

NEWS RELEASE

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**Luna Gold and JDL Gold Announce Merger to Create a Multi-Asset Mining Company
and Concurrent C\$27 Million (\$20 Million) Equity Financing**

All amounts are in United States dollars unless otherwise indicated.

February 1, 2017 – Vancouver, BC – Luna Gold Corp. (TSX: LGC) (“Luna Gold”) and JDL Gold Corp. (TSX-V: JDL) (“JDL”) are pleased to announce that they have entered into an arrangement agreement (the “Agreement”) to combine their businesses, creating a multi-asset mining company (the “Transaction”). The combined company intends to change its name to Trek Mining Inc. (“Trek”) and expects to trade on the TSX Venture Exchange (“TSX-V”) under the ticker symbol “TREK”.

Trek Mining Highlights

- **Strong leadership team:** Combined executive team and directors have the financial, technical, construction and operations experience to advance the combined assets and build a leading mid-tier gold producer
- **Significant cash position:** Well capitalized with approximately C\$66 M (\$50 M) in cash and no cash debt
- **Simplified balance sheet:** All cash debt repaid or settled in equity
- **Diversified asset portfolio:** Asset portfolio anchored by near-term production from the Aurizona gold project in Brazil, increasing gold production from milling operations at the Koricancha Mill in Peru, and a pipeline of exploration-stage projects, providing a platform for growth
- **De-risks Aurizona development:** Strong cash position increases construction financing flexibility for Aurizona and allows for purchase of long-lead capital items following completion of the feasibility study
- **Enhanced capital markets profile:** Broad shareholder base with supportive and recognized investors and improved liquidity

Trek will be well-funded, with approximately C\$66 million (\$50 million) in cash and no cash debt, and will be strongly positioned to advance the Aurizona gold project (“Aurizona” or the “Aurizona Project”) to production. The Transaction also accelerates exploration at Aurizona with a focus on the drill-ready targets directly along strike from the existing reserves and resources at the Piaba open pit. Trek’s portfolio includes the gold-producing Koricancha Mill in Peru and a robust pipeline of gold and copper exploration assets in South and North America.

Christian Milau, CEO of Luna Gold said: “This transaction achieves a number of our near-term growth objectives and is the next step toward our vision of building a leading mid-tier gold producer. We have spent our first six months at Luna Gold focused on development of Aurizona. Our cash position post Transaction, together with a simplified balance sheet, will provide a solid foundation to advance Aurizona to production and accelerate exploration efforts. We see significant potential in JDL’s asset portfolio and believe the combined company puts us on an exciting growth path.”

David Lowell, Chairman of JDL and incoming Director of Trek, said: “We are excited to team with Luna Gold in building a meaningful new mining company. JDL’s shareholders will participate in the near-term gold production and exceptional exploration upside at Aurizona. The exploration potential, both on trend and regionally,

represents a substantial opportunity for extension of the mine life and new discoveries. I look forward to joining the Trek Mining board of directors and continuing to work for the benefit of all our stakeholders.”

Lukas Lundin said: “I am pleased to support the merger of JDL and Luna Gold to create Trek Mining. I am enthusiastic about Trek’s current portfolio of assets and am confident that this combination of management, assets and opportunity provides Trek with a strong foundation for success and momentum going forward.”

Pacific Road Resources Fund (“Pacific Road”) and Sandstorm Gold Ltd. (“Sandstorm”), the two largest shareholders of Luna Gold, and Lorito Holdings (Guernsey) Ltd. and Zebra Holdings and Investments (Guernsey) Ltd., the largest shareholders of JDL (both controlled by a trust settled by the late Adolf H. Lundin), have entered into support agreements to vote in favour of the Transaction.

