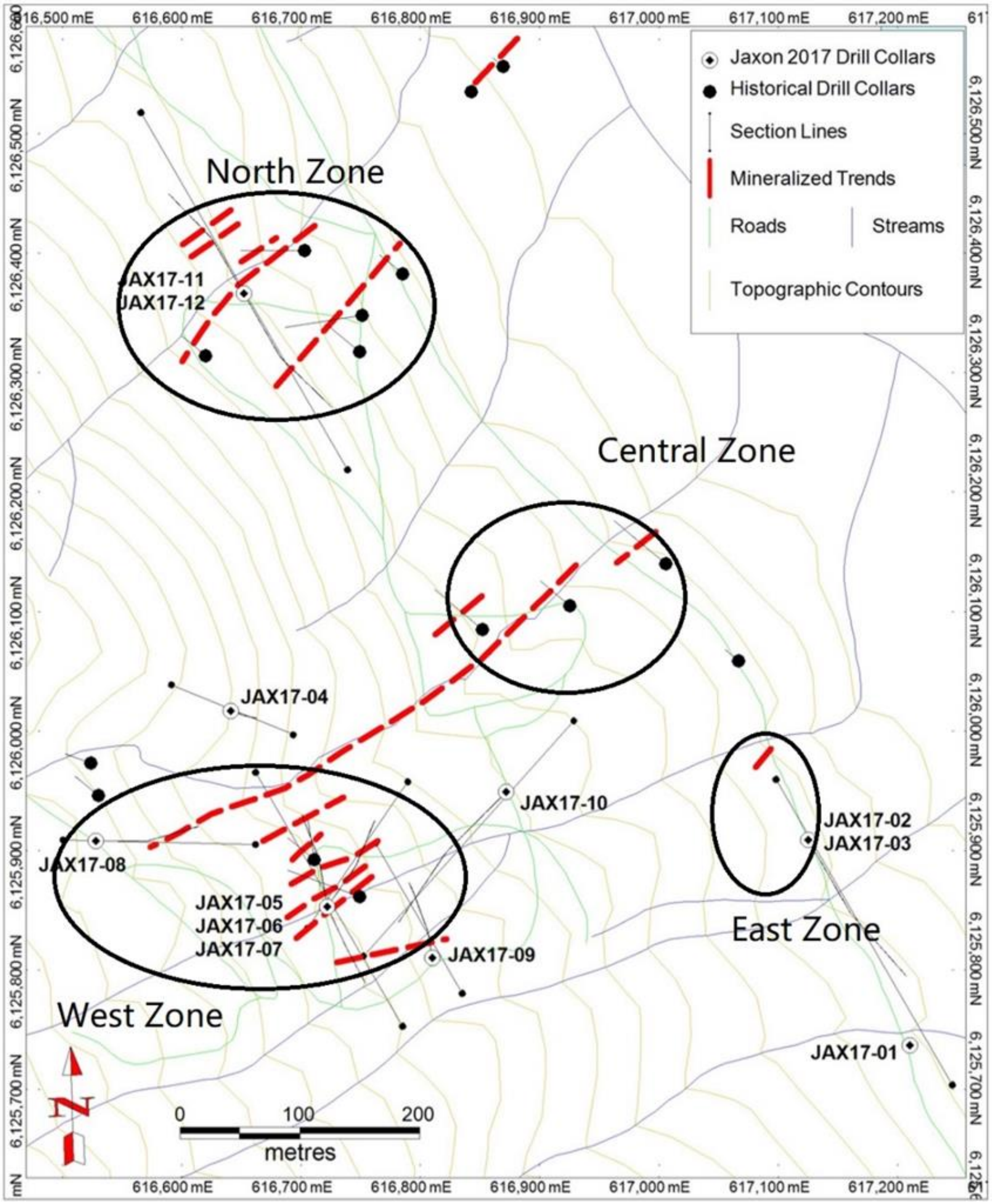

Figure 6. 2017 DDH Locations and Mineralization Zone Map at Max AOI

Summary of 2017 Drilling Program Highlights

- The drill program intersected significant high-grade silver mineralization (>100 g/t Ag) in 7 of the 12 holes drilled or >150 g/t EqAg (equivalent silver) in 9 of the 12 holes drilled (Table 2). These holes are within the IP and magnetic anomaly area and within the defined mineralization areas (Figure 6). The other holes intersected lower grade mineralization and are all outside the centre area of the defined mineralization zone (Figure 6). The high-grade intersections are generally 3 to 7 metres thick, structurally controlled vein-type occurrences within large hydro-fracturing or shearing lower grade mineralization zones.

