



FOR IMMEDIATE RELEASE

**Algold Announces Positive Preliminary Economic Assessment for the Tijirit Gold Project with Pre-Tax NPV of US \$94.9M and 28.4% IRR**

**Government of Mauritania confirms its continued support as Algold’s Partner in Tijirit**

Montreal, Canada, May 22, 2018 – ALGOLD RESOURCES LTD. (TSXV: ALG – “Algold” or the “Corporation”) today announced the results of a positive Preliminary Economic Assessment (“PEA”) for the Tijirit Gold Project in Mauritania. The National Instrument 43-101 (“NI 43-101”) compliant PEA work was prepared by Ausenco Engineering Canada (“Ausenco”) in collaboration with DRA/Met-Chem and SGS-Geostat.

**Highlights of the Tijirit PEA\***

*(All monetary amounts are in US dollars unless otherwise indicated.)*

- **Financial Returns:** Pre-tax net present value (“NPV”) of \$94.9M at an 8% discount rate with an internal rate of return (“IRR”) of 28.4% and after-tax NPV of \$69.0M at an 8% discount rate with an IRR of 23.5%, using a gold price of \$1,250 per ounce.
- **Revenue:** Gross life of mine (“LOM”) revenue of \$717.4M.
- **CapEx:** Pre-production direct capital cost of \$96.4M, in addition to indirect costs of \$31.2M and a contingency allowance of \$17.9M. Total sustaining and expansion CapEx of \$47.1M over the mine life including the Phase II expansion in year 4.
- **Production:**
  - Phase I: 1,018 million tonnes per year for a period of four (4) years with an average annual production rate of 104,500 ounces of gold.
  - Phase II: 1,642 million tonnes per year for the three (3) following years with an average annual production rate of 53,000 ounces of gold.
- **Cash Cost:** Average cash cost of \$475 per ounce during Phase I and \$893 per ounce during Phase II
- **Mine Life:** 7.1 years
- **Payback Period:** 1.8 years (after-tax)

**Summary of PEA Results**

	Pre-tax	After-tax	Units
Free Cash Flow	170.2	134.3	MUS\$
NPV 8%	94.9	69.0	MUS\$
IRR	28.4	23.5	%
Payback Period <sup>1*</sup>	1.6	1.8	years

<sup>1</sup> Does not include ramp-up period

**\*Cautionary Statement NI 43-101:** The PEA was prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects. Readers are cautioned that the PEA is preliminary in nature. It includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

"The positive PEA marks a significant milestone for Algold Resources," said Benoit La Salle, Algold's Chairman and Chief Executive Officer. "In less than two years since embarking on the Tijirit endeavor in March 2016, we are in receipt of positive PEA results that confirm the significant potential of the project. The PEA supports the concept of an open pit mining scenario, which could see the Tijirit Project produce over 550,000 ounces of gold over a seven-year mine life, at a cash cost below US\$500/ounce during the first four years. Furthermore, the initial payback period is estimated at 1.6 years and the pre-tax IRR is 28.4%, making it one of the most profitable deposits in West Africa."

"The Government of Mauritania, partner with Algold in the development of the Tijirit Project, confirms its continued support to Algold and the Project to rapidly develop an active mining project, the second industrial gold mine in Mauritania," stated the Minister of Petroleum, Energy and Mines, Mr. Mohamed Ould Abdel Vettah. "The Ministry of Petroleum, Energy and Mines is fully focused on supporting foreign investors eager to develop projects creating jobs for the population and value for the country, in the stable framework of the Mauritanian laws and regulations."

"Several highly qualified global engineering firms including Ausenco, DRA/Met-Chem SGS Geostat, SGS Lakefield, Aecom, WSP, together with the Algold technical group, who collectively have developed numerous successful projects in West Africa and in particular Mauritania, have been instrumental in positioning the Tijirit Project for the next phase," commented François Auclair, Executive Vice-President, Exploration.

### **Description of the Tijirit Project and PEA Details**

Algold's Tijirit Gold Project is located in the Tijirit area in northwestern Mauritania. The Tijirit Gold Project PEA consists of the establishment of the mining infrastructure required for the operation of an open-pit mine and the construction and operation of a mill for the treatment of mineralized material to produce gold bullion with a processing capacity of 2,976 tonnes per day (Phase I) and 4,500 tonnes per day (Phase II). The recovery process to be utilized is a conventional gravity concentration circuit and cyanide leaching of the gravity tailings using a Carbon-In-Leach Circuit ("CIL").

The Tijirit Gold Project includes a 306 km<sup>2</sup> (2480C2) Exploitation Permit ("mine lease") granted on June 11, 2017 by the Mauritanian government. The Exploitation Permit grants Algold the exploration and exploitation rights for gold and related substances for a period of 30 years.

Since the commencement of exploration in April 2016, and within the limits of the mining permit, Algold has been able to define gold resources on the property in three different areas, namely Eleonore, Sophie and Lily, all situated within a five-kilometer radius. The Corporation has also successfully identified promising new areas including Salma, Eleonore East, Nour, and Southeast, potentially hosts to additional resources.

