Alacer Gold Announces a 117% Increase to the Ardich Indicated Mineral Resource Located in the Çöpler Mining District

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TORONTO, April 03, 2019 - Alacer Gold Corp. (“Alacer” or the “Corporation”) [TSX: ASR and ASX: AQG] is pleased to announce the addition of 345,000 contained gold ounces to the Indicated Ardich Mineral Resource located approximately 6 kilometers (km) northeast of the Çöpler Gold Mine. The updated Mineral Resource estimate consists of predominantly oxide ore, with some sulfide ore, totaling:

Ardich Location Map

- Indicated Mineral Resource of 639,000 ounces of gold at an average grade of 1.50 Au g/t (13.2MT)
- Inferred Mineral Resource estimate of 96,000 ounces at an average grade of 1.16 Au g/t (2.6MT)

Rod Antal, Alacer’s President and Chief Executive Officer, stated, “Given its potential and near-term development optionality, Ardich has become the highest priority development target in Alacer’s portfolio. The Resource continues to grow and remains highly prospective, with the potential to add near surface ounces to our production profile within the next two to three years. With the receipt of the permits, we plan to start step-out drilling next week to test the extent of the mineralization to continue to grow the resource.”

The updated Mineral Resource demonstrates the deposit’s growth and continued upside potential. The Mineral Resource estimate is based on 100 diamond core drill holes with assays completed through February 2019. The size of the deposit is expected to grow as new step-out drilling is completed.

Opportunities exist to process Ardich oxide ore at the existing Ҫӧpler oxide plant facilities or to construct standalone processing facilities at Ardich. An engineering study will be completed in 2019 for a ~20Mt incremental expansion of the Çöpler heap leach pad. The conceptual design for the heap leach pad expansion and the stability study have been completed to a sufficient level for the EIA amendment to be prepared for submission. In addition, options for standalone facilities and heap leach pad facilities of varying size (some >50Mt) have been conceptualized should the Ardich deposit grow to the full extent of the mineralized target. Opportunities also exist to process Ardich sulfide ore at the newly constructed Çöpler sulfide plant facilities.

Highlights

- Ardich is adjacent to the Ҫöpler Mine and processing facilities with an existing access road connecting the nearby Ҫakmaktepe operations.
- The Mineral Resource is predominately oxide ore.
- Exploration continues at Ardich and mineralization remains open in all directions.
- Permits have been received to allow step-out drilling in the most prospective areas to the southeast of the Ardich Mineral Resource.
- The mineralized target now extends over 2 km.

A photo accompanying this announcement is available at
http://www.globenewswire.com/NewsRoom/AttachmentNg/b7a1ceed-8c7e-49c5-83b6-31ccb12020a1

2019 Ardich Mineral Resource Estimate

Table 1. Ardich Mineral Resource Statement

Mineral Resource Statement for the Ardich Deposit (As at February 1, 2019)				
Material Type	Resource Category Material	Tonnes (x1000)	Au (g/t)	Contained Au (oz x 1000)
Oxide	Measured	-	-	-
	Indicated	11,205	1.29	465
	Measured + Indicated	11,205	1.29	465
	Inferred	2,077	0.88	59
Sulfide	Measured	-	-	-
	Indicated	2,038	2.66	174
	Measured + Indicated	2,038	2.66	174
	Inferred	501	2.33	38
Oxide + Sulfide	Measured	-	-	-
	Indicated	13,243	1.50	639
	Measured + Indicated	13,243	1.50	639
	Inferred	2,578	1.16	96

Note: Metal price assumptions were $1,500/oz for gold. Mineral Resources are shown on a 100% basis. Greater than 99% of the Mineral Resource is located on the Alacer owned 80% ground, with the remainder of the mineralization within the 50/50% ownership boundary. Heap leach processing costs include site support and sustaining capital, and are estimated to be ~$9/tonne ore, based on reagent consumption tests and benchmarking with the nearby Ҫöpler Mine. Sulfide processing costs include site support and sustaining capital, and are estimated to be ~$40/ tonne ore, based on preliminary floatation test results and benchmarking to the nearby Ҫöpler sulfide plant. Pit slope angles vary from 35°- 40° IRA dependent azimuth. The average sulfur grade for the sulfide resource is 2.1%. Mineral Resources have demonstrated reasonable prospects for eventual economic extraction by falling within an economic pit shell, using the listed design parameters. Rounding differences will occur.