- These intercepts occur as antimony-rich silver sulphosalts in polymetallic veins, fracturing breccias and stratiform beds, returning grades from 103 g/t to 1,206 g/t silver, up to 11.1% zinc and up to 2.07 g/t gold. The multiple-phase hydrothermal overprinting of polymetallic sulphide-sulphosalt mineralization is suggestive of a large and long-lived tectonic active metallogenic system.

- Significant intersected thicknesses of this structurally controlled stockwork vein-type polymetallic mineralization are 7 metres with grades up to 165 g/t EqAg in hole Jax17-11, and 6.6 metres with grades up to 224 g/t Eq Ag in hole Jax17-12 (Figure 7 and Table 2) in the North Zone (Figure 6). It should be noted that the Cretaceous Max Stock intrusion outcrops only 80 metres west of drill holes Jax17-11 and 12. The intrusion of the Max Stock may cause some remobilization of mineralization around the Max Stock, therefore the high silver, gold, antimony and arsenic values seen in holes JAX17-11 and 12 may be in part reflective of remobilization associated with emplacement of the intrusion. This indicates the mineralization may be even stronger at the contact between the Max Stock and the surrounding sediments. Mineralization in this northern zone area is mostly structurally controlled and seems to trend more or less northeast. Several historical drill holes, including M88-12, M88-15 and M88-17, are reported to contain similar mineralization (Ag grades of up to 1709 g/t) to that seen in JAX17-11 and 12. These holes are tentatively correlated with the 2017 drill holes, and mineralization is interpreted to be contained in northeast-trending structures measuring a minimum of 300 metres long and 100 metres wide (Figure 8). The area is overlapped with strong IP chargeability and a low magnetic anomaly (Figure 9). This area has a high potential for an economically viable Ag-polymetallic deposit.

