

Eleonore Zone Inferred Resources Total 357,920 Ounces at 4.18 g/t Au

MONTREAL, May 1, 2017 /CNW Telbec/ - [Algold Resources Ltd.](#) (TSXV: ALG) (the "Corporation") is pleased to announce an updated mineral resource estimate in accordance with the Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101") for its Tijirit Property ("Tijirit" or "the Property") in Mauritania. The 100%-owned Tijirit project, which encompasses an area of more than 1,000 km², is situated approximately 25 kilometers southeast of Kinross' Tasiast gold mine.

Highlights

The updated NI 43-101 technical report comes only nine months following our maiden report (reference Algold's NI 43-101 technical report filed August 4, 2016). Inferred resources at the Eleonore zone, where the majority of drilling was completed, increased significantly to 357,920 ounces at 4.18 g/t Au at a cut-off grade of 1.5 g/t Au. For comparison purposes with Algold's maiden report, and using base case scenario (see below), Eleonore inferred resources increased from 19,650 ounces of gold at 3.26 g/t Au to 357,920 ounces of gold at 4.18 g/t Au. It is important to note that capping negatively impacts results, particularly when applied to nuggety high-grade mineralizations such as that at Tijirit, resulting in an overall decrease in grade and ounces of approximately 20%.

The overall high grade nature of the Eleonore deposit allows for various cut-off grade parameters to be applied and thus will allow Algold to choose between various potential mining scenarios as more drilling will permit to better define the width, depth and strike extension.

Eleonore Zone

- The base case, with a cut-off grade (COG) of 1.5 g/t Au without pit constraints, includes inferred resources of 357,920 ounces of gold at a grade of 4.18 g/t Au.

Lily and Sophie Zones

- The base case, with a COG of 0.4 g/t Au in pits and 1.4 g/t Au under pits, includes measured and indicated resources of 43,430 ounces of gold at a grade of 1.04 g/t Au and inferred resources of 244,210 ounces of gold at a grade of 1.37 g/t Au.
- The alternate case, with a COG of 1.5 g/t Au without pit constraints, includes measured and indicated resources of 17,710 ounces of gold and inferred resources of 148,820 ounces of gold both at 2.24 g/t Au.

The updated report takes into consideration 24,104 meters of reverse-circulation ("RC") drilling and 4,181 meters of core drilling, most of which was carried out on the Eleonore zone.

The base case resources by zone are shown in the following tables, at cut-off grades of 0.4 g/t Au COG in pits and 1.4 g/t Au COG under pits, excepts for Eleonore at a global cut off 1.5 g/t Au. Alternate scenarios are presented at 1.0 g/t Au, 1.5 g/t Au and 2.0 g/t Au COG without use of pit constraints. Note that the 1.0 g/t Au cut of grade is presented for comparisons with Maiden Resources, but has no reasonable prospect for eventual economic extraction using the new cost and price assumptions. Figure 1 shows the up-to-date drilling over the mineralized zones on a recent (April 2017) aerial photography of Tijirit. Figures 2a, 2b, and 2c, present longitudinal sections of the Eleonore North, Central and South gold zones.

Table 1: Tijirit Base Case Resources (0.4 g/t Au cut-off in pit and 1.4 g/t Au under pit, except Eleonore at 1.5 g/t Au)

Zone	Classification	Au (g/t)	Tonnage (t)	Ounces
Sophie/Lily	Measured	1.03	73,000	2,420
Sophie/Lily	Indicated	1.04	1,226,000	41,010
Total	M+Ind	1.04	1,299,000	43,430
Sophie/Lily	Inferred	1.37	5,528,000	244,210

Zone	Classification	Au (g/t)	Tonnage (t)	Ounces
Eleonore	Inferred	4.18	2,665,000	357,920

Zone	Classification	Au (g/t)	Tonnage (t)	Ounces
Total Sophie/Lily/Eleonore	Inferred	2.29	8,193,000	602,130

1. Effective dates for Eleonore and Sophie/Lily resources are March 17, 2017 and November 4, 2016, respectively.

2. The Independent QP for this resources statement is Yann Camus, Eng., SGS Canada Inc.

3. The mineral resources are presented at a 0.4 g/t Au cut-off grade in pits and 1.4 g/t Au cut-off grade under the pits, except Eleonore at a global cut-off 1.5 g/t Au.

4. The resources are presented without dilution.

5. Whittle pits have been used using a gold value of US\$1,500/oz.

6. Mineral resources that are not mineral reserves do not have demonstrated economic viability. This disclosure does not include economic analysis of the mineral resources.