The Ardich gold property is a listwanite-dolomite hosted gold replacement deposit with mineralization occurring along thrust zones between listwanite, ophiolites, hornfels and limestones. Mineralization and alteration extend in a NW-SE direction, parallel to major structures controlling both mineralization and block rotations. Gold grades increase at dolomite-listwanite contacts and within quartz vein rich listwanites. The mineralization is predominantly oxide with sulfide mineralization confined to pyrite rich jasperoid bodies. Based on available drill data, the main mineralized zone appears tabular and almost flat lying.

The Mineral Resource estimate was based on a 3D geological solids model developed within constraining fault blocks. Lithological units are shifted within each fault block. Gold mineralization was modeled along the geologic contacts and fault zones. Mineralized zones were used to generate a block model estimate of the deposit mineralization. Model construction used drill data and surface mapping through February 1, 2019. The block model contains estimated grades for gold and sulfur. Ardich contains trace occurrences of silver and copper. These two elements are not present to a level necessary for grade estimation and inclusion into pit shell economics.

Conventional heap leach processing recovery estimates are based on the most current information available through three phases of test work, including column leach testing. Metallurgically, the deposit has been divided into two zones, Main and East, as well as being divided by lithology and sulfur grade. The East Zone has initially shown lower recoveries under typical heap leach conditions than the Main Zone. Additionally, ores with sulfur grades up to 1% and potentially up to 2%, have been shown to be amenable to conventional heap leaching. Metallurgical recoveries vary by rock type, zone, and sulfur content; and range from 40% to 73% with a resource average near 68%.

Initial floatation test work has been completed for sulfide material from which a gold concentrate will be produced in addition to cyanide leach recovery from tailings. Sulfide material considers ores with sulfur grades greater than 2% and those which are not amenable to heap leaching. Metallurgical recoveries are estimated to range from 73% - 77% with costs based on completed studies to date and industry benchmarking.

A pit shell was evaluated using Whittle, based on $1,500/ounce gold price for the Ardich Mineral Resource estimate. Inputs for the pit shell generation include the most current information available for geotechnical conditions, operating costs, reagent consumptions, and metallurgical recoveries.

All but two holes have been drilled within Alacer’s 80% owned and managed licenses. Less than 0.2% of the resource is on the Kartaltepe 50% ground. The resource shell used to demonstrate reasonable prospects for eventual economic extraction crosses the Kartaltepe (Alacer 50%) license boundary due to pit slope requirements needed to reach mineralization residing on Alacer ground.

Ardich Resource Sensitivity by Nested Shell

Mineral Resource pit shell optimization was completed using Whittle with the inputs as listed above in the resource table. Internal cut-off grades for oxide ore range from 0.30 – 0.50 g/t Au and sulfide ore is set at 1.0 g/t Au. Cut-off grades were calculated using a $1,500/oz gold price, processing recoveries, and processing costs as inputs.

Drill Information

Assay results were available for 100 holes totaling 15,590.5 meters. These holes were used to define the Mineral Resource estimate. In addition,

- Mining Rock Mass Rating geotechnical logging was added for the majority of the Ardich core holes;
- Step-out drilling will start in Q2 2019, testing extensions to known gold mineralized trends;
- Environmental baseline study commenced in 2018 and will continue through 2019; and
- Metallurgical testing will continue to evaluate sulfide processing options.

Next Steps

This year, exploration activity at Ardich will focus on determining the extent of the mineralization. This will include both exploration drilling used to define mineralization and drilling to obtain samples needed for continued metallurgical studies. Geotechnical logging will be studied to determine if adjustments are needed to the current slope angles. Concurrently, work is underway to determine options for a starter pit in the known mineralization and advancing requirements for permitting and project development.

Metallurgical Test Work

A three-phase metallurgical testing program was conducted by McClelland Laboratories, Inc. (Sparks, NV, USA), under the guidance of Metallurgium. The first phase comprising of bottle roll cyanide leaching tests and floatation tests have been completed. The second phase of work comprising of column leach testing was finalized in August 2018. The third phase (additional column leach and floatation testing) commenced in June 2018 and continues at this time.

The listwanite, dolomite and jasperoid ore types submitted for Phase I testing indicate that these materials are potentially suitable for processing by heap leaching at a crush size of 80% passing 12.5mm. Based on Phase I testing, the 72-hr bottle roll cyanide leach gold extractions were generally in the range of 40-80% (mid-range ~60%) for the samples tested. Expected cyanide and lime consumptions were in the low-moderate range for these ore types. The cataclastite ore type was determined to be unsuitable for processing by either heap leaching or agitated tank cyanide leaching due to high sulfur content. Floatation tests of cataclastite ore indicate a concentrate recovery of 70% with a tailings leach recovery of 25%. Overall recovery is estimated at 73%.