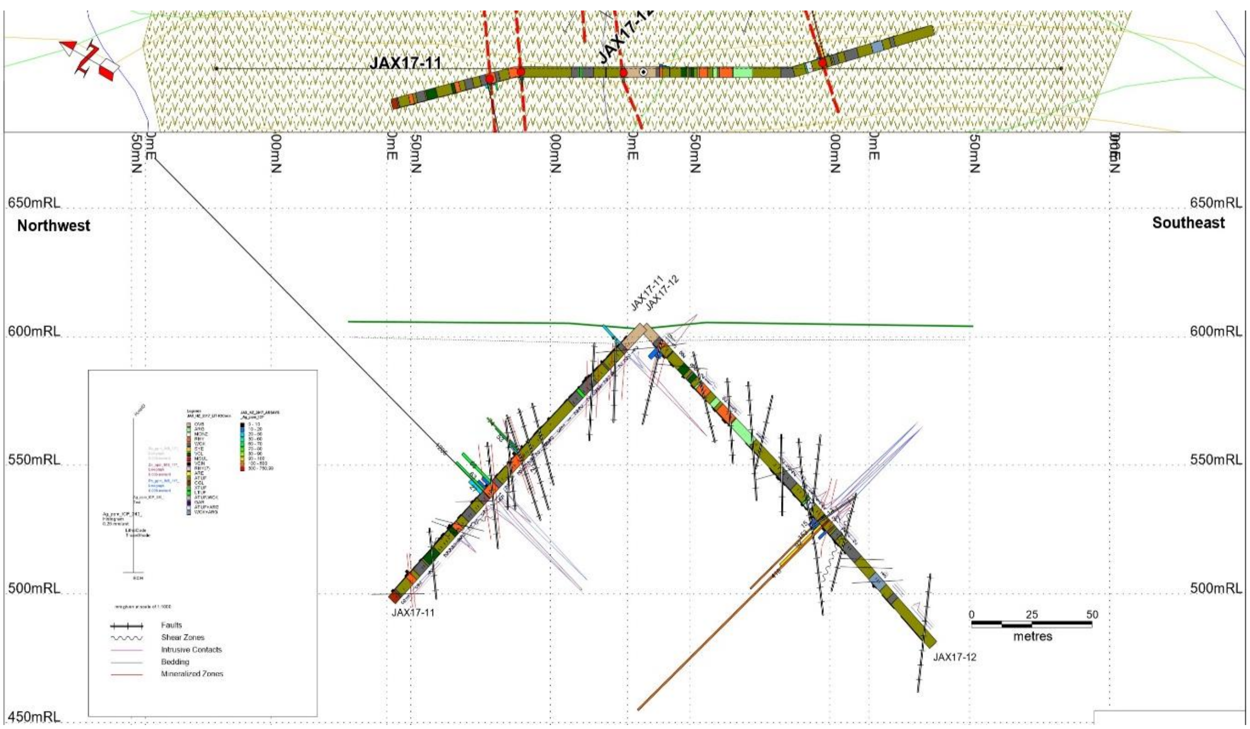

Figure 7. Cross Section Map of DDH Jax17-11 and Jax17-12

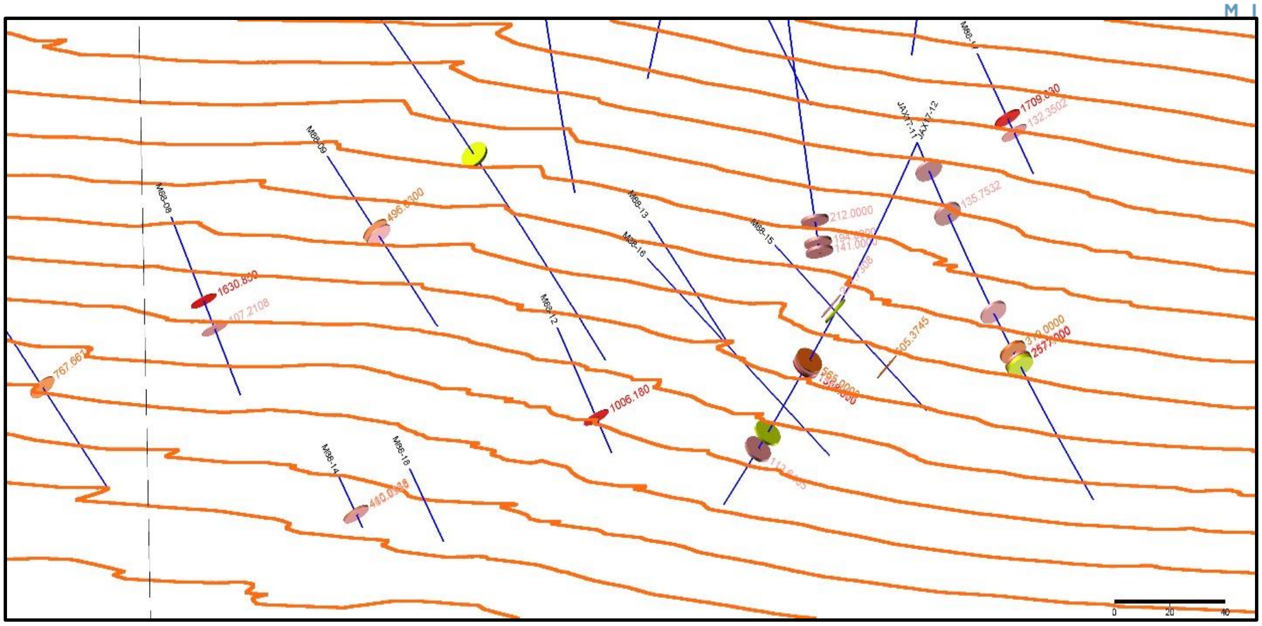

Figure 8. >300 m North Mineralization Zone Identified by Holes Jax17-11 and 12

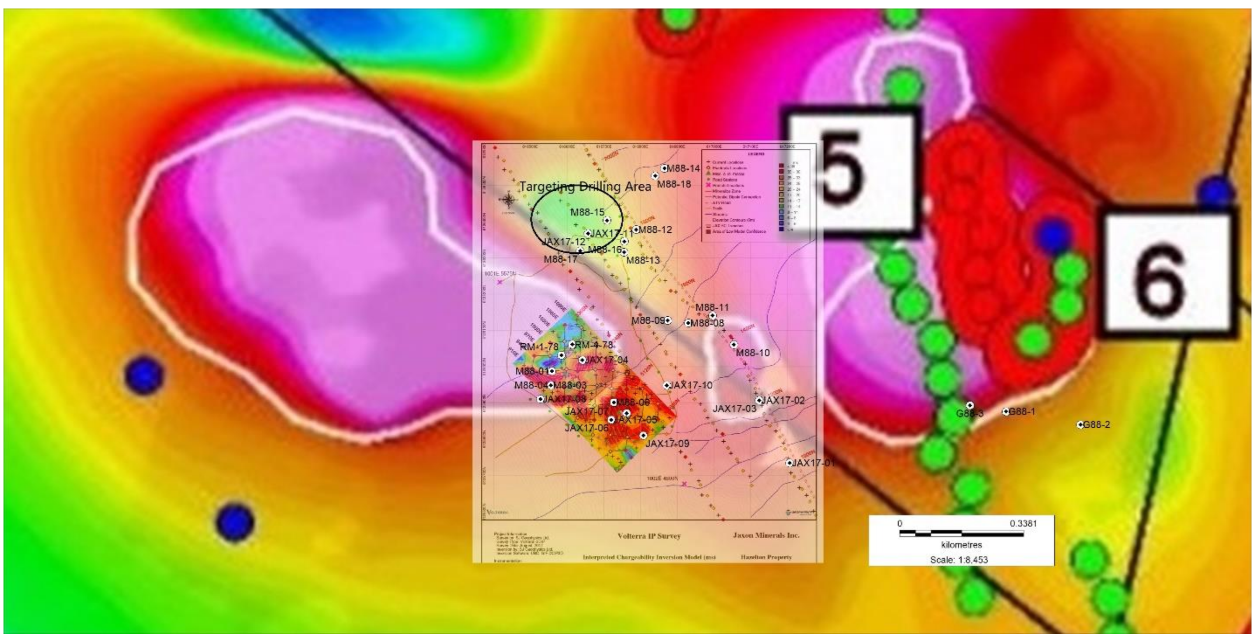

Figure 9. Map of Magnetic Anomaly, IP Chargeability and Drill Hole Location and Targeting Drilling Area at MAX AOI

Table 2. Significant Intercepts from 2017 Max Drilling of IP Survey, Hazelton

Hole ID	Alt	Depth	from	to	Length	Ag	Sb %	Pb %	Zn %	Au	Ag_Eq
	(m)	(m)	(m)	(m)	(m)	ppm				ppm	ppm
JAX17-08	**775**	**150**	**118.6**	**124.8**	**6.2**	**55**	**0.15**	**0.52**	**2.22**	**0**	**153**
			including								
			120.2	**121.4**	**1.2**	**111**	**0.69**	**1.82**	**4.88**	**0**	**356**
			123.1	**123.6**	**0.5**	**273**	**0.91**	**3.13**	**11.1**	**0**	**669**
JAX17-07	**700**	**192**	**76.5**	**78**	**1.5**	**103**	**0.22**	**0.54**	**3.08**	**0.01**	**235**
			and								
			180.5	**192**	**11.5**	**8.0**	**0.06**	**0.13**	**1.12**	**0.04**	**54**
			including								
