South Grass Valley Project - February 2020 Drilling Update

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RENO, March 02, 2020 - Nevada Exploration Inc. (“NGE” or the “Company”) (TSX-V: NGE; OTCQB: NVDEF) is pleased to provide an update regarding its ongoing reverse-circulation (“RC”) drilling program at its South Grass Valley Carlin-type gold project (the “Project”). Since beginning the program in January 2020, the Company has completed the first of two planned drilling cycles at three of its targets, for a total of approximately 3,600 meters, for which the Company has now received and begun to review assay results for approximately the first 2,400 metres.

The Company is pleased to share that the drilling is proceeding on schedule, and that early results from the first three targets are providing additional confidence in the target concepts, described in detail in the Company’s November 15, 2019, news release and accompanying video (www.nevadaexploration.com/news/2019/nevada-exploration-advancing-four-carlin-type-gold-targets-at-south-grass-va and www.youtube.com/watch?v=XYMIH-mqIKo&feature=youtu.be).

Specifically, NGE is pleased to report that:

- At Water Canyon, the first drill hole is now in progress;
- At Golden Gorge, the first-cycle drill holes have validated the target concept, though were generally located too close to the intrusive – these holes have helped to better define the location of the intrusive margin, and will guide second-cycle drilling further from the intrusive, towards the east;
- At Waterfall, the first-cycle drilling confirmed the presence of a thick section of favourable carbonate host rocks above the Grass Valley Stock, and NGE is now completing logging and is waiting for full assays to test for evidence of Carlin-type gold deposit (“CTGD”) mineralization;
- At Freddie, first-cycle drilling confirmed that the large Carlin-type hydrothermal system encountered in earlier drilling extends another kilometre to the WNW; however, only one drill hole, located at the western edge of the target, was completed deep enough to test the targeted lithologic units – assays from this western drill hole, while still highly-anomalous, show decreasing gold and pathfinder budgets, and accordingly, for the second cycle of drilling, the Company will be looking to complete a series of deeper drill holes back towards the east; and
- Based on a detailed review of a NNW-oriented geophysical feature located east of and parallel to Golden Gorge, and based on growing evidence that the source direction of the mineralized hydrothermal fluids at the district is likely from the east, the Company has identified a fifth target at the Project, called East Golden Gorge.

Discussing the ongoing program, Wade Hodges, NGE CEO: “We’re pleased with our relatively quick progress here on the ground. It’s been a big step forward for the Project to add so many new data points to our geologic model at this otherwise blind project, and the first cycle of drilling is achieving what it was designed to do. We’re validating the target concepts in terms of their geologic settings and improving the resolution of our model in each area, and importantly, we’re using this information to direct and narrow the focus of our second cycle of drilling.”

While NGE integrates the results from its first-cycle drill holes into its exploration model to plan the locations and target depths of the second-cycle drill holes, the Company is keeping one RC drill rig active at the Project, which is presently located at Water Canyon.

WATER CANYON TARGET

Target Description

Water Canyon is located at the intersection of a NNW lineament, a NW fault fabric, and a NE fault, to the

east of a historic adit and trench workings exposed in outcrop The target is supported by elevated mercury and arsenic in soils above the target, and by elevated gold, antimony, and arsenic in the groundwater flowing past the target. The concepts to be tested at Water Canyon are that of typical Carlin-type mineralization in Roberts Mountains Formation units below upper-plate cap rocks, as well as that of potentially higher-grade mineralization in hornfelsed lower-plate carbonates emplaced along a series of SE-plunging folds and structural trap sites.

RC Drilling Program Objectives

NGE’s objectives for its planned program are to test for evidence of ponding, mineralized Carlin-type hydrothermal fluids in low-angle trap sites sitting beneath the upper-plate cap rocks, as well as for gold and related pathfinders within hornfelsed host rocks close to the Grass Valley Stock.

Progress

The company is currently drilling its first drill hole at Water Canyon, SGVR013, at the southwesternmost proposed hole location.

