



PREMIER GOLD MINES LIMITED

**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2019**

March 27, 2020

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GENERAL MATTERS

References to the Corporation

Unless otherwise indicated or the context otherwise indicates, use of the terms "**Corporation**" and "**Premier**" in this annual information form (this "**AIF**") refer to Premier Gold Mines Limited and its direct and indirect subsidiaries, or other entities controlled by them, on a consolidated basis.

Financial Information

Unless otherwise indicated, all financial information referred to in this AIF was prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Currency References and Exchange Rate Information

This AIF contains references to the Canadian dollar and the United States dollar. Unless otherwise indicated, all references to "\$" or "C\$" or "dollars" in this AIF are references to Canadian dollars. United States dollars are referred to as "U.S. dollars" or "US\$". As at December 31, 2019, the rate of exchange between the United States dollar and the Canadian dollar as reported by the Bank of Canada was US\$1.00 = C\$0.7699 or C\$1.2988 = US\$1.00.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This AIF contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "**forward-looking statements**"). These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "guidance", "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. All forward-looking statements contained in this AIF speak only as of the date of this AIF or as of the date or dates specified in such statements.

Forward-looking statements in this AIF include, but are not limited to, statements with respect to:

- future financial or operating performance of the Corporation and its mines and projects, including anticipated production rates;
- targeted milestones for the Corporation's mines and projects;
- expectations, strategies and plans for the Corporation's mines and projects, including with respect to mineral reserve and resource estimates and the quantity and quality thereof, expected mine life, development schedule, production, capital and operating cost estimates, availability of capital for development and overall financial analyses;
- supply and demand for gold and silver;
- realization of mineral resource and reserve estimates;
- timing of exploration and development projects;
- costs, timing and location of future drilling;
- results of future exploration and drilling and estimated completion dates for certain milestones;

- the ability of the Corporation to obtain and maintain all government approvals, permits and third party consents in connection with the Corporation's activities;
- government regulation of mining operations;
- evolution and economic performance of development projects;
- timing of geological and/or technical reports;
- future strategic plans;
- operating and exploration budgets and targets;
- continuity of a favourable gold market;
- contractual commitments;
- environmental risks;
- continuous availability of required manpower;
- continuous access to capital markets; and
- any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others:

- risks normally incidental to the nature of mineral exploration, development and mining;
- general business, social, economic, political, regulatory and competitive uncertainties;
- the actual results of current mining operations and development activities;
- operating and/or project delays or interruptions;
- capital requirements, including increases in operating and capital costs;
- the uncertainty of mineral resource or mineral reserve estimates and mineral resources not having demonstrated economic viability;
- the speculative nature of mineral exploration and project development, including the risk of diminishing quantities or grades of mineralization and the inherent riskiness of inferred mineral resources;
- geological, hydrological and climatic events that may adversely affect infrastructure, operations and development plans and the inability to effectively mitigate or predict with certainty the occurrence of such events;
- fluctuating commodity prices;
- financing risks and debt and liquidity risks;
- risks associated with inaccurate capital and operational costs estimates;
- risks related to accounting policies and internal controls;
- risks related to the failure or breach of network systems or other digital technologies;
- labour difficulties;

- dependence on key personnel and risks associated with management being unable to successfully apply their skills and experience to attract and retain highly skilled personnel;
- reliance on third parties and experts outside of Canada;
- risks related to joint ventures;
- conflicts of interest;
- there being no assurance of title to mineral projects;
- risks related to future production estimates and guidance;
- aboriginal claims and consultation issues;
- maintenance or provision of infrastructure;
- risks associated with the construction and start-up of new mines;
- changes in mine or project parameters as plans continue to be refined;
- personal safety and asset security risks in regions linked to criminal activity;
- risks related to health epidemics and outbreak of communicable diseases, such as the current outbreak of the novel coronavirus, COVID-19;
- failure of plant, equipment or processes to operate as anticipated;
- insurance and uninsured risks;
- environmental regulations and potential liabilities;
- the Corporation's activities being subject to extensive governmental regulation;
- the Corporation's failure to comply with laws and regulations or other regulatory requirements;
- the Corporation's failure to comply with or renew existing approvals, licences and permits or its inability to obtain, on a timely basis or at all, any new approvals, licences and permits that may be required to support development or construction plans;
- competition from other mining businesses;
- unexpected disruptions in services provided by smelters or refiners;
- risks associated with conducting business in foreign countries;
- corruption risks and compliance with anti-corruption laws;
- fluctuations in the value of the U.S. dollar and Mexican peso;
- dilution and future sales of the common shares of the Corporation ("**Premier Common Shares**");
- volatility of the trading price of Premier Common Shares;
- risks arising from community relations and public opposition to mining activities;
- weather and climate change risks;
- litigation risks and reputational risks,

as well as those additional risk factors listed in the "*Risk Factors*" section of this AIF. Although the Corporation has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from what is anticipated, estimated or intended. Those factors are described or referred to below in this AIF under the

heading "*Risk Factors*" and elsewhere herein. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently deems immaterial may also impair the Corporation's business operations.

Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this AIF. Such statements are based on a number of assumptions, which may prove to be incorrect, including, but not limited to, assumptions about the following:

- favourable equity and debt capital markets;
- the supply and demand for, and the level and volatility of, future gold and silver prices;
- operating and capital costs;
- the Corporation's ability to raise any necessary additional capital on reasonable terms to advance the development of its projects and pursue planned exploration;
- the economy and the mining industry in general;
- the accuracy of the Corporation's mineral reserve and resource estimates and the geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources) and operational and price assumptions on which the mineral reserve and resource estimates are based;
- permitting, development and operations consistent with the Corporation's expectations;
- the accuracy of budgeted exploration and development costs and expenditures;
- foreign exchange rates;
- plant and equipment work as anticipated and no unusual geological or technical problems occur;
- the receipt of any necessary regulatory approvals;
- the Corporation's ability to attract and retain skilled staff;
- prices and availability of equipment;
- the ability of contracted parties to provide goods and/or services at all or on a timely basis; and
- no significant events occur outside of the Corporation's normal course business.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

TECHNICAL INFORMATION

The scientific and technical information contained in this AIF relating to Premier's mineral projects indicated herein is supported by the technical reports indicated below:

- Greenstone Gold Property: the technical report titled "NI 43-101 Technical Report – Hardrock Project, Ontario, Canada" dated December 21, 2016, with an effective date of October 1, 2016,

prepared by Louis-Pierre Gignac, P.Eng., Glen Schlyter, P.Eng., Martin Ménard, M.Sc., P.Eng., and Rejean Sirois, P.Eng. of G Mining Services Inc., Charley Murahwi, M.Sc., P.Geo. of Micon International Limited, Eric Poirier, P.Eng. of WSP Canada Inc., Pierre Roy, M.Sc., P.Eng. of Soutex Inc., David G. Ritchie, P.Eng. of Amec Foster Wheeler Environment and Infrastructure, Marc Rougier, P.Eng. of Golder Associates Limited and Craig Johnston, M.Sc., P.Geo. of Stantec Inc. (the "**Greenstone Gold Report**").

- McCoy-Cove Property: the technical report titled "Preliminary Economic Assessment for the Cove Project, Lander County, Nevada" dated June 29, 2018, with an effective date of March 31, 2018, prepared by Mark Odell, P.E., Laura Symmes, Sarah Bull, P.E., and Adam S. Knight, P.E. of Practical Mining LLC and Rich Bohling, P.E. of Jacobs Engineering (the "**McCoy-Cove Report**").
- South Arturo Mine: the technical report titled "Technical Report on the South Arturo Mine, Elko County, State of Nevada, U.S.A." dated March 26, 2018, prepared by Hugo Miranda, MBA, M.E., ChMC (RM), Philip A. Geusebroek, P.Geo. and Brenna J.Y. Scholey, P. Eng. of Roscoe Postle Associates Inc. (the "**South Arturo Report**").
- Mercedes Gold-Silver Mine: the technical report titled "Technical Report on the Mercedes Gold-Silver Mine, Sonora State, Mexico" dated April 18, 2018, prepared by Kathleen Ann Altman, P.E. Ph.D., Grant A. Malensek, P.Eng./P.Geo. and Chester M. Moore, P.Eng. of Roscoe Postle Associates Inc. (the "**Mercedes Report**").
- Hasaga Project: the technical report titled "National Instrument 43-101 Technical Report: Hasaga Project, Red Lake Mining District, Ontario, Canada NTS Map Sheets 52K/13 and 52N/04" dated February 24, 2017, with an effective date of December 30, 2016, prepared by Vincent Jourdain, Ph.D., P.Eng., John Langton, M.Sc., P.Geo., and Abderrazak Ladidi, P.Geo. of MRB & Associates (the "**Hasaga Report**").

The technical reports referred to above are subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the technical reports, which have been filed with Canadian securities regulatory authorities pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators ("**NI 43-101**") and are available for review under the Corporation's profile on SEDAR at www.sedar.com. The technical reports are not and shall not be deemed to be incorporated by reference in this AIF.

Where appropriate, certain information contained in this AIF updates information derived from such technical reports. Any updates to the scientific or technical information derived from such technical reports and any other scientific or technical information contained in this AIF was prepared by or under the supervision of Stephen McGibbon, P. Geo. Mr. McGibbon is the Executive Vice-President – Corporate and Project Development of the Corporation and a "qualified person" for the purposes of NI 43-101.

