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ATAC Announces Updated Resource and PEA at High-Grade Tiger Gold Deposit, Rau Project, Yukon

February 27, 2020 - Vancouver, BC - ATAC Resources Ltd. (TSX-V:ATC) ("ATAC") is pleased to announce the completion of an updated Mineral Resource and Preliminary Economic Assessment ("PEA") for the Tiger Deposit, located at the western end of its 1,700 km^2 Rackla Gold Property in east-central Yukon.

The 2020 PEA and Mineral Resource update incorporates recent work, including additional diamond drilling, metallurgical testwork, and a revised geological model focusing on better defining high-grade trends.

2020 PEA Highlights

Highlights from the 2020 PEA, with a base case gold price of US$1,400/oz and an exchange rate of C$1.00 equal to US$0.77 are as follows. Unless specified otherwise, all values are shown in Canadian dollars.

- $NPV_{(5\%)}$ of $118.2 million and an IRR of 54.5% before tax, and an $NPV_{(5\%)}$ of $85.4 million and an IRR of 42.6% after tax;
- Payback period of 1.24 years (pre-tax);
- All-in sustaining cost of US$661/oz;
- Approximately 267,000 ounces of gold produced at an average diluted grade of 3.82 g/t;
- Peak annual production of 72,860 ounces of gold in the first operating year, with an average production of 61,900 ounces of gold per year for the first three years;
- Total project life of seven years, including one year of construction and pre-stripping followed by six years of operation; and
- Pre-production capital costs of $110.1 million.

"The updated geological model and PEA envision a smaller but higher grade operation than contemplated by the 2016 resource and PEA. We are very encouraged by the short payback period and high IRR, which are calculated at a base case substantially lower than current gold prices," stated Graham Downs, President and CEO of ATAC. "The updated deposit model has also identified strong high-grade trends which are open along strike and at depth. Tiger's high grades and margins, coupled with nearby satellite targets, provide a compelling case for advancement."

The Mineral Resource update was completed by Mine Development Associates ("MDA") of Reno, Nevada. The PEA was completed by Tetra Tech Canada Inc. of Vancouver, British Columbia (mining, processing, infrastructure, financial analysis, environmental); Knight Piesold Ltd. of Vancouver, British Columbia (tailings and waste management); and Blue Coast Metallurgy Ltd (metallurgy) of Parksville, British Columbia.

Figure 1 – Tiger PEA & Block Model – 3D
Figure 2 – Tiger Long Section

Table 1: Comparison with 2016 PEA

Parameter	2016 PEA	2020 PEA
Gold Price (US$/oz)	$1,250	$1,400
Exchange Rate (US$/C$)	$0.78	$0.77
Pre-Tax $NPV_{(5\%)}$ (C$M)	$106.6	$118.2
Pre-Tax IRR	34.8%	54.5%
Pre-Tax Payback (years)	1.85	1.24
Post-Tax $NPV_{(5\%)}$ (C$M)	$75.7	$85.4
Post-Tax IRR	28.2%	42.6%
Post-Tax Payback (years)	1.93	1.40
Total Recovered Gold (Ounces)	302,307	267,090
Pre-Production Capital (C$M)	$109.4	$110.1
Sustaining Capital (C$M)	$8.3	$9.3
Strip Ratio (waste to ore)	4.9:1	5.3:1

Economic Sensitivities

The following tables demonstrate the sensitivity of the Tiger Deposit pre-tax economics to changes in the price of gold and exchange rates. The base case, highlighted in the tables below, assumes US$1,400 per ounce of gold at an exchange rate of C$1.00 equal to US$0.77.