GOLDEN GORGE

Target Description

Golden Gorge is located to the east of the Grass Valley Stock, where previous-stage drilling confirmed the presence of anomalous gold and CTGD pathfinders within silicified and marbled breccias along the margins of the intrusion. The target is supported by the coincident alignment of the highest gold-in-groundwater concentrations seen at the Project, which closely map the interface between the lower-plate and the intrusion. The concepts to be tested at Golden Gorge are that of potentially high-grade, oxide gold mineralization within the hornfelsed lower plate, as well as the potential for additional gold mineralization in breccia units.

RC Drilling Program Objectives

NGE’s objectives for its planned program are to establish the extent of and test for mineralization within the hornfels aureole on the east flank of the intrusion, as well as to test the western extension of the intensely-altered breccia units seen in the earlier drilling.

Progress

NGE has now completed its first cycle of drilling at Golden Gorge. The first two drill holes of the program were located at the north end of the target (SGVR005 and SGVR006); the third hole was located at the southern edge of the target (SGVR008); the fourth hole was located at the western edge of the target (SGVR011); and the fifth hole was located in the north-central part of the target (SGVR012). In total, the Company has now completed 900 metres of RC drilling at Golden Gorge, and has received the first 305 metres of assay results, from holes SGVR005 and SGVR006.

First-Cycle Drill Holes

SGVR005 quickly entered granite beneath the alluvium. While often important for improving rock preparation, and often in direct contact with favourable host rocks, granitic rocks themselves are generally poor host units in CTGD systems. The Company stopped the hole at 110 metres. As expected, assays have confirmed that the granite in SGVR005 is not mineralized.

SGVR006 encountered a shallow package of favourable limestone and chert units that were exhibiting

increasing silicification, sulfides, and marbleization, until the hole was unfortunately lost at 198 metres, well above its planned depth of 500 metres, due to drilling issues. While this relatively-shallow hole encountered the predicted favourable host units, which assays confirm contain anomalous CTGD trace element geochemistry (including arsenic up to 102 ppm, antimony up to 35 ppm, and thallium up to 1.6 ppm), SGVR006 was not completed deep enough to adequately test the intended target along the intrusive-margin, contact-aureole interface.

SGVR008 was located along the projected southern extension of the intrusive margin, and is still being logged; however, the dominant unit encountered in the hole was granite, which began immediately below the alluvium at 190 metres and continued to the bottom of the hole at 305 metres.

SGVR011 provided an initial drill hole near the middle of the NNW-oriented target area, along its western edge. Like SGVR008, SGVR011 immediately entered granite under the alluvium, in this case at 110 metres until the bottom of the hole at 151 metres.

SGVR012, located approximately 500 metres NNW of hole SGVR011, was designed to step further east, away from the intrusive, though it too intersected granite at 86 metres to the bottom of the hole at 146 metres.

Summary of First-Cycle Results

All first-cycle drill holes, with the exception of SGVR006, were located too close to the intrusive to test for mineralization within either the hornfelsed lower plate units or the altered breccia units. The holes did, however, help constrain the relative location of the intrusive margin, placing it further to the east. SGVR006 did not go deep enough to test the desired stratigraphy, however, the hole did confirm the presence of the projected favourable host units proximal to the intrusive, which further validates the exploration model at the target, as well as provides additional stratigraphic data to improve the resolution of the geologic model at this important intersection of features. Notably, this information was collected by using only relatively shallow drill holes (average depth of 180 metres), for a total of approximately 900 metres.

Plans for Second-Cycle Drill Holes

The Company is using the information from the first cycle drill holes to update its geologic model and is amending its drilling permit to complete the second cycle of drilling at Golden Gorge further from the intrusion, towards the east, which NGE expects to consist of three relatively-deep RC holes along the eastern edge of the target.

WATERFALL

Target Description

Waterfall is located within lower-plate bedrock closely associated with the Grass Valley Stock, at the projected intersection of high-angle, district-scale, NW and NE-trending faults. The target is supported by evidence that some component of the high concentration of gold in groundwater centred over Golden Gorge could possibly have originated from the Waterfall area. Additionally, there is also geochemistry support in the soil samples across the western part of the target, where there is a discrete zone of elevated arsenic. The concept to test at Waterfall is that of fracture-controlled mineralization within hornfelsed lower-plate.