Upon completion of the Transaction, Trek’s asset base will consist of:

- Cash of approximately C\$66 million (\$50 million) including marketable securities ¹
- 100% ownership of the feasibility-stage Aurizona Project in Brazil, a past-producing open-pit gold mine that is anticipated to recommence production by year-end 2018, targeting average annual gold production of 150,000 ounces for the first five years ² with all-in sustaining costs of \$708/ounce ²
- 75% ownership of the Koricancha Mill, an operating gold ore processing facility in Peru ³
- 100% ownership of the Warintza copper-molybdenum exploration-stage project in Ecuador, with an inferred resource of 195 million tonnes at a copper equivalent grade of 0.61% ⁴
- 100% ownership of the high-grade past-producing Elk Gold project in British Columbia, Canada ⁵
- 100% ownership of the Ricardo Claim block in Chile, strategically located on the West Fissure fault that hosts numerous porphyry copper deposits including Escondida and Chuquicamata ⁶

Transaction Summary

Under the terms of the Agreement, JDL will acquire all outstanding shares of Luna Gold pursuant to a plan of arrangement in exchange for 1.105 JDL common shares for each Luna Gold common share (the “Exchange Ratio”). Each Luna Gold warrant, option and restricted share unit will become exercisable for JDL common shares, as adjusted in accordance with the Exchange Ratio. The Exchange Ratio represents consideration of approximately C\$2.20 per Luna Gold share based on the JDL share price as at the close of market on January 31, 2017, a premium of approximately 16% to Luna Gold’s 20-day volume weighted average price and 23% to Luna Gold’s share price as at the close of market on January 31, 2017.

All Pacific Road debt will be repaid concurrent with or immediately following closing of the Transaction. In addition, the Sandstorm Debt Facility of \$20 million, plus accrued interest, will be settled in exchange for equity, or a combination of equity and cash, concurrent with closing of the Transaction.

Pursuant to the Agreement, the requisite approval of the Transaction for Luna Gold is the affirmative vote of: (i) 66 2/3% of the votes cast by Luna Gold securityholders, voting together as a single class, present in person or represented by proxy at the Luna Gold special meeting; (ii) 66 2/3% of the votes cast by Luna Gold shareholders present in person or represented by proxy at the Luna Gold special meeting; (iii) 66 2/3% of the votes cast by Luna Gold restricted share unit holders present in person or represented by proxy at the Luna Gold special meeting; and (iv) a majority of the votes cast by Luna Gold shareholders present in person or represented by proxy at the Luna Gold special meeting excluding, for this purpose, votes attached to Luna Gold common shares held by persons described in items (a) through (d) of Section 8.1(2) of MI 61-101. The requisite approval for each of the Luna Gold debt exchange and the Pacific Road debt settlement is the affirmative vote of a majority of the minority of the votes cast by Luna Gold shareholders present in person or represented by proxy at the Luna Gold special meeting. The vote on each of the Luna Gold debt exchange and the Pacific Road debt settlement will

exclude, for this purpose, votes attached to the Luna Gold common shares held by persons described in items (a) through (d) of Section 8.1(2) of MI 61-101.

The issuance of JDL securities pursuant to the Arrangement and the Concurrent Financing (as defined below) and the creation of new control persons will require a majority vote of JDL shareholders.

The special meetings of both companies are expected to be held in the second half of March 2017. A joint information circular detailing the terms and conditions of the Transaction will be filed with regulatory authorities and mailed to the securityholders of Luna Gold and shareholders of JDL in accordance with applicable securities laws.

Completion of the Transaction is expected to occur by the end of March 2017. Completion of the Transaction is subject to completion of the Concurrent Financing, which is fully backstopped by Pacific Road, and receipt of all regulatory, shareholder and court approvals in addition to other customary closing conditions. The Transaction includes customary deal-protection provisions, including non-solicitation of alternative transactions and a C\$6.5 million (\$4.9 million) reciprocal termination fee payable under certain circumstances.

Concurrent Financing

Concurrent with the Transaction, JDL intends to raise approximately C\$27 million (\$20 million) in a non-brokered private placement financing (the “Concurrent Financing”) of subscription receipts of JDL (the “Subscription Receipts”) at a price of C\$2.00 per Subscription Receipt. Pacific Road has entered into an agreement with JDL to backstop the full amount of the Concurrent Financing. Completion of the Concurrent Financing is a condition to closing of the Transaction.