			180.5	181.55	1.05	4.13	0.04	0.12	6.6	0.04	205
			187.95	189	1.05	46.3	0.40	0.86	2.47	0.13	194
			191	192	1	28.9	0.16	0.31	2.28	0.28	142
JAX17-06	700	144	51.8	55	**3.2**	17	0.07	0.23	1.12	0.05	68
			including								
			54	55	1	34.8	0.16	0.54	2.71	0.12	157
			and								
			95.2	**96.2**	**1**	**114**	**0.30**	**0.71**	**5.27**	**0**	**323**
JAX17-09	675	108	28.8	33	**4.2**	50	0.11	0.30	1.88	0.12	135
			including								
			30	31	1	109	0.19	0.51	4.16	0	286
JAX17-12	605	174	103.2	110.8	**7.6**	**75**	**0.64**	**0.84**	**1.43**	0.24	**195**
			including								
			104.8	105.3	0.5	153	1.94	2.15	3.62	0.65	565
			107.5	**108.12**	**0.62**	**418**	**5.00**	**6.87**	**10.3**	**1.08**	**1508**
			and								
			147	148.2	1.2	0.35	0	0	0	1.62	113
JAX17-11	605	150	29.1	35.3	**4.9**	56	0	0	0.01	0.78	56
			including								
			29.1	31.5	1.3	1.49	0	0	0	1.92	135
			and								
			87	**94**	**7**	**64**	**0.5**	**0.68**	**0.5**	**0.24**	**165**
			including								
			87	88.1	1.1	57	1.59	1.78	0.34	0.52	319
			92.33	**92.53**	**0.2**	**1206**	**7.43**	**5.29**	**10.8**	**2.08**	**2578**