7. Totals may not add up due to rounding.

8. No economic evaluation of the resources has been produced.

9. This resource estimate has been prepared in accordance with CIM definition (2014).

10. Density used is between 2.0 and 3.0 depending on rock type and alteration based on measurements.

11. Capping varies from 3.5 g/t Au (Lily) to 45 g/t Au (Eleonore) depending on extreme local grade.

Table 2: Tijirit Sensitivity Analysis (The mineral resources are presented at a 1.0 g/t Au COG - for comparison with maiden resources only.)

Sophie & Lily

Zone	COG Classification	Au (g/t)	Tonnage (t)	Ounces
Sophie/Lily 1.0	M+Ind	1.68	538,000	29,040
Sophie/Lily 1.0	Inferred	1.65	4,800,000	253,920
Sophie/Lily 1.5	M+Ind	2.24	246,000	17,710
Sophie/Lily 1.5	Inferred	2.24	2,068,000	148,820
Sophie/Lily 2.0	M+Ind	2.76	122,000	10,800
Sophie/Lily 2.0	Inferred	2.87	932,000	85,880
Eleonore				

Zone	COG Classification	Au (g/t)	Tonnage (t)	Ounces
Eleonore 1.0	Inferred	3.01	4,434,000	428,690
Eleonore 1.5	Inferred	4.18	2,665,000	357,920
Eleonore 2.0	Inferred	5.57	1,701,000	304,660

Refer to base case table for assumptions. Detailed tables for separate Measured and Indicated numbers will be in the full NI 43-101 report.

Table 3: Eleonore Zone Sensitivity Analysis - Various Cut-off Grades

COG (In Pit)	COG	Class Name	Au (g/t)	Tonnage (t)	Ounces	Comments
Au (g/t)	(Under Pit)		(g/t)	(t)	Au	
	Au (g/t)					
0.4	1.4	Inferred	3.13	3,978,000	400,820	COG different in pit and under pit
0.5	1.4	Inferred	3.18	3,905,000	399,740	
1.0	1.4	Inferred	3.60	3,334,000	385,900	
COG (In Pit)	COG	Class Name	Au (g/t)	Tonnage (t)	Ounces	Comments
Au (g/t)	(Under Pit)		(g/t)	(t)	Au	
	Au (g/t)					
1.0	1.0	Inferred	3.01	4,434,000	428,690	Equal COG in pit and under pit
1.5	1.5	Inferred	4.18	2,665,000	357,920	
2.0	2.0	Inferred	5.57	1,701,000	304,660	
2.5	2.5	Inferred	6.93	1,211,000	269,730	

COG = cut-off grade
Base case 43-101 scenario highlighted in grey

Table 4: Tijirit Maiden Resources (1.0 g/t Au cut-off, no pit constraints (August 4, 2016)

Zone	Category	Au Tonnage (g/t) (t)	Gold Ounces
Eleonore	Indicated	3.62 51,000	5,980
Sophie I - II	Measured	1.79 28,000	1,600
Sophie I - II	Indicated	1.57 216,000	10,900
Sophie III	Indicated	1.13 29,000	1,040
Lily	Indicated	1.54 189,000	9,410
Total Measured & Indicated*		1.75 513,000	28,930

Eleonore	Inferred	3.26 188,000	19,650
Sophie I - II	Inferred	1.96 1,635,000	103,180
Sophie III	Inferred	1.10 320,000	11,270
Lily	Inferred	1.48 2,258,000	107,470
Total Inferred*		1.71 4,401,000	241,560

* Totals may not add up due to rounding.

Increasing Potential of the Tijirit Project

"As anticipated, Tijirit's Eleonore Zone continues to deliver high grade gold resources. The ongoing Phase III drilling indicates that the mineralization is open along strike and at depth, leading us to believe that we can continue to increase the magnitude this resource significantly," stated Francois Auclair, Algold's President and Chief Executive Officer. "Infill drilling on the Eleonore North, South and Central areas of the drilling target continues to impress, with both remarkable grades and stand-out widths, such as hole T17RC045 (Eleonore South) – 10 m @ 14.15 g/t Au (reference Algold's press release dated April 25, 2017). Additionally, the results reported on April 6, 2017 from hole T17RC013, 3 m @ 7.69 g/t Au, including 1 m @ 20.2 g/t Au on Eleonore South at a vertical depth of 150 meters are beginning to outline an area that could grow significantly in the future with additional drilling, both in strike-length and dip continuity (Figure 2c). In addition, recent geological mapping shows the presence of new structures parallel or sub-parallel to the mineralized zones."