CORPORATE STRUCTURE

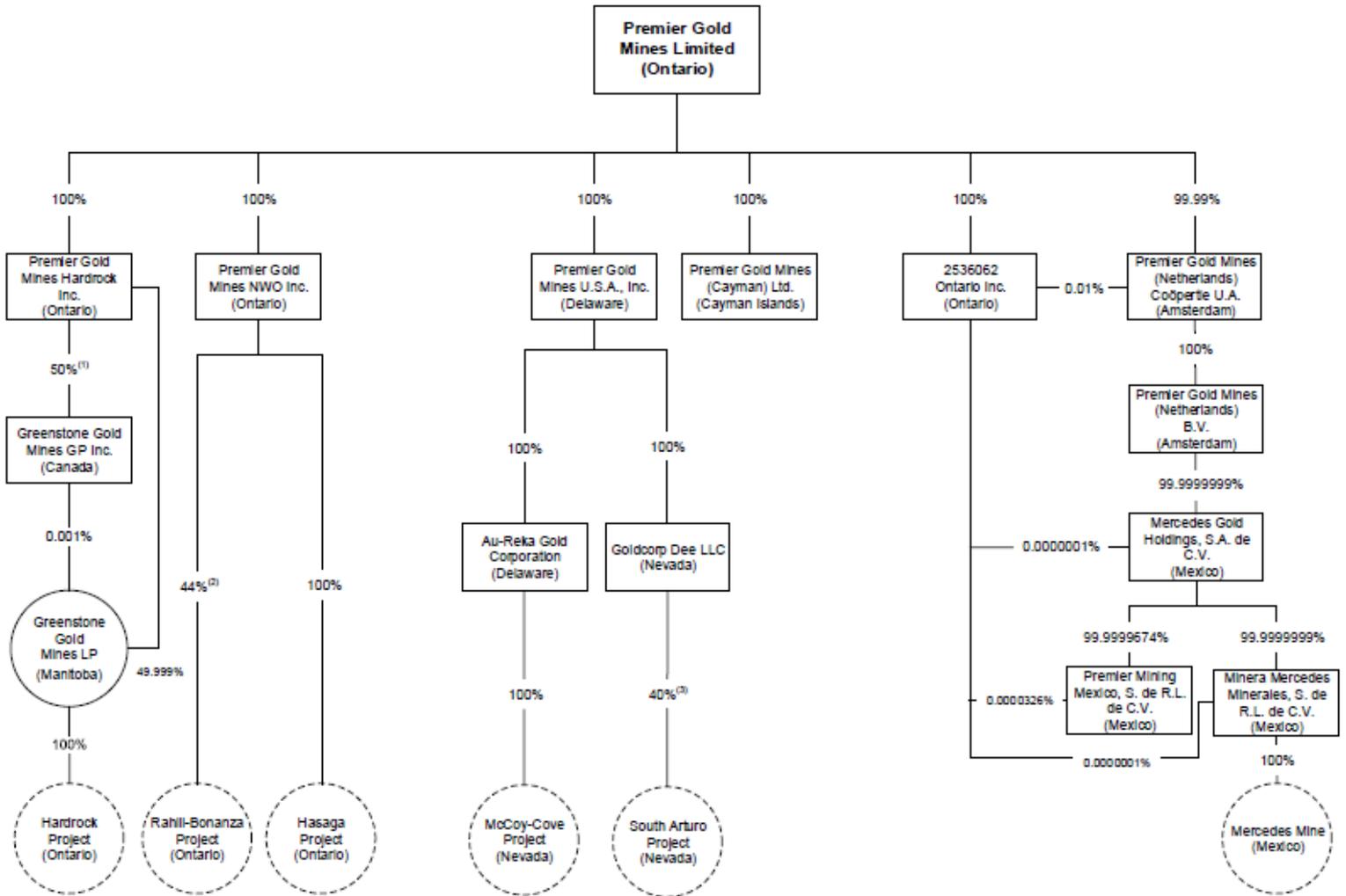
Name, Address and Incorporation

The Corporation was incorporated under the *Business Corporations Act* (Ontario) ("**OBCA**") under the name Premier Gold Mines Limited by articles of incorporation dated May 29, 2006. The Corporation acquired all of the outstanding common shares of Pickle Crow Gold Mines Limited ("**Pickle Crow**") on August 18, 2006 in connection with a plan of arrangement. Pickle Crow was incorporated under the *Company Act* (British Columbia) on October 24, 1995. Pursuant to articles of amalgamation dated January 1, 2008, Premier amalgamated with Pickle Crow under the OBCA and continued under the name "Premier Gold Mines Limited".

The registered office and principal place of business of Premier is located at 1100 Russell Street, Thunder Bay, Ontario, P7B 5N2.

Intercorporate Relationships

The following diagram illustrates the corporate structure of the material subsidiaries of the Corporation and the location of the Corporation's principal assets within its corporate structure.