Each Subscription Receipt will entitle the holder to receive automatically upon closing of the Transaction, without any further action on the part of the holder and without payment of additional consideration, one Unit, comprising one JDL common share (a “Common Share”) and one JDL listed common share purchase warrant (a “Warrant”). Each Warrant will have the same terms as the existing JDL common share purchase warrants listed on the TSX-V under the ticker symbol “JDL.WT” and will entitle the holder to acquire one Common Share of Trek at an exercise price of C\$3.00 with an expiry date of October 6, 2021.

The Shares and Warrants issued upon conversion of the Subscription Receipts may be traded by the holders through the facilities of the TSX-V and will not be subject to a statutory hold period.

Proceeds of the Concurrent Financing will be used to repay all outstanding debt payable by Luna Gold to Pacific Road.

Trek Leadership Team

Luna Gold’s executive team will remain in place with Christian Milau as CEO and Executive Director and Greg Smith joining as President and Executive Director. The new Board of Directors of Trek will have four directors appointed by Luna Gold, including the Chairman, with four appointed by JDL:

Rob Pease	Chairman	Christian Milau	CEO & Exec. Director
Greg Smith	President & Exec. Director	Dan Wilton	Director
Marcel de Groot	Director	Felipe Alves	Director
Jim O’Rourke	Director	David Lowell	Director

Trek Mining Assets

The Aurizona Project in northeastern Brazil produced gold from 2010 until late 2015 when it was placed on care and maintenance. The Aurizona Project produced a total of 329,042 ounces of gold at an average grade of 1.28 g/t gold and average recoveries of 88%. Remaining Proven & Probable Reserves are estimated at 18.6 million tonnes @ 1.62 g/t for 969,000 ounces of gold, with Measured & Indicated Resources (inclusive of reserves) of 29.9 million tonnes @ 1.67 g/t for 1,599,400 ounces of gold. ⁷

A Pre-feasibility Study for the Aurizona Project, completed in September 2016, is based on a new mine plan and mineral reserve estimate and outlines the design of an open-pit gold mine with the following attributes: ²

- **Production profile:** 150,000 ounces of gold per year for the first five years, with an initial 6.5-year mine life
- **Robust returns:** After-tax internal rate of return of 34% at \$1,250/oz (\$1,350/oz: 40%)
- **Value:** After-tax net present value (5% discount rate) of \$201 million at \$1,250/oz (\$1,350/oz: \$256 million)
- **Low capex:** Leveraging significant existing infrastructure at site results in capital benefits, with initial capital costs estimated at \$146 million, including a new mining fleet, and life-of-mine sustaining capital estimated at \$47 million
- **Low all-in sustaining costs:** Estimated at \$708/oz of gold produced

Completion of a feasibility study for Aurizona is expected around the end of Q1-2017 followed by an 18-month construction period, with first gold pour targeted for year-end 2018. ²

The Aurizona Project constitutes a large land package totaling approximately 241,400 hectares that includes the Aurizona mining license, brownfields exploration properties proximal to the Aurizona mine site, and earlier-stage greenfields exploration properties that are under option to AngloGold Ashanti Holdings plc (“AngloGold”).

Near-mine, drill-ready exploration targets include Piaba West, which has the potential to extend the existing Piaba deposit 400 metres to the southwest, and Tatajuba. The Tatajuba target is situated on the same Piaba structure and represents a potential four-km extension along strike from Piaba West. An application is underway to convert Tatajuba to a mining permit with the objective of expediting exploration of this target.

The greenfields land position covers approximately 191,426 hectares and is subject to a Joint Venture Agreement with AngloGold, whereby AngloGold can earn a 70% interest in the greenfields land position by spending \$14 million on exploration over a four-year period. AngloGold commenced exploration in August 2016 and is currently undertaking extensive airborne surveys over the entire land package, including the brownfields properties and the Aurizona mine site.