The samples for the Phase II testing were obtained from fifteen drill holes (AR10-AR24 inclusive), representing a portion of the exploration program that had been completed at the time. The samples were subsequently composited into seven composite samples based on a detailed metallurgical testing program developed by Metallurgium in conjunction with Alacer and McClelland Laboratories. In addition, six samples of whole core, one representing each major ore type, were submitted for comminution testing.

There is a strong relationship between gold extraction and sulfur grade in the Ardich deposit. Gold extractions are generally good when the sulfur grade is less than 1%. Material containing <1% sulfide sulfur is expected to be suitable for heap leaching. Material containing >1% and <2% is potentially suitable for heap leaching.

Ardich Phase III metallurgical test work is ongoing and details of sampling are given in Tables 2,3 &4.

Table 2. Third Phase Metallurgical Sampling List

Number of Composite	Lithology	Number of Samples	Test Type
III-8	Listwanite (North)	27	Column Test
III-9	Listwanite (West/Center)	32	Column Test
III-10	Listwanite (South/East/Center)	75	Column Test
III-11	Listwanite (East Satellite)	75	Column Test
III-12	Dolomite (North/West/Center)	25	Column Test
III-13	Dolomite (South/East/Center)	46	Column Test
individual	Listwanite/Jasperoid /Dolomite/Diorite	66	Bottle Roll, CIL, Flotation
Total		346	

Table 3. Third Phase Metallurgical Sampling Comminution - Samples List

Number of Composite	Lithology	Number of Samples
III-8	Listwanite	20
III-9	Listwanite	20
III-10	Listwanite	18
III-11	Listwanite	20
III-12	Dolomite	18
III-13	Dolomite	20
Total		116

Table 4. Third Phase Metallurgical test results for 98 leach days

Sample	Au Rec %	Ext'd.	Calc'd. Head	Head Screen	Average Head	NaCN consumed kg/t ore	Lime Added, kg/t ore
Comp III-8	83.7	0.41	0.49	0.52	0.55	0.36	1.5
Comp III-9		1.24		1.56	1.69	0.75	2.0
Comp III-10	79.2	0.99	1.25	1.18	1.32	0.51	2.1
Comp III-11		1.26		1.97	1.96	0.69	2.0
Comp III-12	76.3	1.00	1.31	1.24	1.44	0.27	0.9
Comp III-13	83.1	1.87	2.25	2.13	2.57	0.28	1.1

At the time of Mineral Resource estimation, Metallurgium concluded that with a 96% scale-up factor from column testing results to commercial heap leaching, the following recovery estimates should be used for the Mineral Resource estimate:

Table 5. Ardich Metallurgy Parameters for Resource Estimation

Ardich Processing Recoveries

Mining Area	Ore Type	Rock Type	Zone	Processing Recovery Au	
Ardich	Oxide (S% <1%)	Listwanite	Main	73.0	%
		Jasperoid	Main	50.0	%
		Dolomite	Main	73.0	%
Ardich - High Sulfur	Oxide (S% ≥1% & <2%)	Listwanite	Main	58.0	%
		Jasperoid	Main	40.0	%
		Dolomite	Main	58.0	%
Ardich	Oxide (S% <1%)	Listwanite	East	55.0	%
		Jasperoid	East	50.0	%
		Dolomite	East	55.0	%
Ardich - High Sulfur	Oxide (S% ≥1% & <2%)	Listwanite	East	45.0	%
		Jasperoid	East	40.0	%
		Dolomite	East	45.0	%
Ardich Sulfide	Non-Leachable	All	All	77.0	%
		Cataclastite	All	73.0	%

Results of the Phase II and III column leach testing revealed that agglomeration will not be required and there were no issues with the materials related to permeability. The results of the Phase III bottle roll leach tests (at the 80% <12.5mm crush size) on the 6 composite samples show a very similar trend to the Phase I results in terms of gold extraction versus sulfide sulfur content. The Phase III bottle roll samples at 72 hours with <1% sulfide sulfur yielded average gold extraction of 55.5% compared to 59.6% for the Phase I samples with <1% S^{2-}. Floatation tests on Jasperoid and dolomite indicate a concentrate recovery of 44% with a tailings leach recovery of 63.5%. Overall recovery is estimated at 77%.