JAX17-05	700	129	85	88.4	3.4	6.88	0.10	0.29	1.40	0.09	80.0
			Including								
			85	86.1	1.1	13	0.23	0.66	2.97	0.17	156
JAX17-03	550	231	**114.1**	**114.6**	**0.5**	**306**	**1.19**	**2.44**	**0.44**	**0.93**	**576**
	550		**181.3**	**181.8**	**0.5**	**265**	**2.00**	**3.87**	**2.01**	**0.04**	**644**
	550		192.2	192.8	0.6	146	1.32	1.51	1.23	0.09	345
JAX17-10	625	201	97.1	99.5	2.4	10	0.02	0.09	1.12	0.04	51
JAX17-04	725	129	37.9	38.3	0.4	15	0.27	0.64	7.78	0.27	304
JAX 17-02	550	201	no significant intercepts, outside of Mineralisation area								
JAX 17-01	550	171	no significant intercepts, outside of Mineralisation area								

- Drill holes in the West Zone all intersected high-grade silver mineralization from 3.2 metres up to 11.5 metres with EqAg grades from 68 g/t to 669 g/t (Figures 10, 11 and Table 2). Significant intersected thicknesses of the stockwork vein-type polymetallic mineralization in this area are 6.2 metres with grades of up to 153 g/t EqAg in hole Jax17-08, and 11.5 metres and 4.8 metres with grades of up to 54 g/t and 87 g/t EqAg in hole Jax17-07. Volcanic rocks, including tuffs and rhyolites, are concentrated in holes JAX17-05 to JAX17-08, with rhyolite flows in holes Jax17-05 to 07. The area surrounding holes Jax17-05 to Jax17-07 is presumably part of a volcanic eruptive centre that may be the source of most of the tuffs in the area. The identified potential multiple mineralization zones are over 250 metres long on the strike and open to both directions on dip and strike (Figure 11). This area coincides with the edge of the magnetic anomaly (Figure 9) and strong IP chargeability (Figure 12). It is also close to the Cretaceous Max Stock intrusion outcrops and is the second priority target for 2020 drilling.