Whittle optimized open pits have been prepared to allow to constrain the resource estimate. The assumptions are a gold price of US\$1,500/oz, mining recovery of 95%, mining dilution of 5%, processing recovery of 95%, a processing cost of \$14/t, a G&A cost of \$3/t and an open pit mining cost of \$3/t. The cut-off grades for the base case are calculated from the same assumptions with the addition of an underground mining cost of \$40/t. The resulting COGs are 0.4 g/t Au in open pits and 1.4 g/t Au under the open pits. For Eleonore, Algold believes the best potential is expressed at a reasonable COG of 1.5 g/t.

Algold's Phase III drilling program is currently underway with the aim to further increase mineral resources.

Resources Modeling and Estimation

The resource estimation was prepared by SGS Canada Inc. – geological group Geostat ("SGS Geostat") with an effective date of March 17, 2017, using results from 489 RC holes totalling 61,807 meters, 53 diamond drill holes ("DDH") totalling 7,995 meters and 16,239 meters of trenching carried out on the property both by Algold Resources in 2016 and 2017 and past operators Shield Mining and Gryphon Minerals from 2009 to 2012. The supporting NI 43-101 Technical Report will be posted on SEDAR at www.sedar.com no later than 45 days after the date of this release.

The database contains 542 drill holes and 197 trenches with 58,752 assay results. (Details are provided in the table below.)

Hole Types	Number of	Sum of	Number of	Sum of Assayed
------------	-----------	--------	-----------	----------------

	Drill Holes	Length (m)	Assays*	Length (m)*
--	-------------	------------	---------	-------------

DDH	53	7,995	4,785	4,688
RC	489	61,807	47,071	61,678
Trenches	197	16,239	6,896	16,207
Total	739	86,041	58,752	82,573

*Some historical assays (223) have no gold grades, but are part of the total.

A modeling cut-off grade of 0.3 g/t Au, a minimum thickness of two meters and a minimum accumulation of 1.2 m.g/t were used to delineate mineralized volumes. The 1,628 two-meter composites were capped at grades varying between 3.5 g/t Au and 45 g/t Au based on local extreme grades. Only 14 composites were capped. The gold loss due to the capping is of 16% for the base case resource. Densities are based on 898 readings from DDH holes. A density of 2.00 t/m³ was used for saprolite and fresh rock was set to 2.7 t/m³ in the Lily zone, 2.8 t/m³ in the Sophie III zone, 2.85 t/m³ in the Sophie II zone, 3.0 t/m³ in the Sophie I zone and 2.86 t/m³ in the Eleonore zone.

The block model has a block size of 2 x 2 x 2 meters. Estimation was done by inverse distance squared with ellipsoid influenced distances. A total of 154 separate volumes were estimated with 154 composite sets. Two estimation passes were used with ellipsoids of 75 x 75 x 25 meters and 150 x 150 x 50 meters. The first pass uses a minimum of four and a maximum of seven composites, with a limit of two per drill hole. The second pass uses a minimum two and a maximum of seven composites, with a limit of two per drill hole except for 32 volumes with a minimum of one. The smoothing of the estimation is adequate. The measured and indicated categories have been outlined by hand on longitudinal based on drilling density. Drilling every 40 meters was classified as indicated and drilling every 30 meters was classified as measured. Eleonore has only inferred with a maximum interpolation up to 100 meters and 45 meters extrapolation. The remainder is inferred with interpolation up to 200 meters and limited extrapolation.

Algold Retains the Services of Investor Relations Firm

Algold is pleased to announce that it has engaged Paradox Public Relations Inc. ("Paradox") as strategic investor relations consultants to the Corporation. Paradox will focus on developing and expanding Algold's communications with the investment community through a comprehensive investor relations program. Paradox is an investor relations company founded in 2001 and is based in Montreal, Canada. Paradox provides a wide range of services to companies to help broaden investor exposure and develop a shareholder following. The term of the agreement entered into between the Corporation and Paradox is for an initial period of six months. In consideration for its services, Algold has agreed to pay to Paradox a monthly fee of \$6,500. In addition, the Corporation has granted to Paradox stock options giving it the right to purchase up to 300,000 common shares of the Corporation, to be priced according to Algold guidelines. The options granted will vest quarterly starting on the grant date.