Notes:

- (1) The other 50% interest is held by AuRico Canadian Royalty Holdings Inc. ("**AuRico**"), a wholly owned subsidiary of Centerra Gold Inc. ("**Centerra**").
- (2) 56% of the Rahill-Bonanza joint venture is owned by Red Lake Gold Mines ("**RLGM**"), a subsidiary partnership of Newmont Corporation (formerly Newmont Goldcorp Corporation and Newmont Mining Corporation) (together with its affiliates "**Newmont**").
- (3) 60% is owned by Nevada Gold Mines LLC ("**Nevada Gold**"), a joint venture between Newmont and Barrick Gold Corporation (together with its affiliates "**Barrick**") that is operated by Barrick.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

McCoy-Cove Acquisition and Termination of Barrick Earn-In

On September 11, 2014, Premier acquired a 100% ownership interest in the McCoy-Cove gold properties, located along the Eureka-Battle Mountain Trend in Nevada (collectively, the "**McCoy-Cove Property**") from Newmont pursuant to the terms of a definitive purchase agreement dated July 31, 2014 (the "**McCoy-Cove Acquisition**"). The properties acquired by Premier pursuant to the McCoy-Cove Acquisition included 1,096 unpatented claims and nine patented fee claims.

Effective January 8, 2018, Premier entered into an earn-in agreement with Barrick (the "**Barrick Earn-In Agreement**"), pursuant to which Barrick had the option to earn a 60% interest in the exploration portion of the McCoy-Cove Property (excluding the cove deposit portion of the McCoy-Cove Property) by spending US\$22.5 million in exploration before June 30, 2022. On February 6, 2020, Barrick terminated the Barrick Earn-In Agreement. Premier continues to hold a 100% interest in the McCoy-Cove Property.

Premier has also entered into an agreement with Barrick to earn a 100% interest in Barrick's Rye Vein property (the "**Rye Property**"), subject to the completion of certain expenditures on the property before August 1, 2021 (the "**Rye Earn-In Agreement**"). The Rye Property is located in the East Range, approximately 50 kilometres south of Winnemucca, Pershing County, Nevada. As of December 31, 2019, Premier has spent a total of \$1.0 million on the Rye Property and the Rye Earn-In Agreement remains in effect as of the date hereof.

Expansion of Hasaga Project

On February 24, 2017, Premier filed the Hasaga Report. On December 16, 2019, Premier announced plans to re-establish focus on the Hasaga Project, and on February 13, 2020, Premier announced the commencement of its 2020 exploration program at the Hasaga Project.

Initial Financing Arrangements with Orion

On May 31, 2016, Premier and Orion Mine Finance (collectively with its affiliates, "**Orion**") entered into financing arrangements consisting of (i) a US \$30 million senior unsecured term credit facility (the "**Orion Credit Facility**"), (ii) an equity financing for aggregate subscription proceeds of US\$15 million pursuant to the terms of a subscription agreement (the "**First Orion Subscription Agreement**"), (iii) an offtake agreement, and (iv) acquisition or development financing (collectively, the "**First Orion Financing**"). The First Orion Financing closed on June 2, 2016.

Orion Credit Facility

On May 31, 2016, Premier entered into the Orion Credit Facility with an interest rate of 6.0% per annum. The Orion Credit Facility was increased to US\$45 million in connection with the Mercedes Acquisition (defined below). See "*General Development of the Business – Three Year History – Mercedes Mine Purchase – Amendment to the Orion Credit Facility*" for more details. The Orion Credit Facility was paid down in 2018.

Offtake Agreement

In connection with the First Orion Financing, Premier entered into an offtake agreement with Orion dated June 2, 2016 (the "**Offtake Agreement**"), pursuant to which, for a period of 90 months, Orion had the right to purchase up to 20,000 ounces of refined gold annually (the "**Annual Gold Quantity**") from production derived from the Corporation's existing projects and from projects developed or acquired using funding from Orion at the purchase price set out in the Offtake Agreement. If Premier produced less than 20,000 ounces of refined gold

in any given year, its delivery obligations under the Offtake Agreement were limited to those ounces of refined gold actually produced.

The Offtake Agreement was amended in connection with the Mercedes Acquisition (defined below) and was amended and restated in connection with both the 2019 Orion Financing Arrangements (defined below) and the 2020 Orion Financing Arrangements (defined below). See "*General Development of the Business – Three Year History – Mercedes Mine Purchase – Amendment to the Offtake Agreement*", "*General Development of the Business – Three Year History – Investec Credit Facility and 2019 Financing Arrangements with Orion – First Amended and Restated Offtake Agreement*" and "*General Development of the Business – Three Year History – Public Offering and 2020 Financing Arrangements with Orion – Second Amended and Restated Offtake Agreement*", respectively, for more details.