About Alacer

Alacer is a leading low-cost intermediate gold producer, with an 80% interest in the world-class Çöpler Gold Mine (“Çöpler”) in Turkey operated by Anagold Madencilik Sanayi ve Ticaret A.S. (“Anagold”), and the remaining 20% owned by Lidya Madencilik Sanayi ve Ticaret A.S. (“Lidya Mining”). The Corporation’s primary focus is to leverage its cornerstone Çöpler Gold Mine and strong balance sheet as foundations to continue its organic multi-mine growth strategy, maximize free cash flow and therefore create maximum value for shareholders. The Çöpler Gold Mine is located in east-central Turkey in the Erzincan Province, approximately 1,100 kilometers (“km”) southeast from Istanbul and 550 km east from Ankara, Turkey’s capital city.

Alacer continues to pursue opportunities to further expand its current operating base to become a sustainable multi-mine producer with a focus on Turkey. The Çöpler Mine is processing ore from three primary sources: Çöpler sulfide ore, Çöpler oxide ore, and Çakmaktepe oxide ore. With the recent completion of the sulfide plant, the Çöpler Mine will produce over 3.5 million ounces at first quartile All-in Sustaining Costs, generating robust free cash flow over the next 20 years.

The systematic and focused exploration efforts in the Çöpler District have been successful as evidenced by the newly discovered Ardich deposit. The Çöpler District remains the focus, with the goal of continuing to grow oxide resources that will deliver production utilizing the existing Çöpler infrastructure. In the other regions of Turkey, targeted exploration work continues, including an updated Prefeasibility Study and ongoing work on the technical studies for the Gediktepe Project.

Alacer is a Canadian company incorporated in the Yukon Territory with its primary listing on the Toronto Stock Exchange. The Corporation also has a secondary listing on the Australian Securities Exchange where CHESS Depositary Interests (“CDIs”) trade.

Cautionary Statements

Except for statements of historical fact relating to Alacer, certain statements contained in this press release

constitute forward-looking information, future oriented financial information, or financial outlooks (collectively “forward-looking information”) within the meaning of Canadian securities laws. Forward-looking information may be contained in this document and other public filings of Alacer. Forward-looking information often relates to statements concerning Alacer’s outlook and anticipated events or results, and in some cases, can be identified by terminology such as “may”, “will”, “could”, “should”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “projects”, “predict”, “potential”, “continue” or other similar expressions concerning matters that are not historical facts.

Forward-looking information includes statements concerning, among other things, preliminary cost reporting in this document; production, cost, and capital expenditure guidance; the ability to expand the current heap leach pad; the results of any gold reconciliations; the ability to discover additional oxide gold ore; the generation of free cash flow and payment of dividends; matters relating to proposed exploration; communications with local stakeholders; maintaining community and government relations; negotiations of joint ventures; negotiation and completion of transactions; commodity prices; mineral resources, mineral reserves, realization of mineral reserves, and the existence or realization of mineral resource estimates; the development approach; the timing and amount of future production; the timing of studies, announcements, and analysis; the timing of construction and development of proposed mines and process facilities; capital and operating expenditures; economic conditions; availability of sufficient financing; exploration plans; receipt of regulatory approvals; and any and all other timing, exploration, development, operational, financial, budgetary, economic, legal, social, environmental, regulatory, and political matters that may influence or be influenced by future events or conditions.

Such forward-looking information and statements are based on a number of material factors and assumptions, including, but not limited in any manner to, those disclosed in any other of Alacer’s filings, and include the inherent speculative nature of exploration results; the ability to explore; communications with local stakeholders; maintaining community and governmental relations; status of negotiations of joint ventures; weather conditions at Alacer’s operations; commodity prices; the ultimate determination of and realization of mineral reserves; existence or realization of mineral resources; the development approach; availability and receipt of required approvals, titles, licenses and permits; sufficient working capital to develop and operate the mines and implement development plans; access to adequate services and supplies; foreign currency exchange rates; interest rates; access to capital markets and associated cost of funds; availability of a qualified work force; ability to negotiate, finalize, and execute relevant agreements; lack of social opposition to the mines or facilities; lack of legal challenges with respect to the property of Alacer; the timing and amount of future production; the ability to meet production, cost, and capital expenditure targets; timing and ability to produce studies and analyses; capital and operating expenditures; economic conditions; availability of sufficient financing; the ultimate ability to mine, process, and sell mineral products on economically favorable terms; and any and all other timing, exploration, development, operational, financial, budgetary, economic, legal, social, geopolitical, regulatory and political factors that may influence future events or conditions. While we consider these factors and assumptions to be reasonable based on information currently available to us, they may prove to be incorrect.