RC Drilling Program Objectives

NGE’s objectives for its planned program are to establish what looks to be the irregular geometry of the interface between the lower-plate and the Grass Valley Stock in this area, and to test this geologic setting for evidence of mineralization.

Progress

NGE has now completed its first cycle of drilling at Waterfall, drilling a NE-SW fence of three drill holes (SGVR004, SGVR009, and SGVR010) along the northwestern edge of the target. In total, the Company has now completed 966 metres of RC drilling at Waterfall, and has received the first 305 metres worth of assay results, from hole SGVR004.

First-Cycle Drill Holes

SGVR004 encountered bedrock at 46 metres, consisting of a volcanic tuff that transitioned into an andesite mudflow unit. At 155 metres, the drill hole entered black, limey mudstone, and below that a hard, siliceous mudstone and chert unit, before finally entering granite at 280 metres, which continued until the bottom of the hole at 305 metres. Assay results confirm that the Paleozoic mudstone and chert units contain anomalous CTGD pathfinder geochemistry, with arsenic up to 83 ppm, antimony up to 21.8 ppm, and thallium up to 3.0 ppm.

SGVR009 was located 600 metres southwest of SGVR004. The first unit it encountered was a volcanic tuff under the alluvium at 80 metres, then the hole proceeded into a mixed mudflow unit, before entering the hard siliceous mudstone and chert unit at 177 metres, which continued until the bottom of the hole at 321 metres.

SGVR010 was then located another 600 metres to the southwest. The hole hit bedrock at 61 metres, in this a case a mixture of volcanic, granitic, and lower-plate cuttings characteristic of the mudflow unit encountered in SGVR004 and SGVR009, and then entered hard, siliceous mudstone and chert at 122 metres, which continued until the hole entered granite at 271 metres that continued until the bottom of the hole at 340 metres.

Summary of First-Cycle Results

The fence of three, first-cycle drill holes has confirmed the presence of a thick section (150+ metre) of potentially favourable carbonate host rocks sitting above large areas of the Grass Valley Stock, and has largely achieved this first objective of the program. Once all assays have been received and the three holes have been fully logged, the Company will evaluate if there is evidence for potential CTGD mineralization and consider its next plans for the Waterfall target.

FREDDIE

Target Description

Freddie is located northeast of Goodwin Butte, where initial drilling defined large zones of sulphide-bearing, silicified breccias within silty carbonate units that show evidence of low-angle thrust faulting. These favourable host units sit below a shale cap rock at the intersection of high-angle NNW and NE district-scale faults along an antiformal fold hinge, which together represent a characteristic combination of host rocks and mineral controls for CTGD mineralization. The target is supported by elevated gold and related pathfinders within the silicified breccias, as well as by strong geochemistry anomalies in soils and groundwater. The concept to be tested at Freddie is that of oxidized, silicified breccia-hosted gold mineralization, analogous to the mineralization at Goldrush.

RC Drilling Program Objectives

NGE’s objectives for its planned program are to determine the extent and controls of the silicification, and to test the up-plunge north-northwest extension of the pathfinder-bearing breccias seen in the earlier drilling for higher-grade mineralization.

Progress

NGE has now finished its first cycle of drilling at Freddie, which consisted of a grouping of three holes in the southwestern portion of the target (SGVR001, SGVR002, and SGVR003), as well as a fourth hole located 400 metres south of Goodwin Butte (SGVR007). In total, the Company has now completed 1,800 metres of RC drilling at Freddie, and has received the first 1,580 metres worth of assay results, from holes SGVR001, SGVR002, and SGVR003.

First-Cycle Drill Holes

SGVR001 entered a sequence of limestone and gray chert bedrock beginning at 15 metres, that transitioned into a silty mudstone unit at 247 metres, and then into a limey mudstone at 329 meters until the hole was lost due to drilling issues at 371 metres. While the hole did not go deep enough to reach and sample the targeted lithologic units, it did encounter evidence of silicification associated with anomalous gold and highly-anomalous CTGD pathfinder geochemistry (gold up to 41 ppb, arsenic up to 230 ppm, antimony up to 45.6 ppm, and thallium up to 1.8 ppm).

