ATAC RESOURCES LTD.
1016-510 West Hastings Street
Vancouver, BC V6B 1L8
604-687-2522
info@atacresources.com
www.atacresources.com

ATAC Announces Positive Results of an Updated PEA at the High-Grade Tiger Gold Deposit, Rackla Gold Project, Yukon

May 31, 2016 – ATAC Resources Ltd. (TSX-V:ATC) is pleased to announce the completion of an updated Preliminary Economic Assessment ("PEA") for the Tiger Deposit, located at the western side of the Company's 100% owned Rackla Gold Project, Yukon.

The 2016 PEA has incorporated results of geotechnical and infill drilling conducted in 2015 and metallurgical studies completed in early 2016. Key changes to the 2014 PEA consist of the inclusion of both oxide and sulphide resources and the adoption of a simplified year-round agitated tank carbon-in-pulp ("CIP") leaching process. The 2014 PEA (see ATAC news release dated July 23, 2014) only investigated the extraction of oxide resources by means of a seasonal hybrid heap-leach and agitated tank carbon-in-leach ("CIL") process.

2016 PEA Highlights:

Highlights from the 2016 PEA, with the base case gold price of US$1,250/oz and an exchange rate of CA$1.00 equal to US$0.78 are as follows. Unless specified otherwise, all values are shown in Canadian dollars.

- $NPV_{(5\%)}$ of $106.6 million and an IRR of 34.8% before tax, and an $NPV_{(5\%)}$ of $75.7 million and an IRR of 28.2% after tax, with an all-in sustaining cost of US$864/oz;
- Compared to the 2014 PEA, the 2016 PEA extends the mine life by 2 years, more than doubles the pre-tax $NPV_{(5\%)}$ and increases the pre-tax IRR by 4.8%;
- Approximately 302,307 ounces of gold produced at an average undiluted grade of 3.81 g/t gold;
- Total project life increases to approximately 9 years, including 1 year of construction and pre-stripping followed by 6 years of owner-operated open-pit mining and 2 years of reclamation; and,
- Pre-production capital cost of $109.4 million and life-of-mine ("LOM") sustaining capital costs totaling $8.3 million.

"We are very pleased to have doubled the pre-tax NPV to over $100 million and to have been able to improve on every other 2014 PEA metric. The future development of the Tiger Deposit would bring critical infrastructure, including tote road access, to the Rackla Gold Project. Exploration will begin shortly at the newly discovered 10 km^2 Airstrip gold anomaly and elsewhere within the Rau Trend with the objective of identifying additional nearby resources. ATAC will continue to explore opportunities to advance or monetize the Tiger Deposit through sole development or joint venture," states Graham Downs, President and CEO of ATAC. "ATAC remains committed to further advancing the entire Rackla Gold Project, including the Carlin-type targets within the Nadaleen Trend. Drilling is scheduled to begin soon at the Orion discovery, where one of the last holes of 2015 (ARB-15-026) intersected 3.79 g/t gold over 47.24 m."

Tetra Tech WEI Inc. ("Tetra Tech") (mining, processing, infrastructure, financial analysis) was contracted to complete the PEA in cooperation with Blue Coast Metallurgy Ltd. (metallurgy), Knight Piésold Ltd. (tailings), Resource Strategies (environmental and permitting), Giroux Consultants Ltd. (mineral resource) and Archer, Cathro & Associates (1981) Limited (geology, mineralization and exploration).

Table I: Comparison of Key Results and Parameters

	2014 PEA	2016 PEA*
Gold Price (US$/oz)	$1250	$1250
Exchange Rate (US$/CA$)	0.92	0.78
Pre-tax $NPV_{(5\%)}$ (millions)	$52.2	$106.6
Pre-tax IRR	30.0%	34.8%
Post-tax $NPV_{(5\%)}$ (millions)	$33.67	$75.71
Post-tax IRR	21.5%	28.2%
Recovered Gold	221,558 oz	302,307 oz
Average Gold Grade	3.72 g/t	3.81 g/t
Average Oxide Recovery	89.8%	90.3%
Average Sulphide Recovery	0%	57.7%
Pre-production Capital (millions)	$92.3	$109.4
Sustaining Capital (millions)	$26.5	$8.3
Payback (pre-tax)	2.2 years	1.85 years
Payback (post-tax)	2.6 years	1.93 years
Pre-production Period	1 year	1 year
Mine Life	4 years	6.2 years
Closure Period	2 years	2 years
Project Life	7 years	9.2 years
Process	Hybrid CIL/Heap Leach	CIP
Production Rate	3,300 tpd	1,500 tpd
Operational Period	Seasonal (158 days)	Year-round (365 days)
Strip Ratio	5.6:1	4.9:1
Access Method	Winter Road	Tote Road