The Koricancha Mill, located in Arequipa, Peru, is an industrial gold processing plant with processing capacity of 350 tpd of ore. Koricancha purchases mineralized feed at a market discount from legally operating small-scale and artisanal miners throughout Peru and processes the material to produce gold and silver for its own account. Koricancha recommenced gold production during Q4-2016 and is focused on increasing throughput toward its installed capacity. ³

The Warintza Project is a copper-molybdenum porphyry deposit in southeast Ecuador. The project consists of mineral concessions covering a total of 22,676 hectares, located 40 km north of the Mirador copper-gold development project and near contiguous with the San Carlos Panantza exploration-stage copper-molybdenum deposit. A 2013 resource estimate for Warintza outlined 195.0 million tonnes of Inferred Resources grading 0.42% copper and 0.031% molybdenum, for 1.808 billion pounds of copper and 132.3 million pounds of molybdenum, and a copper-equivalent grade of 0.61%. ⁴

The Elk Gold Project in British Columbia, Canada consists of 27 contiguous mineral claims and one mining lease covering 16,566 hectares. Approximately 51,500 ounces of gold were produced between 1992 and 1995 from a test pit on site. A 6,597-tonne bulk sample was mined and processed in 2014, producing 3,531 ounces of gold with an average grade of 16.65 g/t. An updated resource estimate in 2016 outlined 1.043 million tonnes of Measured & Indicated Resources at a grade of 6.32 g/t for 211,900 ounces of gold, and 1.097 million tonnes of Inferred Resources at a grade of 5.94 g/t for 209,600 ounces of gold. ⁵

The Ricardo claim block consists of approximately 16,000 hectares strategically located along the West Fissure fault in Chile. The West Fissure fault hosts numerous large porphyry copper deposits including Escondida and Chuquicamata, two of the world's largest known copper deposits. While proximity to existing porphyry deposits does not guarantee that similar mineralization will exist on the Ricardo claim block, this property presents an interesting "area play" opportunity in Trek's portfolio of projects.

Lock-up Agreements

Luna Gold's officers and directors and certain shareholders holding, in the aggregate, 68% of the issued and outstanding Luna Gold shares, have entered into lock-up agreements with JDL to vote in favour of the Transaction.

JDL's officers and directors and certain shareholders holding, in the aggregate, 30% of the issued and outstanding JDL shares, have entered into lock-up agreements with Luna Gold to vote in favour of the Transaction.

Special Committee and Board of Directors' Approval

Luna Gold's Board of Directors formed a special committee (the "Luna Gold Special Committee") of independent directors to consider the Transaction. The Luna Gold Special Committee has unanimously determined that the Arrangement is in the best interests of Luna Gold, based on its investigations and considerations, including a review of the Arrangement and the fairness opinion of National Bank Financial Inc., and after consultation with management and advisors.

The independent directors of JDL have unanimously determined that completion of the Transaction is in the best interests of JDL, based on their investigations and considerations, including a review of the Arrangement and the fairness opinion of Haywood Securities Inc., and after consultation with management and advisors.

Both companies' Boards of Directors (other than directors who have abstained from voting) have unanimously approved the Transaction and will provide a written recommendation, in the joint information circulars to be mailed to their respective shareholders, that their respective shareholders vote in favour of the Transaction.

Advisors and Counsel

National Bank Financial Inc. is acting as financial advisor to Luna Gold and Blake, Cassels & Graydon LLP is acting as legal counsel. Haywood Securities Inc. is acting as financial advisor to JDL and Gowling WLG (Canada) LLP is acting as legal counsel.

Qualified Persons

David Laing, BSc, MIMMM, Luna Gold's COO, and Scott Heffernan, MSc, P.Geo. Luna Gold's EVP Exploration, are the Qualified Persons under NI 43-101 for Luna Gold and have reviewed, approved and verified the technical content of this news release as it relates to Luna Gold's Aurizona Project.

J. David Lowell, JDL's Chairman, is the Qualified Person under NI 43-101 for JDL and has reviewed, approved and verified the technical content of this news release as it relates to the Warintza, Elk Gold and Ricardo projects.