Mercedes Mine Acquisition

On September 30, 2016, Premier completed the acquisition of a 100% interest in the Mercedes Gold-Silver mine (the "**Mercedes Mine**") located in the State of Sonora, Mexico from Yamana Gold Inc. ("**Yamana**"), pursuant to the terms of a share purchase agreement dated July 28, 2016 (the "**Mercedes SPA**"), for a total purchase price to Yamana of (i) US \$122.5 million in cash (the "**Cash Purchase Price**"); (ii) the issuance of 6 million Premier Common Shares and warrants to purchase up to 3 million Premier Common Shares, which warrants expired unexercised on September 30, 2018; (iii) a 1% NSR royalty on production from the current land package relating to the Mercedes Mine (the "**Mercedes NSR Royalty**"); and (iv) 2% NSR royalties on each of the La Silla property in Sinaloa, Mexico and the La Espera property in Sonora, Mexico. The Mercedes NSR Royalty granted to Yamana becomes payable on the earlier of: (a) the date on which 450,000 ounces of gold equivalent has been produced by the Mercedes Mine following September 30, 2016; and (b) September 30, 2022 (the "**Mercedes Acquisition**").

The Cash Purchase Price was funded pursuant to a financing package from Orion that closed on September 30, 2016 and was comprised of the components set out below.

Gold Prepay Agreement

Pursuant to the terms of a gold prepay credit agreement dated September 30, 2016 (the "**Gold Prepay Agreement**"), Orion provided a US\$42,187,500 senior secured gold prepay credit facility to Premier maturing June 30, 2020, in consideration for Premier agreeing to deliver to Orion 2,450 troy ounces of gold per quarter for a period of 15 consecutive quarters commencing on December 31, 2016 in repayment of principal, plus cash interest payments at an interest rate of 6.5% per annum.

As security for the payment of its obligations under the Gold Prepay Agreement, Premier granted a continuing security interest and a first-ranking encumbrance in favour of Orion (subject to permitted encumbrances) over the equity and intercompany debt interests held by the subsidiaries that own the Mercedes Mine and all of the present and future acquired property of the Mercedes Mine.

Upon the occurrence of a continuing event of default by Premier, as outlined in the Gold Prepay Agreement, Premier's obligations under the Orion Credit Facility will automatically and immediately become due and payable and Orion may give notice to Premier, declaring all obligations to be immediately due and payable and, in either case: (a) may realize upon all or any part of the security; and (b) take such actions and commence such proceedings as may be permitted at law or in equity as Orion may consider expedient. At the option of Orion, Premier's obligation to deliver the refined gold to repay the principal amount and any outstanding interest obligation may be terminated, and Premier may instead be required to repay the principal amount (plus accrued and unpaid interest thereon and any fees and expenses then due and owing) in cash in an amount equal to the voluntary prepayment quantity calculated as of the date on which all obligations are declared due and payable, divided by the gold price on the trading day immediately preceding such date.

Pursuant to the terms of the Gold Prepay Agreement, Premier also agreed to the restriction of certain business activities on the Mercedes Mine, including: (i) not permitting changes in any material respect to the nature of its business or operations on the Mercedes Mine from the development and operation of, and extraction, processing and sale of minerals from, the Mercedes Mine; and (ii) not engaging directly or indirectly in any material business activity, or purchasing or otherwise acquiring any material property, in either case, not related to or in furtherance of the conduct of the development and operation of, and extraction, processing and sale of minerals from, the Mercedes Mine.

On January 31, 2019, Premier and Orion entered into an amended and restated gold prepay agreement (the "**First Amended and Restated Gold Prepay Agreement**"), amending and restating the Gold Prepay Agreement. See "*General Development of the Business – Three Year History – Investec Credit Facility and 2019 Financing Arrangements with Orion – First Amended and Restated Gold Prepay Agreement*" for more details.

Silver Stream Agreement

Pursuant to the terms of a silver stream agreement dated September 30, 2016 (the "**Silver Stream Agreement**"), Orion provided a senior secured deposit of US\$11.5 million to Premier in consideration for Premier agreeing to deliver to Orion silver from the Mercedes Mine, subject to the terms and conditions contained therein.

As security for the payment of its obligations under the Silver Stream Agreement, Premier granted a continuing security interest and a second-ranking encumbrance in favour of Orion (subject to permitted encumbrances) over the equity and intercompany debt interests held by the subsidiaries that own the Mercedes Mine and all of the present and future acquired property of Mercedes Mine.

Upon the occurrence of a continuing event of default by Premier, as outlined in the Silver Stream Agreement, Orion will have the right, upon written notice, to take any or all of the following actions: (a) demand all amounts and deliveries owing by Premier; (b) terminate the Silver Stream Agreement and demand all losses suffered or incurred as a result of the occurrence of such event of default by Premier and termination; and (c) direct the collateral agent to enforce the security.

