



**SOURCE: Resource Capital Gold Corp.**



April 18, 2017 20:57 ET

## RCG Files Amendments to PEA on Dufferin Gold Project

VANCOUVER, BC--(Marketwired - April 18, 2017) -

*NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR DISSEMINATION IN THE UNITED STATES*

Further to its news release of November 28, 2016, Resource Capital Gold Corp., (TSX VENTURE: RCG) ("RCG" or the "Company") is pleased to announce that it has filed technical amendments to the positive Preliminary Economic Assessment ("PEA") on the Dufferin Gold Mine and the West Dufferin property being acquired by the Company (collectively "Dufferin") located in Nova Scotia, Canada. The amendments do not change the results or analysis of the PEA, but are only done to adjust certain technical matters in the body of the document in response to a technical review by the British Columbia Securities Commission.

### NATURE OF AMENDMENTS

Technical amendments to the Dufferin PEA report include a fuller explanation of cutoff grade selection for the mineral resource estimates; an expanded discussion of verification sampling results; additional details on the Qualified Persons' personal inspection of the project; an update of mineral claim status; and updated references to current 2014 CIM Definition Standards. Other such edits were made to the report to bring it into full compliance with National Instrument 43-101 disclosure standards.

### PEA RESULTS UNCHANGED

The PEA as now amended was completed by MineTech International Ltd. of Halifax, Nova Scotia, and Global Mineral Resource Services of Vancouver, British Columbia. Economic results remained unchanged from the PEA as originally filed, which 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. The net present value of the project is shown as CAD\$121,100,000 at a 5% discount rate. These economic numbers do not include any of the planned production from the stockpiled materials, from which the Company produced its first gold as announced in its press release dated March 3, 2017.

Although the PEA suggests a 6-month pre-production period followed by 6 months of initial mining ramping up to full 300-tpd production at the end of Year 1, the Company is in the final stages of pre-production at the mine together with the ongoing operations at the mill.

The PEA anticipates at total of CAD\$9.85M in capital expense, which includes \$5.29M in plant, equipment, and pre-production development cost; \$1.20M of reclamation bonding; \$2.29M of working capital; and \$1.06M in contingency. The Company has previously expended funds from equity and plans to receive funds from its sale of the Corcoran asset in order to complete the start-up of operations without incurring any debt.

"The amendments to our positive PEA are technical only and do not change or affect our plans to consolidate near-term precious-metals production," said RCG's Chairman and CEO George Young. "The Dufferin project continues to offer the opportunity for relatively lower-risk growth through our more than doubling of the project's resources, acquisition of adjacent property, and a 4x multiple of the project's NPV over previous estimates. We are excited to be completing the final steps of pre-production and to be in a position now to commence full-time production."

### PEA Results

|                               |       |           |
|-------------------------------|-------|-----------|
| Pre-tax NPV <sup>5</sup>      | CAD\$ | 121.1M    |
| Pre-tax IRR                   |       | 158%      |
| Post-tax NPV <sup>5</sup>     | CAD\$ | 89.2M     |
| Post-tax IRR                  |       | 121%      |
| Payback                       |       | 1.3 years |
| Average cash cost per ounce   | CAD\$ | 617       |
| Mine life                     |       | 10 years  |
| Total gold ounces recovered   |       | 216,050   |
| Cumulative pre-tax cash flow  | CAD\$ | 170.4M    |
| Cumulative post-tax cash flow | CAD\$ | 126.3M    |

### PEA Parameters

|   |       |                    |
|---|-------|--------------------|
| Gold price  | USD\$ | 1,250              |
| Exchange rate USD-CAD   |       | 0.75               |
| Total tonnes processed (includes dilution and development material) |       | 1,231,000 tonnes   |
| Average processing rate   |       | 290 tonnes per day |
| Diluted head grade East Dufferin                                    |       | 6.83 g/t Au        |
| Diluted head grade West Dufferin                                    |       | 5.46 g/t Au        |
| Gold recovery rate  |       | 95%                |

|  |                  |
|--|------------------|
| Average annual gold production                   | 21,604 ounces Au |
| Capital, working capital, pre-production expense | CAD\$ 9.85M      |

| <b>Mineral Resources</b> |               |                           |                  |
|--------------------------|---------------|---------------------------|------------------|
| <b>Category</b>          | <b>Tonnes</b> | <b>Grams per Tonne Au</b> | <b>Ounces Au</b> |
| <b>East Dufferin</b>     |               |                           |                  |
| Indicated                | 151,500       | 11.9                      | 58,000           |
| Inferred                 | 434,100       | 6.9                       | 96,800           |
| <b>West Dufferin</b>     |               |                           |                  |
| Inferred                 | 269,800       | 6.13                      | 53,200           |
| <b>Combined</b>          |               |                           |                  |
| Indicated                | 151,500       | 11.9                      | 58,000           |
| Inferred                 | 703,900       | 6.6                       | 150,000          |

The PEA is preliminary in nature and includes inferred mineral resources that are 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 PEA results will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability. 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.

### **ABOUT RESOURCE CAPITAL GOLD**

Resource Capital Gold Corp. is developing the high-grade Dufferin Gold Mine and mill in Nova Scotia. The Dufferin project covers 1,684 hectares in 104 mineral claims which contain more than 14 east-west trending "saddle reef" quartz vein gold-bearing structures, each with free-milling gold. The stacked gold reefs are open at depth and extend along trend for over 4.7 kilometers.

The Company is also advancing the Tangier and Forest Hill gold projects and is preparing preliminary economic assessments ("PEAs") on both. These historic mines should add considerable high-grade gold to Resource Capital Gold's resource inventory and they provide the momentum for RCG to fast-track the development of low-cost gold production from a network of high-grade deposits in Nova Scotia.

### **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 report referenced above on behalf of the Company.

The 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. Mr. Roy also prepared the East Dufferin mineral resource estimate. Both Mr. Roy and Mr. Hannon have reviewed and approved the contents of this news release.

The mineral resource estimate at West Dufferin was prepared by independent Qualified Person Mr. Greg Mosher of Global Mineral Resource Services. Mr. Mosher has reviewed and approved the contents of this news release.

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

#### **George S. Young, CEO**

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

#### 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.*

*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.*

### **CONTACT INFORMATION**

#### **For further information please contact:**

George S. Young at (604) 642 6114

Resource Capital Gold Corp.  
Vancouver Park Place  
666 Burrard Street, Suite 500  
Vancouver V6C 3P6  
BC Canada  
P +1 604 642 6114  
E [info@rcgcorp.ca](mailto:info@rcgcorp.ca)  
[rcgcorp.ca](http://rcgcorp.ca)



 Print Friendly

 Share

News Room