Conference Call and Webcast

Interested analysts and investors are invited to participate in a joint conference call and webcast on Thursday, February 2, 2017 at 8:30am EST (5:30am PST) using the following dial-in numbers. The webcast will be archived and accessible on both companies' websites.

Toll-free in U.S. and Canada: 1-844-707-0671
International callers: +1 703-639-1225
Conference ID: 65691435
Webcast: www.lunagold.com or www.jdlgold.com

A copy of the investor presentation, outlining the details of the Transaction and providing more information about Trek's asset portfolio, is available on the companies' websites at www.lunagold.com and at www.jdlgold.com.

About Luna Gold Corp.

Luna Gold is engaged in the exploration and development of its past producing Aurizona Gold Mine in Brazil, which was placed on care and maintenance in 2015. A pre-feasibility study for the project completed in September 2016 outlined the design of an open-pit mine producing on average 150,000 ounces of gold annually for the first five years (see the "Pre-feasibility Study on Aurizona Mine Project, Maranhão, Brazil, NI 43-101 Technical Report" completed by Lycopodium Minerals Canada Ltd.). A feasibility study for the Aurizona project is underway, with the objective of pouring gold at the Aurizona Gold Mine in late 2018. Further information is available at www.lunagold.com or by email at ir@lunagold.com.

About JDL Gold Corp.

JDL Gold is a financially strong emerging gold-copper production and development company focused on building shareholder value through the acquisition and development of precious metal and copper assets. JDL controls a diverse portfolio of assets in Peru, Ecuador, Chile and Canada. Further information is available at www.jdlgold.com or by email at info@jdlgold.com.

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Footnotes:

1. Following closing of the Transaction, including marketable securities and approximately C\$27 million (\$20 million) Concurrent Financing.
2. See the "Pre-feasibility Study on Aurizona Mine Project, Maranhão, Brazil, NI 43-101 Technical Report" completed by Lycopodium Minerals Canada Ltd. with an effective date of September 12, 2016, which is available at www.lunagold.com and on www.sedar.com.
3. The Koricancha Mill does not have a dedicated mineral resource and sources all mineralized feed for processing from third parties. The Koricancha Mill recommenced gold and silver sales in December 2016 and expects to increase gold production toward installed capacity over the course of 2017. The rate of such production, however, remains uncertain.
4. See the Warintza Project Resource Estimate. See Cautionary Notes regarding Estimates of Measured, Indicated and Inferred Mineral Resources.
5. See the Elk Gold Project Resource Estimate. See Cautionary Notes regarding Estimates of Measured, Indicated and Inferred Mineral Resources.
6. Proximity to existing porphyry deposits does not guarantee that similar mineralization will exist on the Ricardo claim block.
7. The Mineral Reserve estimate has an effective date of June 21, 2016 and is based on the Mineral Resource Estimate effective April 30, 2016. See the "Pre-feasibility Study on Aurizona Mine Project, Maranhão, Brazil, NI 43-101 Technical Report" completed by Lycopodium Minerals Canada Ltd. with an effective date of September 12, 2016, which is available at www.lunagold.com and on www.sedar.com. See Cautionary Notes regarding Estimates of Measured, Indicated and Inferred Mineral Resources.

Cautionary Notes

The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or the solicitation of any offer to buy nor will there be any sale of these securities in any province, state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such province, state or jurisdiction.