SGVR002 was located 850 metres north-northwest of SGVR001. It encountered bedrock at 70 metres, starting with tuffaceous and sedimentary rocks that sit on top of the Paleozoic, lower-plate bedrock, which began at 247 metres, and which consisted of a sequence of siltstone +/- black chert, black siliceous mudstone and chert, and black shale, that continued until the bottom of the hole at 628 metres. This relatively deep hole successfully tested the western, up-dip, extension of the targeted prospective lithologic units, based on the earlier core holes located more than a kilometre to the east. Of note, these targeted units exhibited significant decalcification and silicification, as well as evidence of silica-pyrite brecciation, and the assays have confirmed that these features are associated with anomalous gold and highly-anomalous CTGD pathfinder geochemistry, with Au up to 32 ppb, As up to 641 ppm, antimony up to 234 ppm, and thallium up to 7.6 ppm.

SGVR003 was sited 550 metres east of SGVR002, and encountered bedrock at 186 metres, consisting of an unidentified siltstone. At 186 metres, the hole transitioned into a sequence of black chert, limestone, and mudstone, that extended from 186 metres to the bottom of the hole at 585 metres. Based on detailed logging of the cuttings, the hole did enter and sample the top of the desired target lithology, however, it did not go deep enough to sample the entire thickness of the unit. Logging has confirmed that what was sampled contains silica-pyrite brecciation and silicification similar to the features seen in the nearby earlier core holes, and the assay results have confirmed that these features are associated with highly-anomalous CTGD pathfinder geochemistry, with arsenic up to 485 ppm, antimony up to 137 ppm, and thallium up to 4.3 ppm, as well as anomalous gold up to 97 ppb.

SGVR007, located south of Goodwin Butte, entered a tuff unit at 34 metres under the alluvium, and then entered a limestone and chert unit at 61 metres that transitioned into interbedded limestone and mudstone until the bottom of the hole at 238 metres. The chips are still being logged, though they show significant decalcification, with porous spongey textures, which the assays have confirmed are associated with highly-anomalous CTGD pathfinders, including a particularly anomalous zone with arsenic up to 1,215 ppm, likely associated with increased, fault-related, hydrothermal fluid flow.

Summary of First-Cycle Results

All of SGVR001, SGVR002, and SGVR003 encountered at least the top of the targeted favourable lithologies and alteration features, as seen in NGE’s earlier drilling, and have established that the Carlin-type hydrothermal system at the Project extends another kilometre to the WNW, which was the first objective of the program, and which further highlights the massive scale of the system.

Unfortunately, only SGVR002, the northwesternmost hole, was completed deep enough to test the full thickness of the target lithologies for mineralization, which is the second objective of the program. In general, the assay results for SGVR002 show a decrease in the total gold and pathfinder budgets seen in the earlier core holes to the east, which suggests that direction of hydrothermal fluid flow was from the east.

The first-cycle holes have provided lithologic contact information across new areas of the Project, that together have improved the resolution of the Company’s geologic model. Of note, the updated model suggests that in some parts of the Freddie target the prospective lithologic units may be in close contact with the alluvium, potentially providing the opportunity to source the anomalous gold and CTGD pathfinders seen

in the groundwater and soils above the target.

Plans for Second-Cycle Drill Holes

For the second-cycle of drilling NGE plans to complete a number of deeper holes eastward from SGVR002, to collect samples across the full thickness of the prospective lithologies, which is the remaining second objective of the program.

EAST GOLDEN GORGE

As part of its ongoing review of the air magnetic and gravity geophysical data at the Project, NGE has been examining a NNW-oriented linear feature that sits east of and parallel to the Golden Gorge target. In October 2019, the Company engaged Mira Geoscience to integrate the results from its recently completed core drilling program at the Project with its geophysical datasets to build a constrained inversion model of the major geologic units at the Project. One of the focuses of this review has been to consider the potential geologic units and features that could be responsible for this NNW lineament.

Driven by the final outputs from this modelling, the Company believes the lineament seen in the air magnetics may represent a structurally-controlled trough, or canyon-like topographic feature, within the prospective Paleozoic units that has been filled with a magnetic mudflow unit, effectively marking a regional-scale high-angle structural feature. These types of major structural features represent critical, deep-seated fluid pathways at Nevada’s major CTGD camps, such as the Post-Gen fault, which cuts through the northern Carlin trend.