Table 2: Summary of Gold Price Sensitivity (0.77 US$/C$)

Gold Price (US$/oz)	$1,250	$1,300	$1,350	$1,400	$1,450	$1,500	$1,550
Pre-Tax NPV(5%) (C$M)	$74.9	$89.4	$103.8	$118.2	$132.6	$147.0	$161.4
Pre-Tax IRR	38.7%	44.1%	49.4%	54.5%	59.4%	64.3%	69.2%

Table 3: Summary of Exchange Rate Sensitivity (US$1,400/oz Au)

Exchange Rate (US$/C$)	0.75	0.76	0.77	0.78	0.79
Pre-Tax NPV(5%) (C$M)	$129.0	$123.5	$118.2	$113.0	$108.0
Pre-Tax IRR	58.2%	56.3%	54.5%	52.6%	50.9%

Opportunities for Future Improvement

The updated Resource and PEA provide a number of key opportunities to further enhance the value of the Tiger Project:

- Refined geology model identified significant high grade trends which are open along strike;
- Detailed review of geology and drilling identified areas where infill drilling could improve grade and resource continuity;
- Drilling to date has been limited in depth as only open pit mining has been contemplated. Opportunities exist to extend sulfide mineralization at depth with grades which could potentially support underground mining, as demonstrated by the underground-constrained portion of the resource; and
- Prospecting, mapping and geochemical sampling has identified numerous nearby early-stage targets which could provide further oxide and sulphide gold mineralization.

Mining and Processing

Consistent with previous studies, the Tiger Project has been modeled as an owner-operator, conventional truck-and-shovel open-pit mining operation with a conventional carbon-in-pulp ("CIP") gold recovery process. Year-round operations would be supported via a 68 km tote road, which would connect the project to the Yukon highway system, near Keno City.

A total of 2.7 Mt of mineralized material and 14.4 Mt of waste rock will be produced from the pit during the 7 years of mining operations and pre-stripping. The life-of-mine ("LOM") average diluted gold grade is 3.82 g/t. The LOM stripping ratio (defined as waste material mined divided by mineralized material mined) is 5.3:1.

Mineralized material will be crushed, ground and cyanide leached in a conventional CIP circuit, with production of doré bars on site via a standard adsorption, desorption and recovery treatment. Based on the results of metallurgical testwork and the mining schedule, projected LOM average recoveries are 90.5% for oxide material and 60.8% for sulphide material.

The processing plant will operate year-round at a rate of 1,500 tonnes per calendar day, and will achieve full throughput in Year 2. Peak annual production will be approximately 72,860 oz of gold in Year 1, with a LOM average annual production of approximately 45,000 oz gold. Production during the first three operating years averages 61,900 ounces of gold per year.

Capital and Operating Costs

Total LOM capital costs are $119.4 million, with $110.1 million in pre-production costs, and $9.3 million in sustaining capital. To minimize initial capital costs, the PEA has assumed that modular equipment would be used where possible and that some equipment and facilities will be leased.

The following tables summarize the project capital and operating costs.

Table 4: Pre-Production and Sustaining Capital Costs

Area	Pre-Production ($M)	Sustaining ($M)	Life-of-Mine ($M)
Site Infrastructure	$8.4	-	$8.4
Access Road	$11.6	-	$11.6
Open Pit Mining*	$10.4	-	$10.4
Materials Crushing and Handling	$2.0	-	$2.0
Process Plant	$30.4	-	$30.4
Tailings and Water Management	$8.0	$9.3	$17.3
Project Indirects	$20.8	-	$20.8
Owner's Costs	$1.3	-	$1.3
Contingencies**	$17.2	-	$17.2

* Includes capitalized pre-production mining costs. Major mining equipment is leased.

** Contingencies were factored on an area-by-area basis depending on the detail level of each estimate.

Table 5: Operating Costs

Area	LOM Average
Mining Cost ($/t mined)*	$4.28
Processing Cost ($/t processed)	$29.88
G&A ($/t processed)	$15.33
Surface Services ($/t processed)	$4.68
Tailings & Waste ($/t processed)	$0.64
Camp & Genset Leasing ($/t processed)	$1.68
Equipment Leasing ($/t processed)	$3.55

* Not including capitalized pre-production mining costs

Mineral Resource

MDA completed an updated Mineral Resource incorporating work completed on the project since 2015. The 2020 resource includes a significantly more detailed geological model which better delineates high-grade trends throughout the deposit. Furthermore, the 2020 resource incorporates pit and underground constraints to meet a test of "reasonable prospects of economic extraction" in accordance with current CIM Best Practice Guidelines.

The 2016 resource did not include mining and economic constraints and instead presented a global resource. For the 2020 update, the global Tiger Deposit resource has been reclassified into open pit and underground categories, and peripheral low grade sections present in the 2016 resource are no longer considered reportable. As a result, the previous and updated resources are not directly comparable.

