

# RCG Provides Update for Operational Start up at Dufferin Gold Mine and Nova Scotia Business Development

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VANCOUVER, January 19, 2017 - [Resource Capital Gold Corp.](#) (TSX VENTURE: RCG) ("RCG" or the "Company") is pleased to provide this update on its acquisition program and its operations at the Dufferin Gold Mine ("Dufferin Project") located in Nova Scotia, Canada. The Company is preparing to commence milling operations beginning with stockpiled materials followed by the restart of mining operations in early 2017.

## Mill Reconditioning and Start Up

The Company has hired an experienced operating management crew for the start up and operation of the Dufferin Project mill. A complete assessment has been undertaken and a number of improvements and modifications are being implemented at the mill. Most significantly, the Company has reconfigured a number of electrical systems, and is refurbishing the cone crusher to reinstate it into the mill flow sheet. The Company is now testing the various pumps, motors, and belt systems; reseating the ball mill; cleaning out the cyclones and gravity concentrating equipment; and conducting various other activities in preparation for initial start up testing of the gravity circuit in the mill.

In addition, the Company has completed the preparation and submittal of required regulatory forms and documentation to commence operations, including the application for a mining lease, along with the following activities:

- Review of flowsheet and design of adjustments and improvements
- Inspections of tailings facilities
- Developing specifications for mining equipment to be utilized in reducing mining dilution
- Analysis of and designing improvements in the ventilation system
- Designing improvements to mine compressed air, water and pumping systems
- Inspection and servicing of all mill pumps, motors, belts, piping and conveyors
- Design of an improved assay laboratory for 18-hour turnaround
- Design fine mineralized material storage facility to improve crushing efficiency and reduce costs

## Gold-bearing stockpile materials and tailings; plans for commencement of milling and mining

The Company plans to begin processing of the sampled stockpile and tailings materials on the surface at the Dufferin Project prior to the commencement of mining. Mined material stockpiled from previous operations at the Dufferin Mine, and Dufferin tailings material are available for processing for gold recovery in the Dufferin Mill. The Company intends to process much of these materials to fine-tune mill operations while simultaneously preparing for resumption of mining operations at the Dufferin Mine. The Company expects to generate cash flow from processing these materials preparatory to the commencement of mining.

## Completion of Preliminary Economic Analysis for the Dufferin Project and acquisition of West Dufferin

Further to its press release of November 28, 2016, the Company is pleased to announce that the Preliminary Economic Analysis ("PEA") on the Dufferin Project, as well as on the West Dufferin property, has been completed by MineTech International Ltd. of Halifax, Nova Scotia, and Global Mineral Resource Services of Vancouver, British Columbia and filed on SEDAR. As previously disclosed, economic results in the PEA show the production of 216,050 ounces of gold during a 10-year mine life, with a pre-tax IRR of 158% and a capital payback period of 1.3 years with a pre-tax net present value of CAD\$121,100,000 at a 5% discount rate.<sup>1</sup> The PEA includes results of an economic analysis of mineral resources that are not mineral reserves, and therefore do not have demonstrated economic viability.

In addition, the Company has completed its due diligence on the West Dufferin property and has finalized

documentation with the seller. Closing is set for January 24, 2017. The acquisition of the West Dufferin property will add 1.9 km of strike length to the 1.4 km of known strike length of the structures being mined at the Dufferin Project, for a total of 3.3 km of total known strike length. This acquisition adds significant upside to the exploration potential of the overall Dufferin Project.

### Tangier and Forest Hill PEAs

Further to its press release of October 17, 2016, the Company is pleased to announce that it has engaged MineTech International Ltd. and Global Mineral Resource Services to prepare an updated resource estimate and a Technical Report on Form 43-101 on the Tangier Mine, along with a PEA. Work has progressed substantially on the Technical Report and resource estimate, and the Company estimates that the Technical Report on Tangier will be completed during February 2017, and the completion of the PEA approximately one month later. Immediately upon the completion of the Tangier PEA, MineTech and Global will commence the same work for the Forest Hill Mine, with a Technical Report on Forest Hill expected in March, and a PEA in May.

### Future development activities and plans

Regarding the Forest Hill and Tangier Mines, processing options being evaluated include an expanded milling operation at Dufferin, processing at each of the mines themselves, or constructing a centralized milling facility. These projects represent attractive growth scenarios for the Company to complement its advancement at Dufferin, along with other projects being targeted for acquisition.

The Tangier Mine is located 50 km, and the Forest Hill mine 120 km, from the Dufferin Project. The following table summarizes the resources associated with each property as shown in the PEA for the Dufferin Project and the current resource estimates for the Tangier Mine and the Forest Hill Mine, respectively. As previously disclosed, the Company considers the resource estimates for Tangier and Forest Hill to be current, and will be filing updated technical reports on each property by March 8, 2017. The Tangier Mine sits on a project area of 2,187 hectares in 135 exploration claims, while the Forest Hill Mine comprises 3,398 hectares in 210 exploration claims.