Quality Assurance / Quality Control (QA/QC)

Since the beginning of 2017, analytical work for drill core and reverse circulation chips, geochemical samples and rock chip samples has been carried out at the independent SGS Laboratories Ltd. in Bamako, Mali. The 50 g fire assay with ASS finish analytical services are accredited by SANAS and are carried out with a quality assurance protocol in line with ISO 17025:2005. Prior to 2017, drill samples were prepared in the independent ALS Laboratory in Nouakchott, Mauritania and analysed at ALS Laboratories Ltd. in Loughrea, Co. Galway, Ireland, an ISO 17025 (2005) Certified Laboratory.

In both 2016 and 2017, samples are stored at the Company' field camp and put into sealed bags until delivered by a geologist on behalf of Algold to the respective laboratory where samples are prepared and analyzed. Algold's samples are logged in the tracking system, weighed, dried and finely crushed to better than 70%, passing a 2 mm (Tyler 9 mesh, US Std. No.10) screen. A split of 1,000 g is taken and pulverized to better than 85%, passing a 75-micron (Tyler 200 mesh) screen, and a 50-gram split is analyzed by fire assay with an AA finish. Selected samples may be re-analyzed using a 1 kg cyanide leach (Bottle Roll) using "LeachWELL" or a 1 kg screen fire assay method. These results automatically supersede the original 50g fire assay result. As part of Algold's quality assurance and quality control (QAQC) procedures; blanks, duplicates and certified reference material (standards) are routinely inserted within the sample stream to monitor laboratory performance during the preparation and analysis.

This press release has been reviewed for accuracy and compliance under National Instrument 43-101 by Yann Camus, P.Eng., of the independent firm SGS Canada Inc. – geological group Geostat is the qualified person under NI 43-101 standards who supervised the preparation of the resource estimate and approved all resource-related material in this press release. Yann Camus has sufficient experience relevant to the styles of mineralization under consideration and to which the activities are being reported to qualify as the Qualified Person for the purposes of the announcement. Yann Camus has reviewed the results of the QAQC program at Tijirit, both during and prior to Algold's involvement, and is sufficiently satisfied with both the QAQC protocol

as well as the performance of the QAQC measures to view the assay results reported in this release as both accurate and precise. Mr Camus visited the property from April 16 to 20, 2016, for current personal inspection requirements. All information supporting the resource estimation was verified for any inconsistencies. There was no limitation on the verification process.

André Ciesielski, DSc., PGeo., [Algold Resources Ltd.](#) Lead Consulting Geologist and Qualified Person, and Alastair Gallagher, C.Geo. (Chartered Geologist and Fellow of the Geological Society of London), BSc. Geology, Algold's Exploration Manager in Mauritania, Qualified Persons as defined by NI 43-101 Standards of Disclosure for Mineral Projects. André Ciesielski has further approved the scientific and technical disclosure in the news release. All information pertaining to the resource estimates have been reviewed for accuracy and compliance under National Instrument 43-101 by Yann Camus, P.Eng., SGS Canada Inc. and Qualified Person.

ABOUT ALGOLD

[Algold Resources Ltd.](#) is focused on the exploration and development of gold deposits in West Africa. The board of directors and management team are seasoned resource industry professionals with extensive experience in the exploration and development of world-class gold projects in Africa.

FORWARD-LOOKING INFORMATION

This press release contains and refers to forward-looking information based on current expectations. All other statements other than statements of historical fact included in this release are forward-looking statements (or forward-looking information). The Corporation's plans involve various estimates and assumptions and its business is subject to various risks and uncertainties. For more details on these estimates, assumptions, risks and uncertainties, see the Corporation's most recent Management Discussion and Analysis on file with the Canadian provincial securities regulatory authorities on SEDAR at www.sedar.com. These forward-looking statements are made as of the date hereof and there can be no assurance that such statements will prove to be accurate. Forward-looking statements are subject to significant risks and uncertainties, and actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements that are included herein, except in accordance with applicable securities laws.

For further information, please contact:

[Algold Resources Ltd.](#)

1320, boul. Graham, bureau 132, Mont-Royal, Québec, H3P 3C8, www.algold.com

SOURCE [Algold Resources Ltd.](#)

Contact

François Auclair M.Sc., PGeo, President & Chief Executive Officer, f.auclair@algold.com, +1 (514) 889 5089; Alex Ball, Executive VP, Finance and Corporate Development, a.ball@algold.com, +1 (647) 919 2227