Pursuant to the terms of the Silver Stream Agreement, Premier also agreed to the restriction of certain business activities on the Mercedes Mine, including not engaging directly or indirectly in any material business activity, or purchasing or otherwise acquiring any material property not related to or in furtherance of the development and operation of the Mercedes Mine.

On January 31, 2019, Premier and Orion entered into an amended and restated silver stream agreement (the "**Amended and Restated Silver Stream Agreement**"), amending and restating the Silver Stream Agreement. See "*General Development of the Business – Three Year History – Investec Credit Facility and 2019 Financing Arrangements with Orion – Amended and Restated Silver Stream Agreement*" for more details.

Amendment to the Orion Credit Facility

The Orion Credit Facility was increased by US\$15 million to US\$45 million. Premier drew down the entire amount available. The interest rate associated with the increase to the Orion Credit Facility was unaltered at 6.0% per annum. The facility matured on June 30, 2018.

Second Orion Subscription Agreement

Pursuant to a subscription agreement between Premier and Orion, Premier issued 10,958,333 Premier Common Shares to Orion for net proceeds of US\$34.3 million, which represented US\$35 million in gross subscription proceeds after deducting the US\$700,000 commitment fee paid to Orion (the "**Second Orion Subscription Agreement**").

Amendment to the Offtake Agreement

Premier and Orion amended the Offtake Agreement to provide for the sale of up to an additional 20,000 ounces of gold annually relating exclusively to production from the Mercedes Mine, subject to an annual aggregate maximum of 35,000 ounces of gold from all of Premier's producing projects.

On January 31, 2019, Premier and Orion entered into an amended and restated offtake agreement (the "**First Amended and Restated Offtake Agreement**"), amending and restating the Offtake Agreement. See "*General Development of the Business – Three Year History – Investec Credit Facility and 2019 Financing Arrangements with Orion – First Amended and Restated Offtake Agreement*" for more details.

Investec Credit Facility and 2019 Financing Arrangements with Orion

Investec Credit Facility

On January 25, 2019, Premier and Investec Bank plc ("**Investec**") entered into a definitive credit agreement (the "**Investec Credit Agreement**") for a US\$50 million secured revolving term credit facility (the "**Investec Credit Facility**"). The Investec Credit Facility matures in four years and will be used for working capital requirements and general corporate purposes. Amounts borrowed under the Investec Credit Facility bear interest at a variable rate per annum equal to LIBOR plus an applicable rate as determined by the Corporation's debt to adjusted EBITDA ratio for the immediately preceding fiscal quarter ranging from 3.00% to 4.30%. The Investec Credit Facility is secured by the assets relating to the Corporation's interest in the South Arturo mine located in Elko County, Nevada, U.S.A. (the "**South Arturo Mine**") and the Mercedes Mine.

In connection with the entering into of the Investec Credit Facility, Premier issued to Investec 216,446 Premier Common Shares and an aggregate of 1.5 million warrants (the "**Investec Warrants**") to purchase an aggregate of up to 1.5 million Premier Common Shares at an exercise price of \$2.17 per Premier Common Share. The Investec Warrants are exercisable in whole or in part at any time until 5:00 p.m. on January 24, 2022.

On March 4, 2020, the Investec Credit Facility was amended. See "*General Development of the Business – Three Year History – Public Offering, 2020 Orion Financing Arrangements and Investec Amendment – Investec Amendment*" for more details.

2019 Orion Financing Arrangements

Concurrent with the closing of the Investec Credit Facility, Premier entered into new financing arrangements with Orion, which included: (i) the First Amended and Restated Gold Prepay Agreement; (ii) the Amended and Restated Silver Stream Agreement; (iii) the First Amended and Restated Offtake Agreement; and (iv) a subscription agreement between Premier and Orion dated January 25, 2019 (the "**Third Orion Subscription Agreement**") pursuant to which Orion agreed to subscribe for 7 million Premier Common Shares for aggregate subscription proceeds of US\$8.3 million (collectively, the "**2019 Orion Financing Arrangements**").

The 2019 Orion Financing Arrangements closed on January 31, 2019.

First Amended and Restated Gold Prepay Agreement

Pursuant to the terms of the First Amended and Restated Gold Prepay Agreement and as security for the payment of all of its obligations thereunder, Premier granted a continuing security interest over the assets relating to the South Arturo Mine and all of the present and future acquired property of the South Arturo Mine. In addition, Orion consented to certain security changes at the Mercedes Mine to facilitate the Investec Credit Facility.

On March 4, 2020, Premier and Orion entered into a second amended and restated gold prepay agreement (the "**Second Amended and Restated Gold Prepay Agreement**"), amending and restating the First Amended and

Restated Gold Prepay Agreement. See "*General Development of the Business – Three Year History – Public Offering, 2020 Orion Financing Arrangements and Investec Amendment – Investec Amendment*" for more details.