You should not place undue reliance on forward-looking information and statements. Forward-looking information and statements are only predictions based on our current expectations and our projections about future events. Actual results may vary from such forward-looking information for a variety of reasons including, but not limited to, risks and uncertainties disclosed in Alacer’s filings on the Corporation’s website at *www.alacergold.com*, on SEDAR at *www.sedar.com* and on the ASX at *www.asx.com.au*, and other unforeseen events or circumstances. Other than as required by law, Alacer does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

For further information on Alacer Gold Corp., please contact:
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Appendix 1

Qualified Person Statement

The information in this release which relates to exploration results is based on, and fairly represents,

information and supporting documentation prepared by Mesut Soylu, PhD Geology, P.Geo., Eurgeol, who is a full-time employee of Alacer. Dr. Soylu has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” and a qualified person pursuant to National Instrument 43-101. Dr. Soylu consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

External review of drill data and data management processes relating to Ardich were completed in two phases, October 2018 and February 2019, by independent Consultant Dr. Erdem Yetkin, P.Geo. a qualified person pursuant to National Instrument 43-101 and a Competent Person as defined by the JORC Code 2012. There were no adverse material results detected and Dr. Yetkin is of the opinion that the QA/QC indicates the information collected is acceptable, and the database can be used for Mineral Resource estimation.

The Mineral Resource disclosed in this announcement was estimated and approved by Mr. Loren Ligocki, SME Registered Member, and Resource Geology Manager at Alacer Gold Corp. Mr. Ligocki has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” and is a Qualified Person pursuant to NI 43-101.

The Mineral Resource shells used to demonstrate reasonable prospects for eventual economic extraction and disclosed in this announcement were generated and approved by Mr. Stephen K. Statham, SME Registered Member, Alacer’s Mining Services Manager, who is a full-time employee of Alacer. The information in this announcement which relates to Mineral Resources is based on, and fairly represents, the information and supporting documentation prepared by Mr. Statham. Mr. Statham has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” and is a Qualified Person pursuant to NI 43-101.

The Mineral Resource estimate referenced in this announcement was estimated in accordance with CIM guidelines as incorporated into NI 43-101, and the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. While terms associated with various categories of “Mineral Resource” or “Mineral Reserve” are recognized and required by Canadian regulations, they may not have equivalent meanings in other jurisdictions outside Canada and no comparison should be made or inferred. Actual recoveries of mineral products may differ from those estimated in the Mineral Resources and Mineral Reserves due to inherent uncertainties in acceptable estimating techniques. In particular, Inferred Mineral Resources have a great amount of uncertainty as to their existence, economic and legal feasibility. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration. Investors are cautioned not to assume that all or any part of the Mineral Resources will ever be converted into Mineral Reserves.

Messrs. Ligocki and Statham consent to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Summary for the purposes of ASX Listing Rule 5.8

Please refer to the JORC Code Table 1 contained in Appendix 2 of this announcement for information relating to the estimates of Mineral Resources for the Ardich Project. A copy of which can be found on www.sedar.com, the Australian Securities Exchange and on our website www.alacergold.com.

Geology and Geological Interpretation

The Ardich deposit is characterized by development of gold mineralized listwanite and dolomite formations within a northwest-southeast structural zone. The gold mineralization is closely associated with low angle thrust zones between listwanites, dolomites and ophiolites that are intruded by a series of dykes. The

mineralization is related with crystalline and chalcedonic quartz veins within the brecciated and silicified listwanite and dolomite bodies. The mineralization is predominantly in the form of oxide with sulfide mineralization confined to limited pyrite rich jasperoid bodies. The latest drill data and three-dimensional model indicates the main mineralized zone appears to be tabular and almost flat lying.

Drilling Techniques

Exploration drilling and sampling at Ardich utilized surface PQ and HQ triple-tube diamond core drilling. Core was sampled predominately in 1.0m lengths as sawn half core in competent ground or hand split if in clay or broken fault zones. Overall, Ardich core recovery is very good with a mean recovery of 92.8%. Review of the core photographs supports the high recovery percentage. No reverse circulation drilling has occurred to date. The use of scissor drilling has allowed sampling of mineralized zones from different orientations. Majority of the drilling was completed at an angle of 60 degrees with varying directions/azimuths. Scissor drilling creates variable sample orientations not easily viewed in two-dimensional sectional plots.