* The 2016 PEA does not consider silver resources.

Key Improvements over the 2014 PEA:

The 2016 PEA envisions a conventional year-round operation and has improved upon all aspects of the 2014 PEA. Key improvements include:

- Increased the pre-tax $NPV_{(5\%)}$ by $54.4M;
- 36% increase in total recovered ounces;
- Project life extended by 2 years;
- Pre-tax payback period reduced to 1.85 years;
- **Tote road access:** supports year-round operations and simplifies project logistics;
- **100% CIP process:** simplified and conventional process allows for year-round operations and reduces LOM sustaining capital costs;
- **Relocated and consolidated project infrastructure:** reduced overall environmental footprint and haulage costs; and,
- **Year-round operations:** alleviates logistical and staffing challenges associated with seasonal access and operations.

Economic Results and Sensitivities

The following tables demonstrate the sensitivity of the Tiger Deposit pre-tax economics to changes to the price of gold and exchange rates. The base case, highlighted in the tables below, assumes US$1,250 per ounce of gold at an exchange rate of CA$1.00 equals US$0.78.

Table II: Summary of Gold Price Sensitivity (0.78 US$/CA$)

Gold Price (US$/oz)	**$1,200**	**$1,250**	**$1,300**
Pre-tax Cumulative Net Cash Flow ($M)	$130.1	$149.4	$168.7
Pre-tax $NPV_{(5\%)}$ ($M)	$90.8	$106.6	$122.3
Pre-tax IRR	30.8%	34.8%	38.8%

Table III: Summary of Exchange Rate Sensitivity (US$1,250/oz Au)

Exchange Rate (US$/CA$)	**0.76 US$/CA$**	**0.78 US$/CA$**	**0.80 US$/CA$**
Pre-tax Cumulative Net Cash Flow ($M)	$162.0	$149.4	$137.4
Pre-tax $NPV_{(5\%)}$ ($M)	$116.9	$106.6	$96.8
Pre-tax IRR	37.4%	34.8%	32.3%

Mining and Processing

The Tiger Project has been modeled as an owner-operator, conventional truck-and-shovel open-pit mining operation with a conventional CIP gold recovery process. Year-round operations would be supported via a 68 km tote road, which connects the project to the Yukon highway system, near Keno City.

Mineralized material will be loaded into 40 tonne articulated trucks and delivered to the process plant, located 1 km southwest of the pit. High-grade mineralized material will be sent directly to the primary crusher, while low-grade stockpile material will be stored close to the primary crusher. Waste material from the pit will be stored in two waste dumps, located at the northwest and southwest sides of the pit. A total of 3.2 Mt of the Mineral Resource and 15.6 Mt of waste rock will be produced from the pit during the 7 years of mining operations and pre-stripping. The LOM average gold grade of mined oxide and sulphide resources is 4.06 g/t and 2.99 g/t, respectively. The LOM stripping ratio (defined as waste material mined divided by Mineral Resources mined) is 4.9.

Due to the soft nature of the mineralization and host rock, a single stage of crushing will be performed by a MMD sizer. Crushed material will be ground to 80% passing 75 microns using a semi-autogenous grinding mill and a ball mill in series before cyanide leaching in a conventional CIP circuit. The leach tailings will be detoxified and stored in a lined facility within the Tiger Valley. Gold will be refined into doré bars on site through a standard Adsorption, Desorption and Recovery treatment. Based on the results of metallurgical testwork and the mining schedule, projected LOM average recoveries are 90.3% for oxide mineralization and 57.7% for sulphide mineralization.