Tungsten was estimated but is not included in the PEA or reported in this press release as preliminary trade-off analysis found the economic contribution to be positive but marginal. Contained tungsten will be reported in the full Technical Report.

The following table shows the Tiger Deposit Mineral Resource as of January 3, 2020.

Table 6: Tiger Deposit Mineral Resources

Type	Constraints*	Classification	Au Cut-off (g/t)	Tonnes > Cut-off	Grade (Au,g/t)**	Ounces (Au)
Oxide	Open Pit	Indicated	0.75	1,980,000	3.74	238,000
	Underground	Indicated	1.50	165,000	3.09	16,000
Sulphide	Open Pit	Measured	0.75	799,000	2.92	75,000
	Open Pit	Indicated	0.75	847,000	2.68	73,000
	Underground	Measured	1.50	29,000	2.06	2,000
	Underground	Indicated	1.50	706,000	2.64	60,000
Total		**M+I**	**Variable**	**4,526,000**	**3.19**	**464,000**
Oxide	Open Pit	Inferred	0.75	20,000	1.54	1,000
	Underground	Inferred	1.50	41,000	2.62	3,000
Sulphide	Open Pit	Inferred	0.75	7,000	2.41	500
	Underground	Inferred	1.50	97,000	2.26	7,000
Total		**Inferred**	**Variable**	**165,000**	**2.17**	**11,500**

* Open Pit constraints were conducted using a US$1,625 pit shell with economic parameters similar to the PEA parameters. Underground constraints were conducted using a 1.4 g/t grade shell and removal of thin/sporadic zones based on MDA's experience.

** Gold grades are block-diluted.

Qualified Persons

The reader should be 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. There is no certainty that the results of the PEA will be realized.

A Technical Report supporting the PEA in accordance with National Instrument 43-101 will be filed on SEDAR (www.sedar.com) and ATAC's website (www.atacresources.com) within 45 days. Further details regarding the 2016 Mineral Resource and PEA can be found in the Technical Report dated May 31, 2016, which is filed on SEDAR and available on ATAC's website.

The PEA was prepared under the direction of Tetra Tech Canada Inc., in cooperation with other industry consultants, all of whom are Qualified Persons (QPs) under terms of NI 43-101 and have reviewed the technical content of this press release and approved its dissemination. QPs contributing to the Mineral Resource and PEA are listed in the following table.

Table 7: Qualified Persons

Qualified Person	Company
Suraj Priyadarshi, P.Eng.	Tetra Tech Canada Inc.
Hassan Ghaffari, P.Eng., M.A.Sc	Tetra Tech Canada Inc.
Jianhui (John) Huang, Ph.D., P.Eng.	Tetra Tech Canada Inc.
Chris Martin, C.Eng., MIMMM	Blue Coast Metallurgy Ltd.
Steven Ristorcelli, C.P.G.	Mine Development Associates
Peter Ronning, P.Eng.	New Caledonian Geological Consulting
Bruno Borntraeger, P.Eng.	Knight Piesold Ltd.
Matthew Dumala, P.Eng.	Archer, Cathro & Associates (1981) Limited

Matthew Dumala, P.Eng., a Geological Engineer with Archer, Cathro & Associates (1981) Limited, is the company's designated QP for this news release within the meaning of National Instrument 43-101 and has reviewed and validated that the information contained in this news release is consistent with that provided by the QPs responsible for the PEA.

About ATAC

ATAC is a Vancouver-based exploration company focused on advancing Yukon's premier precious & base metal district, and grassroots exploration in Nevada. Work on its ~1,700 km^2 Rackla Gold Property in Yukon has resulted in the Osiris Project Inferred Mineral Resource of 1,685,000 oz of gold at an average grade of 4.23 g/t (in 12.4 Mt), a positive Preliminary Economic Assessment for the Tiger Gold Deposit, and numerous early-stage gold and base metal discoveries. ATAC is well-financed with approximately $10 million in working capital.

On behalf of Management and the Board of Directors of ATAC Resources Ltd.

Graham Downs, President and CEO

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