Forward-looking Statements

This document contains certain forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively "forward-looking statements"). The use of the words "will", "will be", "to create", "creating", "intends", "expects", "expected to", "anticipated", "objective", "targeting", "targeted", "advance", "build", "building", "increasing", and similar expressions are intended to identify forward-looking statements. Forward-looking statements contained in this press release include, but are not limited to, statements regarding the proposed Transaction, the proposed Concurrent Financing, the anticipated restart of production at Aurizona, the financial position of Trek following the Transaction, and the timing for completion of the Aurizona feasibility study. Although Luna Gold and JDL (the "Companies") believe that the expectations reflected in such forward-looking statements and/or information are reasonable, undue reliance should not be placed on forward-looking statements since the Companies can give no assurance that such expectations will prove to be correct. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including the risks, uncertainties and other factors identified in the Companies' periodic filings with Canadian securities regulators, and assumptions made with regard to: the Companies' ability to complete the proposed Transaction; the Companies' ability to secure the necessary shareholder, legal and regulatory approvals required to complete the Transaction; JDL's ability to complete the Concurrent Financing; the anticipated results of the feasibility study for the Aurizona Project; the anticipated Board of Directors decision to approve construction of the Aurizona Project; the ability to raise the capital required to fund construction and development of the Aurizona Project; the estimated costs associated with construction of the Aurizona Project; the ability to restart production at the Aurizona Project; the timing of the anticipated restart of production; the ability to achieve the gold production rates and costs outlined in the Aurizona pre-feasibility study; the ability to increase throughput and production levels at the Koricancha Mill; the ability to advance exploration efforts at Aurizona, Warintza, Ricardo and Elk Gold; the results of exploration efforts at Aurizona, Warintza, Ricardo and Elk Gold; and the Companies' ability to achieve the synergies expected as a result of the Transaction. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and the Companies do not undertake any obligations to publicly update and/or revise any of the included forward-looking statements, whether as a result of additional information, future events and/or otherwise, except as may be required by applicable securities laws.

Estimates of Measured, Indicated and Inferred Mineral Resources

Information concerning the properties and operations discussed in this news release has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies. The terms "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource" used in this news release are Canadian mining terms as defined in accordance with NI 43-101 under guidelines set out in the Canadian Institute of Mining,

Metallurgy and Petroleum (“CIM”) Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014. While the terms “Mineral Resource”, “Measured Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource” are recognized and required by Canadian regulations, they are not defined terms under standards of the United States Securities and Exchange Commission. Under United States standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve calculation is made. As such, certain information contained in this news release concerning descriptions of mineralization and resources under Canadian standards is not comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of the United States Securities and Exchange Commission. An “Inferred Mineral Resource” has a great amount of uncertainty as to its existence and as to its economic and legal feasibility. It cannot be assumed that all or any part of an “Inferred Mineral Resource” will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. Readers are cautioned not to assume that all or any part of Measured or Indicated Resources will ever be converted into Mineral Reserves. Readers are also cautioned not to assume that all or any part of an “Inferred Mineral Resource” exists, or is economically or legally mineable. In addition, the definitions of “Proven Mineral Reserves” and “Probable Mineral Reserves” under CIM standards differ in certain respects from the standards of the United States Securities and Exchange Commission.

Aurizona Project Reserve & Resource Estimates

Ore Type	Proven			Probable			Total		
	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)
Laterite/Saprolite	721	1.59	37,000	1,852	1.04	62,000	2,573	1.19	99,000
Hard Saprolite/Transition	2,320	1.60	119,000	3,049	1.22	119,000	5,369	1.38	238,000
Fresh Rock	3,328	1.98	212,000	7,372	1.77	420,000	10,700	1.84	632,000
Total	6,369	1.80	368,000	12,273	1.52	601,000	18,642	1.62	969,000

Area	Type	Class	Tonnes (kt)	Gold Grade (g/t)	Gold (oz)
Piaba	Pit Constrained	Measured	8,910	1.77	508,000
		Indicated	20,264	1.64	1,071,700
		M&I	29,174	1.68	1,579,700
		Inferred	2,584	0.72	60,000
	Outside Pit	Inferred	3,721	3.47	415,300
Boa Esperança	Pit Constrained	Indicated	682	0.90	19,700
		Inferred	66	0.75	1,600
Total	Pit Constrained	Measured	8,910	1.77	508,000
		Indicated	20,946	1.41	1,091,400
		M&I	29,856	1.67	1,599,400
		Inferred	2,650	0.72	61,600
	Outside Pit	Inferred	3,721	3.47	415,300