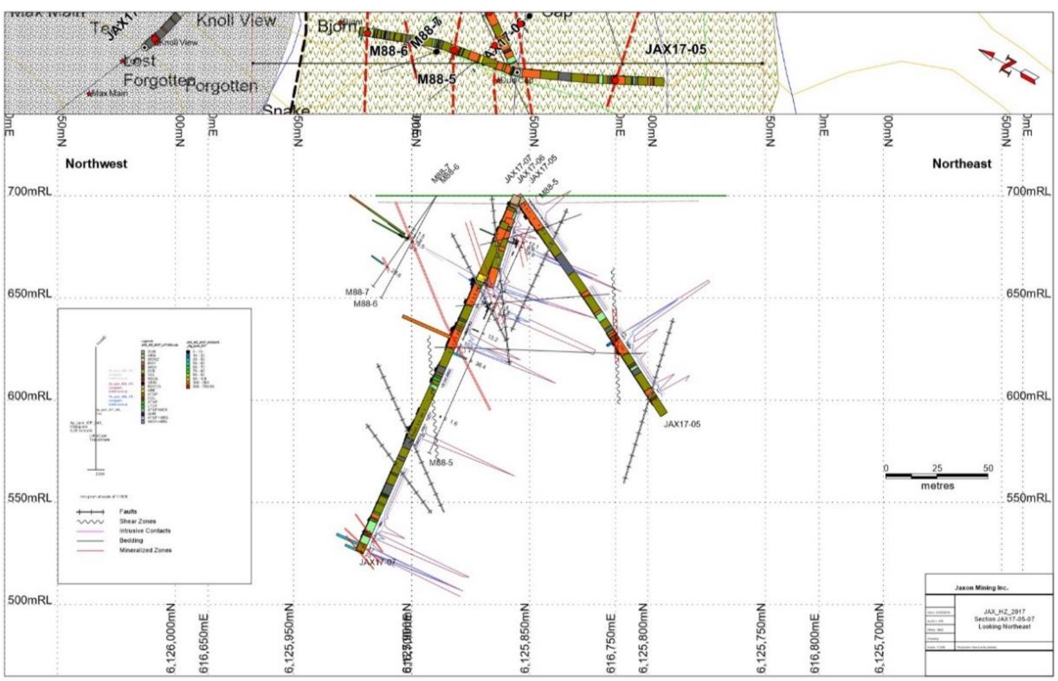

Figure 10. Cross Section Map of DDH Jax17-05-07

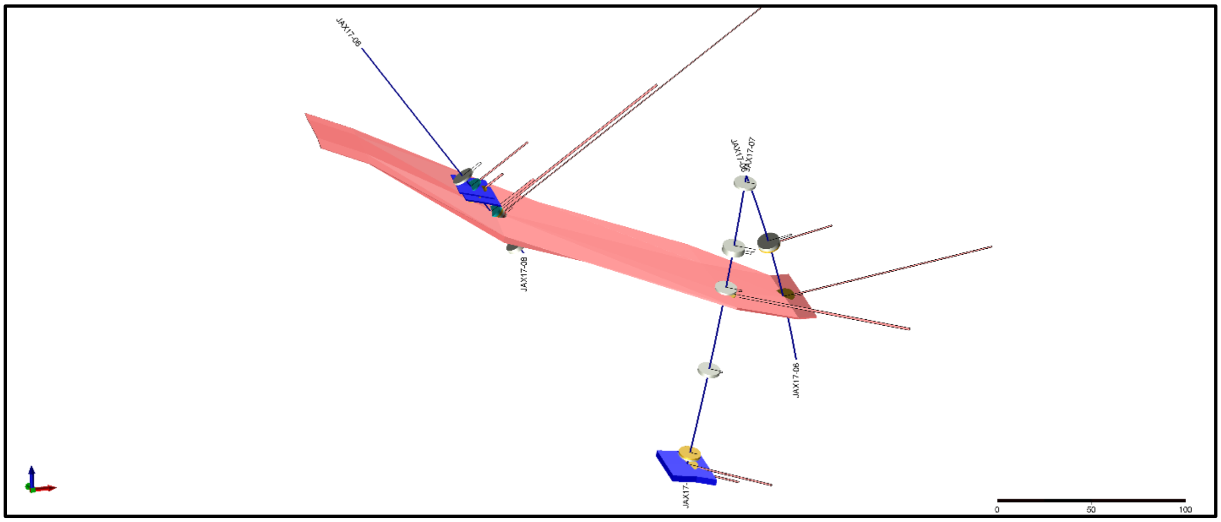

Figure 11. Main Mineralization, Jax17-06-07 and 08 Section Map in the West Mineralization Zone