Based on the assay data from an increasing number of drill holes at the Freddie target, there is growing evidence that the general direction of the mineralized hydrothermal fluid flow at the district is likely from the east, which supports the presence of a district-scale structure in the East Golden Gorge area. Given its potentially important role in the larger South Grass Valley district, NGE believes East Golden Gorge is becoming an important fifth target area at the Project. As the Company refines its exploration model in this area, it looks forward to providing a more detailed introduction to the target.

About the South Grass Valley Project

The Project is located approximately 50 kilometres south-southwest of the Cortez complex operated by Nevada Gold Mines (Barrick Gold Corp. and Newmont Mining Corp. joint venture) and Barrick Gold Corp.’s latest Fourmile discovery. As described in detail in the Company’s January 7, 2020, news release (https://www.nevadaexploration.com/news/2020/nevada-exploration-commences-2020-drilling-program-at-south-grass- NGE is presently completing a follow-up RC drilling program to achieve specific objectives at four target areas at the Project (Water Canyon, Golden Gorge, Waterfall, and Freddie), as well as developing an exploration plan for a fifth target (East Golden Gorge).

As NGE continues to advance the Project, per NI 43-101, 2.3(2), the Company must remind its stakeholders that the Project remains an exploration target for which the potential quantity and grade of any mineral resource is still conceptual in nature. There has been insufficient exploration to define a mineral resource, and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

About Nevada Exploration Inc.

With mature, exposed, search spaces seeing falling discovery rates, NGE believes the future of exploration is under cover.

The Company has spent 15 years developing and integrating new hydrogeochemistry (groundwater

chemistry) and low-cost drilling technology to build an industry-leading, geochemistry-focused, under-cover toolkit specifically to explore for large new Carlin-type gold deposits (“CTGDs”) in the more than 50% of Nevada where the bedrock is hidden beneath post-mineral cover. Nevada’s exposed terrains have produced more than 200 Moz of gold, and experts agree there is likely another +200 Moz waiting to be discovered under cover in Nevada.

NGE has completed the world’s largest hydrogeochemistry exploration program, focused on north-central Nevada, and is now advancing a portfolio of three district-scale projects in the heart of the Cortez (Battle Mountain-Eureka) Trend.

NGE’s most advanced project is South Grass Valley, located south of Nevada Gold Mines’ Cortez Complex. In 2019, NGE completed an initial program of 10 wide-spaced core holes across the project, and based on the Company’s resulting geologic model, NGE believes it has a discovered a mineral system at South Grass Valley with the architecture and scale to support multiple Carlin-type gold deposits (CTGDs), and the potential to host an entire new district. NGE’s widespread groundwater, soil, and core sample geochemistry coverage has provided the data to prioritize specific targets for the Company’s next stages of exploration. NGE believes South Grass Valley is one of the most exciting new district-scale, Carlin-type projects in Nevada.

For more information, the Company’s latest videos are available at:
https://www.nevadaexploration.com/investors/media/

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Wade A. Hodges, CEO & Director, Nevada Exploration Inc., is the Qualified Person, as defined in National Instrument 43-101, and has prepared the technical and scientific information contained in this News Release.

Cautionary Statement on Forward-Looking Information:

This news release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) within the meaning of applicable securities laws, including, without limitation, expectations, beliefs, plans, and objectives regarding projects, potential transactions, and ventures discussed in this release.

In connection with the forward-looking information contained in this news release, the Company has made numerous assumptions, regarding, among other things, the assumption the Company will continue as a going concern and will continue to be able to access the capital required to advance its projects and continue operations. While the Company considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies.

In addition, there are known and unknown risk factors which could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are the risks inherent in mineral exploration, the need to obtain additional financing, environmental permits, the availability of needed personnel and equipment for exploration and development, fluctuations in the price of minerals, and general economic conditions.

A more complete discussion of the risks and uncertainties facing the Company is disclosed in the Company’s continuous disclosure filings with Canadian securities regulatory authorities at www.sedar.com. All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

A photo accompanying this announcement is available at https://www.globenewswire.com/NewsRoom/AttachmentNg/769c6534-402b-4b09-bfa6-4b0fd95d950f