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 86,555 oz of gold in Year 2, with a LOM average annual production of approximately 50,000 oz gold, excluding the final year which will operate for a reduced period.

Capital and Operating Costs

Total LOM capital costs are $117.7 million, with $109.4 million in pre-production costs and $8.3 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 IV: Pre-Production and Sustaining Capital Costs

Area	Pre-Production ($M)*	Sustaining ($M)*	LOM ($M)*
Site Infrastructure	$8.1	-	$8.1
Tote Road	$11.0	-	$11.0
Open Pit Mining**	$13.2	$0.03	$13.2
Materials Crushing and Handling	$2.0	-	$2.0
Process Plant	$29.7	-	$29.7
Tailings and Water Management	$7.9	$6.1	$14.0
Project Indirects	$19.8	-	$19.8
Owner's Costs	$1.2	-	$1.2
Contingencies***	$16.5	$2.2	$18.7
Total	**$109.4**	**$8.3**	**$117.7**

* Totals may not add exactly due to rounding.

** 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 V: Operating Costs

Description	LOM Average
Mining Cost ($/t mined)*	$4.31
Processing Cost ($/t processed)	$26.98
G&A ($/t processed)	$12.38
Surface Services ($/t processed)	$3.80
Equipment Leasing ($/t processed)	$1.68

*Not including capitalized pre-production mining costs

Opportunities to Enhance Value

ATAC is very pleased with the increased value of the Tiger Deposit shown in this updated PEA relative to the initial 2014 PEA and believes that opportunities exist to further enhance the economics of the project. Some key opportunities include:

- Significant potential exists to increase the resource base and life expectancy of the project with the exploration of more than 15 early-stage satellite oxide gold targets and geochemical anomalies;
- Additional geotechnical studies may permit steeper pit slopes, which would further reduce the strip ratio and could potentially allow additional known resources to be accessed;
- Additional diamond drilling within the sulphide zone would convert inferred resources to the indicated category and could potentially lead to the inclusion of additional known sulphide resources; and,
- Additional diamond drilling targeting high-grade oxide structures (including 162.0 g/t gold over 2.90 m in Rau-09-019) could better define high-grade domains for inclusion in future resource estimates.

Environmental and Community Engagement

Since 2008, ATAC has completed comprehensive water, heritage, wildlife and fisheries studies. ATAC will continue environmental baseline work and ongoing studies as it advances the Tiger Deposit and other targets throughout the Rackla Gold Project.

Community and First Nation engagement began in 2008, and an Exploration Cooperation Agreement with the First Nation of Na Cho Nyak Dun ("NNDFN") was signed in 2010. This Exploration Cooperation Agreement with the NNDFN provides a framework within which exploration activities and environmental regulatory process on ATAC's Rackla Gold Project have been and will continue to be carried out. The Rackla Gold Project lies exclusively within the Traditional Territory of the NNDFN.

Metallurgy

Metallurgical testwork has been previously conducted in several phases on both the oxide and sulphide material, including work by G&T Metallurgical, SGS Canada, and Kappes, Cassiday & Associates in support of the 2014 PEA. Additional variability cyanide leach testwork was conducted on the Tiger Deposit by Blue Coast Research Ltd. in 2016 for the updated PEA. Bottle roll testing was conducted on eight oxide and eight sulphide composites, and master composites samples. Samples were selected to evaluate potential variability in grade and mineralization throughout the deposit. Oxide recoveries from 24-hr bottle roll tests ranged from 77% to 98%. Sulphide recoveries from 24-hour bottle roll tests ranged from 13% to 88%.

Mineral Resources

The Mineral Resource estimate used in the updated PEA was completed by Gary Giroux, P.Eng., M.A.Sc. (Giroux Consultants Ltd.) using 6,222 assays taken from 150 diamond drill holes, totalling 26,844 m. The effective date of this Mineral Resource estimate is October 28, 2015. A three dimensional solid model was constructed to constrain oxide and sulphide mineralization.

Gold distribution, within the mineralized solids, was examined using a lognormal cumulative frequency plot to determine appropriate capping levels. Three metre composites were formed, honouring solid boundaries, using the capped assay data. Ordinary Kriging was used to interpolate gold and silver values into a 5x5x5 m block model.

