

Steppe Gold Ltd: Development and Financing Update

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TORONTO, April 29, 2019 - [Steppe Gold Ltd.](#) (TSX: STGO) (the "Company" or "Steppe Gold") is pleased to provide an update on its progress in Mongolia.

ADR Plant in foreground, Cell 1 & 2 in background (right), ponds in background (left) – March 18, 2019

ADR Plant, storm water, barren and impregnated ponds (back center), cell 1 & 2 (right) – April 25, 2019

Storm water pond (left), barren and impregnated ponds (center), Cell 1 & 2 (right) – April 25, 2019

Cell 1 & 2 – April 25, 2019

ADR plant showing erected and installed carbon columns (background) – April 25, 2019

The Company has been mining since November 2018 and has completed Phase I mining with 230,000 tonnes mined. It is now moving rapidly to completion of the ADR plant, ahead of first gold in H2 2019.

The majority of the capital expenditure has been incurred and the project remains under budget. At April 1, 2019, the Company had approximately US\$2.7m (C\$3.64¹) cash on hand. To ensure the Company is properly capitalized through to production, the Company believes it to be prudent to strengthen the balance sheet.

Accordingly, the Company announces today that it is conducting a non-brokered private placement of a minimum of US\$5.0m (C\$6.75m) aggregate principal amount of unsecured convertible debentures. This financing also allows Steppe Gold to proceed with a summer exploration program on the ATO-4-Mungu trend as well as the trenching and drilling program on the four discoveries made on our highly prospective Uudam Khundii Project in Bayankhongor Province, in the south west of the country.

The convertible debentures will bear interest from the date of closing at 10% per annum, calculated and payable semi-annually in arrears and will mature on the date that is three years from the date of issue. The convertible debentures will be convertible at the option of the holder into common shares of the Company (the "Common Shares") at any time prior to maturity at a conversion price of C\$0.90 per Common Share. The offering is subject to TSX approval and is expected to close on or about May 24, 2019.

The Company can confirm that it has firm commitments for the private placement from European investors for approximately US\$5.0m (C\$6.75m). This financing keeps the Company fully funded into production.

Development Update

Mining and Crushing

The Company has now completed Phase I mining with a total of 230,000 tonnes of ore and no waste being mined resulting in a zero strip ratio. The lack of waste has been a considerable bonus to the Company as we have significantly higher modelled gold grades on the Phase I mining program. Total mined gold grade for the Phase I mining program was 2.3 g/t gold equating to approximately 17,000oz of gold stacked on the pad for leaching. The Company is modelling a leach recovery for gold of 70% which would equate to approximately 12,000 oz of recoverable gold on the pad and available for leaching.

Leach Pad and Ponds

Cells 1 and 2 lining has now been completed. Initial ore stacking on cell 1 will continue for a further 10 days when Phase I ore mined will all be crushed and stacked for leaching. Both barren and pregnant ponds have been lined and pumps will be installed in the coming week. The storm water pond has also been completed and lined. The 800mm solution return pipe and the 500mm irrigation pipes have been installed. The 300mm water bore pipe to the ponds will be completed in early-mid May.

ADR Plant

The construction of the ADR facility building continues, with all steel installed and foundation concrete poured. Sandwich panels and roofing panels are currently being installed. All ADR facility equipment is on site and is being installed with the assistance of the manufacturer. Carbon columns, chemical mixing tanks and elution circuit platforms are now in place and connection of facilities is now underway. The Company has now successfully completed and tested two water bores MTB03 and MTB04. MTB04 being 100 meters from the plant with a flow rate of 6.8l/sec (facility requires 5.5l/sec). MTB03 will be utilised as a backup bore and has a flow rate of 5.0l/sec.

“We are pleased with the progress the team continues to make and are highly encouraged by the results of the Phase I mining program,” said Matthew Wood, President and CEO of the Company. “The updates above as well as the upcoming milestones bring us significantly closer to first gold production. The funds being raised in the current convertible debenture are a vote of confidence in the team at Steppe Gold and the quality of our assets.”

A selection of photos has been included demonstrating activities on site:

Photos accompanying this announcement are available at
<http://www.globenewswire.com/NewsRoom/AttachmentNg/d427b67b-6073-49bd-ac40-15ae7e18de55>

<http://www.globenewswire.com/NewsRoom/AttachmentNg/e7ed3d09-2b99-4ae8-b2a9-719193325e6f>

<http://www.globenewswire.com/NewsRoom/AttachmentNg/7caba6c5-dd15-41e7-926d-583865184e2e>

<http://www.globenewswire.com/NewsRoom/AttachmentNg/c52446a5-69f9-4378-9a8f-c0e6dedb606c>

<http://www.globenewswire.com/NewsRoom/AttachmentNg/7b3a18ce-5e63-4c8c-945f-17beca60aa6f>

Qualified Person

Technical information in this press release not contained in the Technical Report has been reviewed and approved by Enkhuvshin Khishguren, Certified Professional Geologist from AIPG, certification number CPG-11964, Vice President of Exploration, and a “qualified person” under NI 43-101.

ABOUT STEPPE GOLD LTD.

Steppe Gold is a precious metals development company with an aggressive growth strategy to build Steppe Gold into the premier precious metals company in Mongolia. The Company owns 100% of the advanced staged Altan Tsaagan Ovoo Gold Project where a heap leach development is currently being completed. The second development phase of the ATO Project is the construction of an approximate 150,000oz per annum CIL operation and this is currently subject to the completion of a feasibility study. The Company is also working on the completion of a new resource for the ATO project which will include the new high grade Mungu Discovery.

Cautionary Note Regarding Forward-Looking Statements:

The above contains forward-looking statements that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in our forward-looking statements. Factors that could cause such differences include: changes in world commodity markets, equity markets, costs and supply of materials relevant to the mining industry, change in government and changes to regulations affecting the mining industry. Forward-looking statements in this release include, among other things, statements regarding the trading of the Common Shares and business, economic, and political conditions in Mongolia. Although we believe the expectations reflected in our forward-looking statements are reasonable, results may vary, and we cannot guarantee future results, levels of activity, performance or achievements. We disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.

¹ US to Canada Exchange rate from XE.com as at April 24, 2019 (US\$1 = C\$1.34965)

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