The data set used to construct the geologic and resource model contained a total of 100 holes with geologic logging and assay results complete. Total drill meters equaled 15,590.5. Alacer drilled the diamond core holes between August 2017 and December 2018.

Sampling and Sub-sampling

The Ardich drilling program started in 2017. Diamond drill core is sampled as half core at 1m intervals. The samples were submitted to ALS Global laboratories in Izmir, Turkey for sample preparation and analysis which is an ISO/IEC 7025:2005 certified and accredited laboratory. Bureau Veritas (Acme) laboratory, Ankara is being used as for umpire check sample analysis. Gold was analyzed by fire assay with an AAS finish, and the multi-element analyses were determined by four acid digestion and ICP-AES and MS finish. For gold assays greater than or equal to 10 g/t, fire assay process is repeated with a gravimetric finish for coarse gold. Alacer's drill and geochemical samples were collected in accordance with accepted industry standards. Alacer conducts routine QA/QC analysis on all assay results, including the systematic utilization of certified reference materials, blanks, field duplicates, and umpire laboratory check assays.

Data Verification

External review of data and processes relating to Ardich was completed by independent Consultant Dr. Erdem Yetkin, P.Geo. in November 2018 and February 2019. There were no adverse material results detected and the QA/QC indicates the information collected is acceptable, and the database can be used for further studies. The data in the database has been sufficiently validated to support Mineral Resource estimation.

Metallurgical Test Work

A three-phase metallurgical testing program was conducted by McClelland Laboratories, Inc. (Sparks, NV, USA), under the guidance of Metallurgium, comprised of bottle roll cyanide leaching, column leach, and floatation tests.

Mineral Resource

Estimation Methodology

For the Ardich Mineral Resource, mineralized grade shells were used as defining boundaries which followed the geological interpretation of fault blocks and contact lithologies. In the creation of mineralized domains, a minimum mining width of 5m was used based on anticipated open pit mining methods using a 5-meter bench height and 5-meter grade control sampling.

The estimation was controlled by the interpreted mineralized domains, with each domain estimate using only

samples contained within that domain. Outside the mineralized domains a ‘mineralized waste’ estimate was completed to include surrounding grade in the model.

Ardich was estimated using Inverse Distance Cubed (“ID3”). ID3 is a linear estimation technique applied to gold and sulfur mineralization. Nearest Neighbor and Ordinary kriging estimates were used as comparison estimates to the ID3 method.

Model Verification

Gold estimates were validated against alternate interpolation methods. Estimated grades were compared to a nearest neighbor model to check for global bias. Swath plots were used to check for a local bias. The estimated gold grades in the model were compared to the composite grades by visual inspection in plan views and cross sections. Composite samples were queried by domain to confirm proper sample flagging.

Mineral Resources Classification

Mineral Resources were classified based on a drill spacing study and observed continuity of geology and mineralization. Indicated Mineral Resources should be known within +/- 15 percent with 90 percent confidence on an annual basis and Measured Mineral Resources should be known within +/- 15 percent with 90 percent confidence on a quarterly basis. No blocks were classified in the Measured category.

Drill hole spacing for support of classification of Inferred Mineral Resources could be obtained when sample spacing was 70m by 50m. For Indicated Mineral Resource classification, the drill hole spacing reduced to a 35m by 35m spacing. Appropriate drill hole pattern spacing selection was based on the belief that the mineralization is structurally controlled, mineral continuity varies within each domain and adequate data quality has been achieved.

Reasonable Prospects of Eventual Economic Extraction

To meet the reasonable prospects of eventual economic extraction criteria, Mineral Resources are tabulated within a Lerchs-Grosmann (LG) optimization shell generated using a gold price of $1,500/oz., and metallurgical gold recoveries that vary from 40% to 73% for oxide material and 73% to 77% for sulfide material.

Cut-off Grade

Mineral Resources were tabulated using multiple cut-off grades due to variable recoveries and based on gold price only. Cut-off grades are calculated based on the equation: Xc = Po / (r * (V-R)); where Xc = Cut-off Grade (g/t), Po = Processing Cost of Ore (USD/tonne of ore), r = Recovery, V = Gold Sell Price (USD/gram), R = Refining Costs (USD/gram). Cut-off grades vary from 0.30 – 0.50 g/t for oxide and 1.10 – 1.15 g/t for sulfide.

Appendix 2
JORC Code Table 1

The following tables are provided to ensure compliance with the JORC Code (2012) edition requirements for the reporting of exploration results and Mineral Resources.