

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Feb 9, 2017) - [ML Gold Corp.](#) (TSX VENTURE:MLG)(FRANKFURT:XOVN.F) ("ML Gold" or the "Company") reports that recent increases in iron ore prices have resulted in a resurgence of interest in iron ore deposits worldwide. This has piqued investor interest in the Company's 100% wholly owned Block 103 Iron Ore resource in the Labrador Trough, near Schefferville, Quebec. As a result, ML Gold is evaluating all potential alternatives regarding Block 103.

The Block 103 Property has a NI 43-101 Inferred Iron Ore Resource of 7.2 billion tonnes at 29.2% total iron ("TFe") and 18.9% magnetic iron ("magFe"). In 2012 and 2013, prior to the collapse in price and demand for iron ore, the Company engaged Watts, Griffis and McQuat Limited ("WGM"), and BBA Inc. ("BBA"), consulting geologists and engineers, to complete an initial independent mineral resource estimate and a subsequent Preliminary Economic Assessment ("PEA") for Block 103 (filed on Sedar on June 27, 2013).

Block 103's inferred resource covers an area with a strike length of approximately 4 kilometres (km) and a width of 2.5 km. Based on all available information, including drilling and magnetic airborne surveys, the banded iron formations hosting the inferred resource extend the length of the property, over 12 km, indicating mineralized zones remain open toward the northwest, southeast and at depth.

In June, 2013, the Company released the results of the PEA completed by BBA. Based on use of only 25% of the known resource, the PEA provided the following highlights:

- Initial Capital disbursement of CAD\$4.185 billion for the construction (leading to the start-up) of the first production line and required infrastructure and additional capital costs of CAD\$1.794 billion for the construction of a second production line.
- Commercial production for the first line commencing within 5 years of initial investment and the second line in the following year.
- Pellet production rate of 16.6 million tonnes per year of superior quality acid pellets from two production lines at a grade of 67.0% iron.
- Pre-tax IRR of 19.3% at \$110(US) per tonne iron.
- NPV (discounted at 8%) of CAD\$7.383 billion at \$110(US) per tonne iron.
- Payback period of 7.0 years.
- Total Operating Costs (excluding royalties) of CAD\$62.87 per pellet tonne freight on board at Port of Sept-Iles (averaged over the first thirty years of production).
- Assumes use of existing railway infrastructure, hydropower availability from Nalcor and current Port of Sept-Iles expansion infrastructure for ship loading services.

The preliminary economic assessment described above is historical, was preliminary in nature and was based on a resource calculated at an inferred category which by nature is considered speculative and cannot be categorized as mineral reserves. As such there is no certainty that the preliminary economic assessment will be realized. The basis for the preliminary economic assessment relied on the assumptions made at the inferred mineral resource level, and was limited by the qualifications and assumptions made by the independent qualified persons responsible for the report, in this case those under employment of the independent firms WGM and BBA. The information presented above was a preliminary economic assessment on the Block 103 Property which has no impact on the feasibility of the project. No feasibility study was ever completed.

The PEA and its internal calculations were completed on the assumption that the Canadian and US dollar were at parity. The impact of the current 32% difference in the US-CDN exchange rate will be significantly positive on operating costs and margins but negative on the initial capital build costs. ML Gold has not initiated any studies to compare the impact of new exchange rate regimes. Although the current spot price of iron ore is approximately \$80 (US) a tonne and the PEA was based on a spot price of \$110 (US), market premiums for iron pellets are at historic highs and add another \$70 a tonne to the spot price for 67% iron pellets.

Since the completion of the PEA in 2013, much has changed in the market for iron ore and in the specifics regarding development of iron ore projects in the Labrador Trough. In addition, government investment in infrastructure including rail, shipping port and power has increased dramatically as local governments are attempting to kick start the region.

At present, management has made no decisions with respect to the planned course of unlocking the value contained in the Block 103 Property, but will immediately begin to assess all strategic options available.

Adrian Smith, P.Geo., is the qualified person for the Company as that term is defined in National Instrument 43-101, and has supervised the technical information presented within this news release.

ABOUT ML GOLD CORP.

[ML Gold Corp.](#) is a Canadian listed company, focused on creating shareholder value through discoveries and strategic development of mineral properties in Canada and the United States.

For additional information please visit the Company's website at www.mlgoldcorp.com.

ML GOLD CORP.

Andrew Bowering, Chairman

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