Property	Indicated resources	Inferred resources
Dufferin and West Dufferin <sup>2</sup>	58,000 oz @ 11.9 g/t	150,000 oz @ 6.6 g/t
Tangier Mine <sup>3</sup>	41,700 oz @ 9.67 g/t	131,500 oz @ 15.09 g/t
Forest Hill Mine <sup>3</sup>	173,800 oz @ 24.02 g/t	152,900 oz @ 12.42 g/t

"With the commencement of milling and mining at Dufferin and the completion of PEAs on both Tangier and Forest Hill expected during Q1 and Q2, respectively, the Company stands poised for dramatic value growth," said George Young, CEO of Resource Capital Gold. "We will continue to look at acquisition opportunities while we begin production at Dufferin<sup>4</sup> and evaluate processing options for a growing and maturing resource base. We are pleased to be operating in Nova Scotia, not only for its highly prospective gold geology but also for its attractive political and cultural environment. We look forward to many years of successful operation and production."

### About Dufferin

The Dufferin Project comprises 874 hectares in 54 mineral claims that are all in good standing. The property contains +14 east - west trending "saddle reef" quartz vein structures, situated in a vertical assemblage, each hosting free milling gold. These saddle reef structures are open at depth and along strike for over 1.4 kilometers, and with the addition of the West Dufferin property, will have a total strike length of 3.3 km.

### Qualified Persons

The scientific and technical data contained in this news release was reviewed and approved by Michael P. Gross, M.Sc., P.Geo., who is a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects. Mr. Gross reviewed the technical reports referenced above on behalf of the Company.

The Dufferin PEA was prepared by independent Qualified Persons Mr. Douglas Roy M.A.Sc., P.Eng., and Mr. Patrick Hannon, M.A.Sc., P.Eng. of MineTech International Ltd. The Dufferin mineral resource estimates were prepared by Mr. Roy and by independent Qualified Person Mr. Greg Mosher of Global Mineral Resource Services.

On behalf of the Board of Directors of Resource Capital Gold Corp.

George S. Young  
Chairman and CEO

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### **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. Forward-looking information is generally identifiable by use of the words "believes," "may," "plans," "will," "anticipates," "intends," "could", "estimates", "expects", "forecasts", "projects" and similar expressions, and the negative of such expressions. Forward-looking information in this news release include statements about the Company's plans for Dufferin, and the respective timing for completion of any activities to further such plans, the results of the PEA and the ability of the Company to achieve those results, including capital and operating costs, mine life, anticipated internal rate of return and net present value, payback period, ramp-up periods, production costs, production parameters, recovery rates, assumptions on which the PEA is based including metal prices and exchange rates, and the Company's prospects for growth and the ability to attain such growth.*

*Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including, without limitation, risks as a result of the Company having a limited operating history, uncertainty as to the ability to achieve the results described in the PEA as the PEA is preliminary in nature and may have a wide variance from actual results, risks from making a production decision without any feasibility study completed on the Company's properties, uncertainty regarding the inclusion of inferred mineral resources in the mineral resource estimate which are too speculative geologically to be classified as mineral reserves, uncertainty regarding the ability to convert any part of the mineral resource into mineral reserves, uncertainty involving resource estimates and the ability to extract those resources economically, or at all, uncertainty involving drilling programs and the Company's ability to expand and upgrade existing resource estimates, any applicable regulatory processes and actions, risks applicable to mining operations generally, and risk as a result of the Company being subject to certain covenants with respect to its activities by creditors, as well as other risks.*

*Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, and other factors that management believes are relevant and reasonable in the circumstances at the date such statements are made. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.*

*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.*

*1 Based on CAD\$/USD\$ exchange rate of 0.75; post-tax results are IRR 121%, NPV5 CAD\$89.2M, payback 1.3 years.*

*2 2 g/t Au cutoff, capped*

*3 3.5 g/t Au cutoff grade, uncapped; For the Tangier Mine: Mercator Geological Services, 2004, Technical report on mineral resource estimate, Acadian Gold Corporation, Tangier Property, Halifax County, Nova Scotia, Canada, effective date September 29, 2004. For the Forest Hill Mine: Mercator Geological Services, 2005, Technical report on updated mineral resource estimate, Acadian Gold Corporation, Forest Hill Property, Guysborough County, Nova Scotia, Canada, effective date September 28, 2005.*

*4 The Company is not basing its production decision on a feasibility study of mineral reserves demonstrating*

*economic and technical viability; as a result there is increased uncertainty and economic and technical risks of failure associated with its production decision.*

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