During the first four years of mining operations (Phase I), the mineralized material will essentially be sourced from the high-grade Eleonore zone, with the Sophie and Lily areas to be mined during the last 3.1 years of operation.

The PEA was developed by highly qualified independent consulting groups: Ausenco was responsible for all processing aspects, tailings facility, infrastructures and OpEx associated with them as well as the financial model, DRA/Met-Chem was responsible for all open pit mining aspects with associated CapEx and OpEx as well as the overall project capital cost estimate and SGS-Geostat was responsible for the mineral resources estimate.

### **PEA Parameters**

<b>Gold Price:</b> US\$ 1,250/oz
<b>Total Tonnes Milled:</b> 9,140 million
<b>Diluted Head Grade:</b> Phase I: 3.33 g/t Au - Phase II: 1.07 g/t Au
<b>Mine Life:</b> 7.1 years
<b>Gold Recovery:</b> Phase I: 96.0% - Phase II: 93.6%
<b>Total Gold Ounces Recovered:</b> 580,900 oz
<b>Average Annual Gold Production:</b> Phase I: 104,5000 oz - Phase II: 53,000 oz
<b>Royalties:</b> 6.5% (5% state royalty and 1.5% third-party royalty)

## Operating Costs

The operating costs were calculated based on the two production rates, one for Phase I and one for Phase II and are exclusive of royalties to third parties and governments. The OpEx also reflects the much lower stripping ratio encountered at Sophie and Lily during Phase II.

Operating Costs	Phase I (Y1-Y4)		Phase II (Y5-Y8)	
	\$/t Processed	\$/oz	\$/t Processed	\$/oz
<b>Mining Costs</b>	<b>\$27.40</b>		<b>\$11.83</b>	
<b>Processing Costs</b>	<b>\$15.00</b>		<b>\$12.90</b>	
<b>G&amp;A Costs</b>	<b>\$6.30</b>		<b>\$3.98</b>	
<b>Total Cash Costs</b>	<b>\$48.71</b>	<b>\$475</b>	<b>\$28.71</b>	<b>\$893</b>

## Capital Costs

Capital costs summarized in the table below are based on a detailed annual mining equipment schedule and on an exhaustive process equipment list. Budgets were estimated using either budget quotes received or prices from similar projects. An allowance was made for a training budget during the pre-production period and in years one and two.

Description	Pre-Production	Phase II
	(US\$M's)	+Sustaining (Yrs 1+) (US\$M's)
<b>Direct Costs</b>		
Mining	19.7	28.4
Crushing and Grinding	18.7	8.1
Process Plant	28.9	1.8
Infrastructures	25.2	
Utilities	3.9	0.1
<b>Direct Total</b>	<b>96.4</b>	<b>38.4</b>
<b>Indirect Costs</b>		
Owner Cost, EPCM, Construction Indirect	31.2	5.4
Contingencies	17.9	3.3
<b>Indirect Total</b>	<b>49.1</b>	<b>8.7</b>
<b>Grand Total</b>	<b>145.5</b>	<b>47.1</b>

Totals may not add up due to rounding.

## Mineral Resources

The mineral resource estimate was prepared by Yann Camus, P. Eng from SGS-Geostat with an effective date of January 19, 2018. The Technical Report for the Tijirit Resources Update, titled Tijirit Project NI 43-101 Technical Report with Resource Estimate Update is available on Sedar at [www.sedar.com](http://www.sedar.com).

The database used to perform the estimate includes 718 drill holes, 265 trenches and 76,297 assay results.

The SGS Genesis software was used for the modeling and estimation. The next table shows the base case resource with a cut-off grade of 0.4 g/t Au inside pits and 1.7 g/t Au below pits, except for Eleonore at a global COG of 1.5 g/t Au.

### Base Case Resources

Zone	Classification	Au (g/t)	Tonnage (t)	Ounces (Au)
Eleonore	Indicated	4.08	719,000	94,250
Eleonore	Inferred	4.07	3,016,000	394,690

Zone	Classification	Au (g/t)	Tonnage (t)	Ounces (Au)
Sophie/Lily	Measured	0.98	376,000	11,900
Sophie/Lily	Indicated	0.93	2,122,000	63,300
Total Sophie/Lily	Measured + Indicated	0.94	2,498,000	75,200
Sophie/Lily	Inferred	1.06	7,476,000	254,100

Zone	Classification	Au (g/t)	Tonnage (t)	Ounces (Au)
Total Sophie/Lily/Eleonore	Measured	0.98	376,000	11,900
Total Sophie/Lily/Eleonore	Indicated	1.72	2,841,000	157,550
Total Sophie/Lily/Eleonore	Measured + Indicated	1.64	3,217,000	169,450
Total Sophie/Lily/Eleonore	Inferred	1.92	10,492,000	648,790

1. Effective date for Eleonore and Sophie/Lily resources is January 19, 2018.
2. The independent QP for this resources estimate 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 1.7 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 utilized based on 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.

### Mining

The PEA is based on a conventional truck-and-shovel mining operation. Mineralized material will come from seventeen different pits. The PEA base case scenario contemplates the use of Algold's mining fleet and employees, which will be responsible for conducting all drill and blast, excavation and transportation activities from the pit to the processing plant.