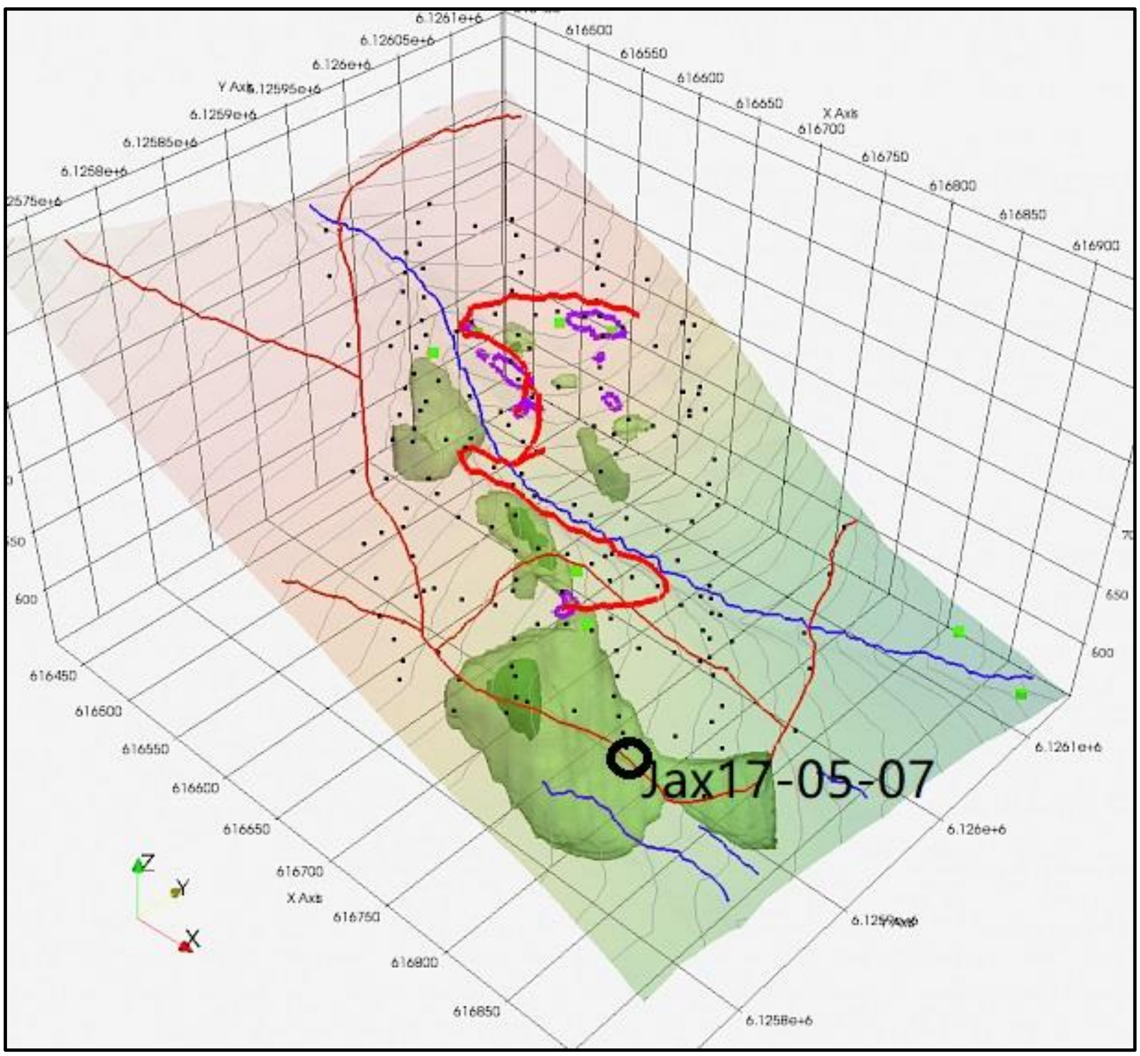

Figure 12. 3D IP Anomalies in the West Mineralization Zone

- The 2017 drill results are worthy of follow-up investigation. The priority target should be the North Zone identified by Jax17-11 and 12 (Figures 8, 9, 13) which is 150 metres long, up to 7.6 metres thick and open in both directions on dip and strike where the area coincides with strong IP chargeability and a very low magnetic anomaly. The second target is the West Zone in the Max Main mineral showings area where the area between drill holes Jax17-06-07 and 08 may be the centre of the mineralization, and which may also extend to the Central Zone (Figure 6). There may be at least two major mineralization horizons based on the 2017 drilling program. Hole Jax17-07 intercepted a deep mineralization zone up to 11.5 metres and ending in another mineralization zone with EqAg grades of up to 141 g/t, including 0.28 g/t Au and 29 g/t Ag (Figure 11).

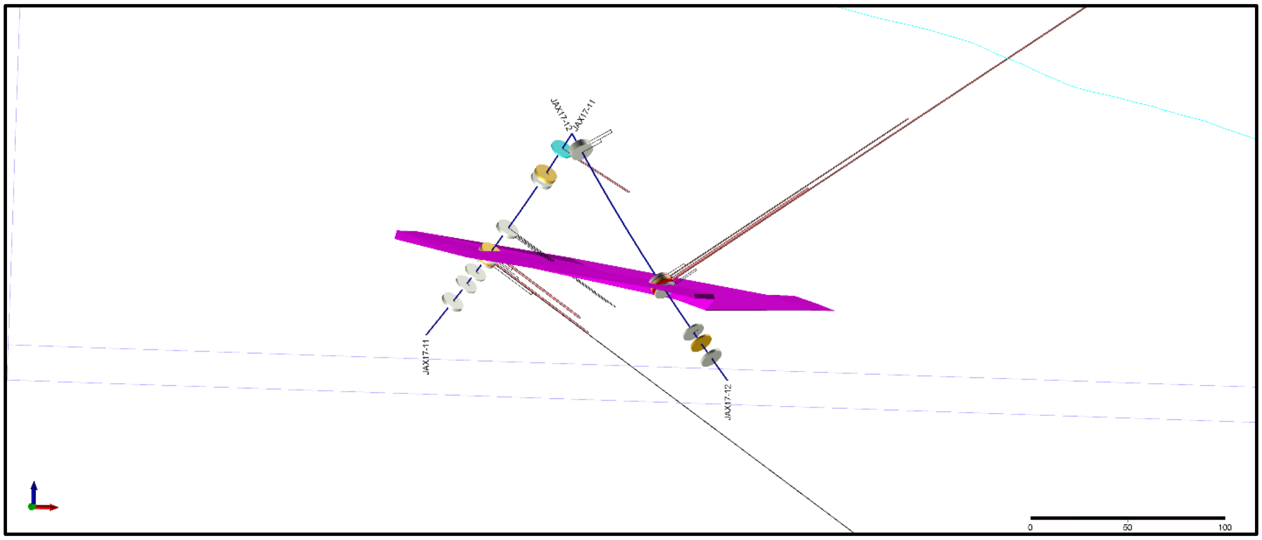

Figure 13. Multiple Mineralization Zones at the North Zone and Section Map of Jax17-11 and 12