Amended and Restated Silver Stream Agreement

Pursuant to the terms of the Amended and Restated Silver Stream Agreement, Orion paid an additional deposit of US\$10 million (the "**Additional Deposit**") to a wholly owned subsidiary of Premier, which is required to deliver to Orion 100% of the silver production from the Mercedes Mine and 100% of the silver production from the South Arturo Mine attributable to Premier until the delivery of 3.75 million ounces of silver (including deliveries previously made to Orion), after which the delivery will be reduced to 30% of the silver production from the Mercedes Mine and the South Arturo Mine. The Additional Deposit will be used for the development, construction and working capital requirements for the South Arturo Mine.

Premier is required to deliver at least 300,000 ounces of refined silver in each calendar year to Orion until 2.1 million ounces of refined silver in the aggregate have been delivered to Orion. Orion will continue to pay an ongoing cash purchase price equal to 20% of the prevailing silver price.

As security for the payment of its obligations under the Amended and Restated Silver Stream Agreement, Premier granted a continuing security interest over the assets relating to the South Arturo Mine and all of the present and future acquired property of the South Arturo Mine.

Orion also consented to certain security changes at the Mercedes Mine to facilitate the Investec Credit Facility.

First Amended and Restated Offtake Agreement

Pursuant to the terms of the First Amended and Restated Offtake Agreement, Premier and Orion amended Premier's existing offtake obligations to provide for an increase in the Annual Gold Quantity. On March 4, 2020, Premier and Orion entered into a second amended and restated offtake agreement (the "**Second Amended and Restated Offtake Agreement**"), amending and restating the First Amended and Restated Offtake Agreement. See "*General Development of the Business – Three Year History – Public Offering, 2020 Orion Financing Arrangements and Investec Amendment – Second Amended and Restated Offtake Agreement*" for more details.

Third Orion Subscription Agreement

Pursuant to the terms of the Third Orion Subscription Agreement, Orion subscribed for 7 million Premier Common Shares for aggregate subscription proceeds of US\$8.3 million, or approximately \$1.58 per Premier Common Share. In addition, Premier issued 2 million warrants to purchase Premier Common Shares to Orion (the "**Orion Warrants**"). Each Orion Warrant is exercisable into one Premier Common Share until January 31, 2022 and has an exercise price equal to \$2.05 per Premier Common Share.

The Third Orion Subscription Agreement provides that Orion will have a participation right in future offerings of Premier Common Shares (or securities convertible into Premier Common Shares), which permits Orion to maintain its proportionate interest in the Corporation. The participation right granted pursuant to the Third Orion Subscription Agreement supersedes the participation rights granted in favour of Orion pursuant to the First Orion Subscription Agreement and the Second Orion Subscription Agreement.

The proceeds from the Third Orion Subscription Agreement were used for the development, construction and working capital requirements for the South Arturo Mine.

Public Offering, 2020 Financing Arrangements with Orion & Investec Amendment

Public Offering

On March 4, 2020, the Corporation completed a public offering of an aggregate of 25,335,000 Premier Common Shares at a price of \$1.50 per Premier Common Share for aggregate gross proceeds of \$38,002,500 (the "**Offering**"). The Offering was carried out pursuant to the terms of an underwriting agreement dated February 12, 2020 among the Corporation and CIBC Capital Markets, Sprott Capital Partners LP, BMO Nesbitt Burns Inc., Scotia Capital Inc., Canaccord Genuity Corp., RBC Dominion Securities Inc., Cormark Securities Inc. and TD Securities Inc. (collectively, the "**Underwriters**"). The Premier Common Shares were offered by way of a short form prospectus in all of the provinces of Canada, except Québec, and were also offered by way of private placement in the United States.

The net proceeds of the Offering are expected to be used by Premier for working capital requirements of the Mercedes Mine and South Arturo Mine, development, expansion and working capital requirements of the McCoy-Cove Property, for general corporate and working capital purposes and may also be used to reduce indebtedness under the Investec Credit Facility.

In connection with the Offering, Premier paid the Underwriters a cash commission equal to 5% of the aggregate purchase price paid by the Underwriters to the Corporation for the Premier Common Shares, except in respect of the purchase of Premier Common Shares by Orion, pursuant to which the cash commission was reduced to 2.5%.

2020 Orion Financing Arrangements

Concurrent with the Offering, Premier entered into new financing arrangements with Orion, which included the Second Amended and Restated Gold Prepay Agreement and the Second Amended and Restated Offtake Agreement (collectively, the "**2020 Orion Financing Arrangements**"). The 2020 Orion Financing Arrangements closed on March 4, 2020.

In connection with the 2020 Orion Financing Arrangements, Premier granted Orion the right to nominate one member to Premier's board of directors. The nomination right is subject to certain terms and conditions, including Orion continuing to own 10% or more of the outstanding Premier Common Shares. Until the nomination right is put into effect, Orion will have observer rights with respect to meetings of the board of directors of the Corporation and committees thereof.

