Newcore Gold Announce positive updated PEA

Newcore Gold Ltd. (TSX-V: NCAU)

Announced the positive results of an updated independent Preliminary Economic Assessment (“PEA”) completed for the Company’s 100%-owned Enchi Gold Project in Ghana.

After-Tax $NPV_{5\%}$ of US$212 million, After-Tax IRR of 42% (at $1,650/oz Gold,) Average Annual Gold Production of 104,000 ounces in years 2 through 5

Newcore Gold	**TSX.V: NCAU**
Stage	**Exploration**
Metals	**Gold**
Market Cap	**C$66 m @ 67 c**
Location	**Ghana**

Newcore Gold Announces Positive Updated Preliminary Economic Assessment for the Enchi Gold Project, Ghana

June 8, 2021

Vancouver, BC – Newcore Gold Ltd. ("Newcore" or the "Company") (TSX-V: NCAU, OTCQX: NCAUF) is pleased to announce the positive results of an updated independent Preliminary Economic Assessment ("PEA") completed for the Company's 100%-owned Enchi Gold Project ("Enchi" or the "Project") in Ghana. The PEA was prepared by BBA E&C Inc. ("BBA") in accordance with National Instrument 43-101 ("NI 43-101") and contemplates a technically simple, open pit mine and heap leach operation processing 6.6 million tonnes per annum ("mtpa") utilizing contract mining.

The PEA also reflects an updated, pit constrained, Inferred Mineral Resource of 70.4 million tonnes ("Mt") grading 0.62 grams per tonne gold ("g/t Au") containing 1.4 million ounces gold.

Only 20,195 metres of drilling from the ongoing 66,000 metre drill program was included in the updated Mineral Resource Estimate. All currencies are reported in U.S. dollars unless otherwise specified.

Newcore PEA Highlights

• Strong Project Economics with Low Capital Intensity

- At a gold price of $1,650/oz: $333 million pre-tax net present value discounted at 5% ("$NPV_{5\%}$") and a 54% pre-tax internal rate of return ("IRR"), $212 million after-tax $NPV_{5\%}$, and a 42% after-tax IRR.
- At a gold price of $1,850/oz: $471 million pre-tax $NPV_{5\%}$ and a 69% pre-tax IRR, $302 million after-tax $NPV_{5\%}$, and a 54% after-tax IRR.
- Initial capital costs estimated at $97 million, with a short after-tax payback of 2.3 years.

• Establishing the Potential for a Robust Project with Significant Growth Potential

- Average annual gold production in years two through five of 104,171 ounces gold; 983,296 ounces gold recovered over an 11-year life of mine ("LOM").
- LOM strip ratio of 2.1 to 1, mined grade of 0.57 g/t gold and recovery of 79%.
- LOM operating costs [(1)] estimated at $923/oz of gold, cash costs [(2)] estimated at $1,043/oz of gold, LOM all-in sustaining costs (AISC) [(3)] estimated at $1,066/oz of gold.

• Updated Mineral Resource Estimate, Including an Initial Resource at Kwakyekrom

- The PEA includes an updated Inferred Mineral Resource Estimate of 70.4 Mt grading 0.62 g/t Au containing 1.4 million ounces gold.
- Incorporates 20,195 metres of drilling completed at Enchi in 2020 and early 2021.

• Additional Exploration Upside from Ongoing 66,000 Metre Drill Program at Enchi

- 46,000 metres of additional drilling was not included in the Mineral Resource Estimate.
- Exploration and drilling activities continue on the Enchi Gold Project, with drilling testing a series of highly prospective targets directed at extending the existing Mineral Resources along strike and down dip, further drilling of advanced gold targets across the 216 km^2 property, and first pass testing of multi-kilometre scale gold anomalies.
- Recent drilling results not included in the PEA Mineral Resource Estimate have intersected wide zones of oxide gold mineralization as well as high-grade core structures including 5.40 g/t Au over 9.0 m, 5.78 g/t Au over 7.0 m, 6.25 g/t Au over 6.0 m, 3.31 g/t Au over 9.0 m, and 2.95 g/t Au over 9.0 m and remain open along strike and to depth.

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Note: All currencies in this news release are reported in U.S. dollars unless otherwise specified.

Base case parameters assume a gold price of $1,650/oz. NPV calculated as of the commencement of construction and excludes all pre-construction costs. Cash costs and AISC are non-GAAP financial measures (see cautionary language).

(1) Operating costs consist of mining costs, processing costs, and on-site G&A.

(2) Cash costs consist of operating costs plus treatment and refining charges, and royalties.

(3) AISC consists of cash costs plus sustaining capital (excluding closure costs and salvage value).

Newcore Management comments

"The updated PEA is a notable milestone for Newcore as we look to highlight the value of not only the exploration upside across the district scale property but also the economic value of the current resources that we have defined on the Project.

"The PEA results indicate that Enchi is an economically robust, low capital intensity, heap leach project with an after-tax $NPV_{5\%}$ of $212 million and after-tax IRR of 42% at a gold price of $1,650 per ounce

"Importantly, the economics also highlight the quick payback of capital, approximately 2 years after first gold pour.

"We believe that the Project and economics have a tremendous amount of upside from resource expansion both from shallow, near surface oxide mineralisation, but also from the higher-grade structures that we are starting to define at depth.

"This PEA only includes 20,195 metres of drilling from our ongoing 66,000 metre drill program, and only incorporates the shallow, open pit oxide material defined to date, with the first deeper drilling on the project underway to define the potential for resource growth at depth.

"We are excited to continue to define the district-scale, multi-million-ounce potential at Enchi and build off the underpinning of value that the updated PEA highlights."

Luke Alexander, President and CEO of Newcore Gold

"The PEA includes an updated Mineral Resource Estimate which has increased the pit constrained Inferred Mineral Resource to 70.4 Mt grading 0.62 g/t Au and containing 1.4 million ounces gold.

"The expansion was accomplished by extending the existing resources along strike and down dip, along with the inclusion of an initial resource estimate at Kwakyekrom which is interpreted to be an extension of the same structure hosting the Nyam Gold Deposit three kilometres to the north.

"All mineral resources remain open along strike and in all cases are defined by kilometre-scale gold-in-soil anomalies on surface and geophysical anomalies which characterize the structural trends.

"The inclusion of a shallow oxide resource at Kwakyekrom highlights the potential to discover additional deposits across the Project. We will continue to work towards defining the district scale potential of the Enchi Gold Project through our ongoing 66,000 metre drill program."

Greg Smith, Vice President of Exploration of Newcore Gold

For brevity this announcement has been redacted, to read the full news release with drill results and disclaimers, please click HERE

The PEA is preliminary in nature, includes Inferred mineral resources that are considered too speculative geologically to have 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.

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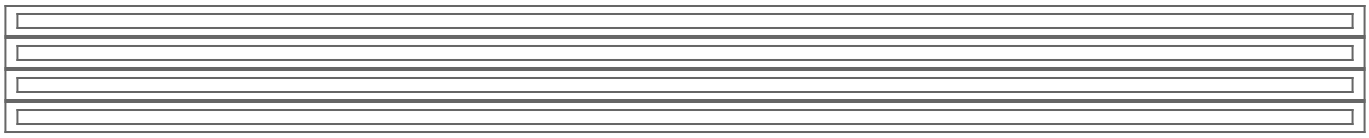
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