Summary and Conclusion

- In addition to several small Cretaceous stocks of the Bulkley plutonic suite, Max AOI is mostly underlain by a folded Jura-Cretaceous sequence of sedimentary and bimodal volcanic rocks, including some rhyolite domes. These rocks were laid in conditions during a period of active extensional rifting. This environment is highly favourable for hydrothermal solutions activity.
- High-grade Ag assay values within well developed infrastructures, together with Zn+Pb+Sb+Au credits, indicate that any deposit discovered on the Property could be operated by either open-pit or underground mining methods.
- Max area mineral occurrences exhibit features, including the presence of vuggy silica-quartz, which suggests an epithermal component. This, together with the Sb, Hg and Mn enrichment, suggests deposition under lower-temperature conditions.
- Max AOI displays characteristics of the nearby Blackwater/Capoose deposit including rocks of similar ages, high percentage pyrite, chlorite alteration, hydrofracturing breccia or shear zone setting, and possible remobilization of precious metal-rich mineralization.
- Polymetallic sulphides with the variable presence of sulphosalts were found in rhyolite and tuffs, monzonite, and sediments such as argillite and arenite. Variable quantities of semi-massive to massive stratiform bedding-parallel sulphides, cross-cutting veins and fractures have been found in all lithologies. It is evident that the IP survey responses tracked sulphides. No evidence of folding or major structural disruptions or faults was observed.

- Due to the success of blind IP targeting, particularly in the 6.6-7.6 metres thick mineralization found in drill holes Jax17-11 and Jax17-12 (Figures 13-14) at the North Zone, preliminary plans have been made for an additional 2,000 – 3,000 metres of drilling in 2020. This drilling will also cover the area directly adjacent to the north of the known mineralized North Zone where a magnetic low (Figure 9), potentially due to hydrothermal alteration, is coincident with high chargeability targets.

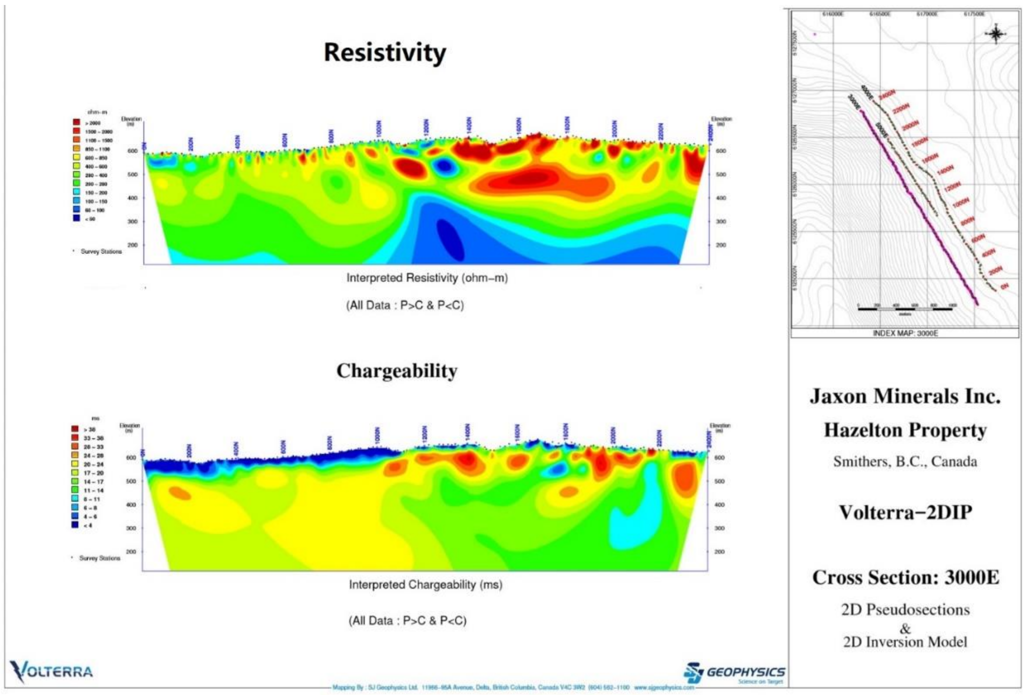

Figure 14. IP Line 3000E Resistivity and Chargeability Section Map at Max AOI