The Mineral Reserve estimate has an effective date of June 21, 2016 and is based on the Mineral Resource estimate effective on April 30, 2016. The Mineral Reserve calculation was completed under the supervision of Gordon Zurowski, P.Eng of AGP Mining Consultants Inc., who is a Qualified Person as defined under NI 43-101. Mineral Reserves are stated within the final design pit based on a \$1,104 per ounce gold price pit shell with a \$1,200 per ounce gold price for revenue. The cutoff grade was 0.38 g/t Au for all pit areas. The mining cost averaged \$2.32 per tonne mined, processing averages \$11.30 per tonne milled and G&A was \$2.84 per tonne milled. The process recovery averaged 90.5%. The exchange rate assumption applied was R\$3.50 equal to \$1.00. The PFS scope only considers the Piaba and Boa Esperança open pit mineralized zones. The Mineral Resource and Mineral Reserve estimates contained herein may be subject to legal, political, environmental or other risks that could materially affect the potential development of such Mineral Resources. See the Company’s press release dated September 12, 2016 and the Company’s latest technical report relating to the Aurizona Gold Project for additional information with respect to the key assumptions, parameters and risks relating to the mineral resource and reserves estimates and other technical and scientific information presented herein. **Mineral Resources are inclusive of Mineral Reserves.** The Mineral Resource estimate has an effective date of April 30, 2016 and was prepared by Mr. Brett R. Marsh, C.P.G. of Phoenix Geoscience, LLC, who is a qualified person under NI 43-101. Mineral Resources that are not included within the Mineral Reserves do not have demonstrated economic viability. Mineral Resources are stated at the following cutoff grades for open pit: Piaba: Laterite and Saprolite at 0.30 g/t Au; Hard Saprolite/Transition/Fresh Rock at 0.40 g/t Au. Piaba: Outside open pit at 2.0 g/t Au. Boa Esperança cutoff grade: 0.44 g/t Au. Tonnes are rounded to the nearest 1,000; ounces are rounded to the nearest 100. Small tonnage and grade differences may be found due to rounding.

Warintza Project Resource Estimate

Resource	Tonnes	CuEq%	Cu%	Copper (tonnes)	Copper (M lbs)	Mo%	Mo (tonnes)	Mo (M lbs)	CuEq (M lbs)
Inferred	194,994,000	0.61	0.42	820,000	1,807	0.031	60,000	132	2,072

The Mineral Resource estimate has an effective date of December 21, 2012 as reported in the “Technical Report, Warintza Project, Ecuador” completed by Peter Ronning, P.Eng. and Steven Ristorcelli, C.P.G. with an effective date of December 21, 2012 and a completion date of March 27, 2013. The Mineral Resource calculation was completed under the supervision of Peter Ronning, P.Eng. and Steven Ristorcelli, C.P.G., who are Qualified Persons as defined under NI 43-101. The reported resource is at a cut-off of 0.3 CuEq. Copper equivalent calculations were made for reporting purposes. The copper equivalent grade for copper plus molybdenum was calculated as $CuEq(\%) = Cu(\%) + (6 * Mo(ppm) / 10000)$. Copper-equivalent calculations reflect gross metal content and have not been adjusted for metallurgical recoveries or relative processing and smelting costs. The copper equivalent grades were used only for establishing cut-off grades for reporting.

Elk Gold Project Resource Estimate

Resource	Tonnes	Grade	Oz
M&I	1,042,600	6.32	211,900
Inferred	1,096,900	5.94	209,600

The Mineral Resource estimate has an effective date of August 22, 2016 as reported in the “Technical Report on Resources of the Elk Gold Project” completed by Robert Wilson, P.Geo., Gary Giroux, P.Eng. and Antonio Loschiavo, P.Eng. with an effective date of August 22, 2016. The Mineral Resource calculation was completed under the supervision of Gary Giroux, P.Eng., who is a Qualified Person as defined under NI 43-101. The potential open pit resources were evaluated using the Maptek Vulcan v9.1.1 Lerchs-Grossman algorithm software. The constrained resource was calculated using a gold price of US\$1232/oz. Any blocks within the constrained shell were reported using a 1.0 g/t cut-off and any blocks below the LG shell surface were reported using a 5.0 g/t cut-off. The grade reported is the average grade of the resource both in and below the pit.