From the already identified mineral resources, the following parameters have been applied in the PEA for the definition of the mineralized material and pit design parameters:

	Units	PHASE I - Eleonore		PHASE II - Sophie and Lily	
		Weathered	Fresh	Weathered	Fresh
<b>Production rate</b>	t/day	2976		4500	
<b>Pit Slope</b>	°	40.6	52.6	40.6	52.6
<b>Mining Recovery</b>	%	95		95	
<b>Dilution</b>	%	10		5	

As a result, a total of 9,140 Mt of mineralized material will be mined during the mine life at an average diluted grade of 2.08 g/t Au. The stripping ratio (Waste to Ore) will be 18.9 during Phase I and 6.4 during Phase II for a mine life average of 12.2.

### Process

During Phase I, the mill will consist of a single stage jaw crusher and a single SAG mill grinding circuit followed by gravity concentration and cyanide leaching circuits. During Phase II, a pebble crusher will be added to the crushing circuit and a ball mill to the grinding circuit. No modifications will be made to the leaching circuit in Phase II. Based on metallurgical test work conducted in 2016 and 2017 by SGS-Lakefield, an overall recovery (gravimetry + cyanidation) has been evaluated at 96% for Phase I (Eleonore) and 93.6% for Phase II (Sophie + Lily).

### Environmental and Social

An Environmental and Social Impact Assessment Study (ESIA) has been prepared by AECOM (Canada) and has been submitted to the Mauritanian government. At the beginning of 2017, the Mauritanian Ministry of Environmental and Sustainable Development provided a conclusive acceptance and opinion regarding the ESIA Study Report.

### Project Opportunities

Several opportunities have been identified to potentially improve the results presented in the PEA. These opportunities include:

- Expansion of existing resources at the Eleonore, Sophie and Lily deposits through drilling and exploration. Some areas within these deposits are open along strike and at depth and gold mineralized structures may continue. The addition of potential resources could also result in increased Life of Mine and improved project economics.
- Increased definition of the Eleonore East and Salma high-grade satellite deposits. So far, no resources have been estimated in these two areas that are located close to the existing deposits. Preliminary drilling indicates, however, that the gold structures can be followed over a ten-kilometer strike and demonstrates strong potential to host additional resources.
- Additional metallurgical testing could result in further optimization of the process flowsheet and equipment selection for cost reduction and/or process recovery improvements.
- Improved pit optimization and mine planning could result in some cost reduction by performing some in-pit filling. In addition, lower grade material not presently processed, could be stockpiled and processed at the end of the operation to increase mine life and overall economics.
- Increase in Gold price

## **Forecasted Activities – Highlights**

Algold has already begun moving forward to the next phases of the Tijirit Project Development.

- **In-fill drilling on strike – down dip, as well as potential extensions is in progress. An updated mineral resources estimate is scheduled for Q4-2018.**
- **Mechanized trenching is in progress at Eleonore to collect oxidized material to better characterize this portion of the deposit.**
- **Drilling of large diameter core holes will be done to provide material for additional metallurgical and environmental test works.**

## **Technical Report**

A NI 43-101 compliant technical report for the Tijirit Project Preliminary Economic Assessment will be filed on SEDAR within 45 days from the date of this Press Release.

## **QUALIFIED PERSONS**

This press release has been reviewed for accuracy and compliance under National Instrument 43-101 by the following Qualified Persons as defined by NI 43-101 Standards of Disclosure for Mineral Projects. Each Qualified Person has reviewed or verified the information for which they are individually responsible.

- Guy Saucier, P.Eng. (OIQ 37711) - Algold's Tijirit Project Director. Qualified Person under NI 43-101.
- Patrick Perez, Principal Mine Engineer, P. Eng. (APEGS #16131), responsible for the mining aspects and Martin Saint-Amour, Principal Cost Engineer, P.Eng.(OIQ 116377), responsible for the overall capital cost estimates, both from DRA/Met-Chem and Independent Qualified Persons, under NI 43-101.
- Yann Camus, Mineral Resources Engineer, P.Eng. (OIQ) from SGS Geostat, and Independent Qualified Person under NI 43-101, responsible for the mineral resource estimate with an effective date of January 19, 2018.
- Thomas Zwirz, Senior Study Manager, P.Eng (OIQ 501783, 9053823 PEO), Responsible for the overall study management and Tommaso Roberto Raponi, P.Eng. Senior Mineral Processing Specialist and responsible for the process aspects, both from Ausenco, and Independent Qualified Persons under NI 43-101.

## **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](http://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.

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For further information, please contact:

**Algold Resources Ltd.**

1320, boul. Graham, bureau 132, Mont-Royal, Québec, H3P 3C8, [www.algold.com](http://www.algold.com)

**Benoit LaSalle, FCPA, FCA**  
Chairman and Chief Executive Officer  
[b.lasalle@algold.com](mailto:b.lasalle@algold.com)  
+1 (514) 951-4411

**Alex Ball**  
Executive VP, Finance and Corporate Development  
[a.ball@algold.com](mailto:a.ball@algold.com)  
+1 (647) 919 2227