Mineral Resources are reported at a 0.5 g/t cut-off in oxides and 1.0 g/t cut-off in sulphides are reported in the table below. These cut-off grades were selected based on comparison to other analogous deposits.

Table VI: Combined Oxides and Sulphide Resource

Type	Classification	Au Cut-off (g/t)	Tonnes > Cut-off	Grade>Cut-off		Contained Metal	
				Au (g/t)	Ag (g/t)	Au (oz)	Ag (oz)
Oxides	Measured	0.50	2,600,000	3.10	4.77	259,100	398,700
	Indicated	0.50	1,720,000	2.47	4.10	136,300	226,700
Sulphides	Indicated	1.00	1,360,000	2.07	0.56	90,300	24,500
Total	**M+I**		**5,680,000**	**2.66**	**3.56**	**485,700**	**649,900**
Oxides	Inferred	0.50	280,000	1.52	5.67	13,700	51,000
Sulphides	Inferred	1.00	2,950,000	1.84	0.47	174,800	44,600
Total	**Inferred**		**3,230,000**	**1.81**	**0.92**	**188,500**	**95,600**

The primary difference between this Mineral Resource and the Mineral Resource used in the 2014 PEA is an increase in measured resources within the oxide domain. There is little difference in the total tonnes and contained ounces of gold between the two mineral resources.

Tiger Tote Road

Access to the Rau Trend and Tiger Gold Deposit, 55 km northeast of Keno City, would be by means of a tote road, which ATAC intends to permit and construct to support advanced exploration activities. The proposed tote road would branch off the Hanson Lake Road west of Keno City and is envisioned as a gated, single-lane (5 m wide) and radio-controlled road suitable for vehicles that support advanced

exploration at the Tiger Deposit and throughout the Rau Trend. The total length of the tote road would be approximately 68 km and would consist of 51 km of new road and upgrading of 17 km of pre-existing winter road.

For the purposes of this PEA, the full cost of the tote road is included in the pre-production capital costs.

ATAC has been active in preparing for permitting the tote road to the Rackla Gold Project. Discussions regarding access and development of the Tiger Deposit with the NNDFN, local communities and other interested parties has been ongoing for more than seven years. Recent meetings in March and April 2016 included several town meetings in Mayo and Keno City to discuss the proposed tote road. Details of this consultation can be found on ATAC's website. NNDFN and community consultation is ongoing.

About ATAC

ATAC is a Yukon-based exploration company focused on developing Canada's only Carlin-type gold district at its 100% owned 1,700 km^2 Rackla Gold Project. Recent work on the project has resulted in drilling of multiple high-grade Carlin-type gold zones and the identification of numerous early-stage gold exploration targets. The Rackla Gold Project has no underlying royalties or third-party interests. ATAC is well financed with approximately $19 million in its treasury.

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 2011 Mineral Resource and the 2014 PEA can be found in the Technical Reports dated November 15, 2011, and September 4, 2014, which are both filed on SEDAR and ATAC's website.

The PEA was prepared under the direction of Tetra Tech WEI 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 PEA are listed in the following table.

Table VII: QPs contributing to the PEA

Qualified Person, Designation	Company
Sabry Abdel Hafez, Ph.D., P.Eng.	Tetra Tech WEI Inc.
Hassan Ghaffari, P.Eng., M.A.Sc.	Tetra Tech WEI Inc.
John Huang, Ph.D., P.Eng.	Tetra Tech WEI Inc.
Chris Martin, C.Eng.	Blue Coast Metallurgy Ltd.
Gary Giroux, P.Eng., M.A.Sc.	Giroux Consultants Ltd.
Bruno Borntraeger, P.Eng.	Knight Piésold Ltd.
Rob McIntyre, R.E.T.	Resource Strategies
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 the release is consistent with that provided by the QPs responsible for the PEA.

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

Graham Downs, President and CEO
For further information, please contact:

Vanessa Pickering, Manager, Corporate Communications
ATAC Resources Ltd.
T: 604-687-2522 ext. 260
info@atacresources.com