On February 23, 2020, Guerrero Ventures Inc. announced that it had entered into a definitive purchase agreement with Orion to acquire a portfolio of assets, including, among other things, Orion's rights to the Second Amended and Restated Gold Prepay Agreement and the Amended and Restated Silver Stream Agreement. This transaction has not closed as of the date hereof.

Second Amended and Restated Gold Prepay Agreement

Under the terms of the Second Amended and Restated Gold Prepay Agreement, Orion increased the principal amount under the First Amended and Restated Gold Prepay Agreement by US\$15.5 million (the "**Additional Principal Amount**"), with Premier being required to deliver at least 2,450 ounces of refined gold to Orion in each quarter of a calendar year until June 30, 2020, and 1,000 ounces of refined gold thereafter (subject to upward and downward adjustments in certain circumstances), until an aggregate of 16,900 ounces of refined gold (inclusive of the ounces remaining under the First Amended Gold Prepay Agreement) have been delivered to Orion. The threshold gold price per ounce for the downward and upward adjustments to the quarterly gold quantity and the aggregate gold quantity deliverable under the Second Amended and Restated Gold Prepay Agreement were amended to US\$1,650 per ounce of gold and US\$1,350 per ounce of gold, respectively. The maturity date under the First Amended and Restated Gold Prepay Agreement was extended to June 30, 2023.

The Additional Principal Amount will be used for working capital requirements of the Mercedes and South Arturo mines and for general working capital and corporate purposes. The Corporation's obligations under the Second Amended and Restated Gold Prepay Agreement will continue to be secured by the assets relating to the Corporation's interest in the South Arturo Mine and Mercedes Mine. The Additional Principal Amount was also subject to an original issue discount of US\$155,000.

Second Amended and Restated Offtake Agreement

Under the terms of the Second Amended and Restated Offtake Agreement, the Annual Gold Quantity was increased to (i) 80,000 ounces for 2020, (ii) 85,000 ounces for 2021, and (iii) 90,000 ounces each year annually thereafter, subject to an annual maximum of 50,000 ounces from each of the Corporation's producing projects. The term of the Second Amended and Restated Offtake Agreement was also extended to March 1, 2027.

Investec Amendment

In order to facilitate the 2020 Orion Financing Arrangements, on March 4, 2020, Premier entered into a first amending agreement with Investec (the "**Investec Amendment**"), amending certain provisions contained in the Investec Credit Agreement. Pursuant to the Investec Amendment, Premier has agreed that total accommodations available under the Investec Credit Facility shall, absent the consent of Investec, be capped at US\$40 million, with conditions to borrowing when the aggregate principal amount outstanding under the Investec Credit Facility is in excess of US\$15 million. In addition, Premier has agreed to enter into certain risk management agreements with Investec to hedge the price of gold for a minimum amount of 7,500 ounces up to a maximum amount of 30,000 ounces.

As of December 31, 2019, Premier has drawn down a total of US\$17.5 million from the Investec Credit Facility.

Hardrock Resource Update

On October 3, 2019, Premier announced the results of an updated mineral resource estimate for the Hardrock project located south of Geraldton, Ontario (the "**Hardrock Project**"), which forms part of the Greenstone gold property in Northern Ontario (the "**Greenstone Gold Property**"). The updated 2019 mineral resource estimate was prepared by G Mining Services Inc. ("**G Mining**"), an independent technical consultant, on behalf of GGM, and was presented to the partners of the Greenstone Gold Property. The mineral resource estimate is supported by some 12,000 metres of additional infill core drilling and 26,000 metres of reverse circulation drilling in selected areas during two campaigns held in 2018 and 2019. The updated mineral resource estimate for the Hardrock Project is set out in the following chart:

		Tonnes <i>Mt</i>	Grade <i>g/t Au</i>	Au Ounces <i>000's</i>
Measured Resources	Open Pit Restricted	5.7	1.30	237
	Underground Restricted	-	-	-
	Sub-Total	5.7	1.30	237
Indicated Resources	Open Pit Restricted	132.0	1.33	5,631
	Underground Restricted	9.8	3.93	1,237
	Sub-Total	141.8	1.51	6,868
Measured + Indicated Resources	Open Pit Restricted	137.7	1.33	5,868
	Underground Restricted	9.8	3.93	1,237
	Sub-Total	147.5	1.50	7,105
Inferred Resources	Open Pit Restricted	0.9	1.19	36
	Underground Restricted	24.6	3.87	3,059
	Sub-Total	25.5	3.77	3,095

Notes:

- (1) The Independent and Qualified Person for the mineral resource estimate, as defined by 43-101, is Rejean Sirois, B.Sc., P.Eng. of G Mining, and the effective date of the estimate is September 4, 2019.
- (2) Mineral resources are not mineral reserves and do not have demonstrated economic viability. Mineral resources are inclusive of mineral reserves.
- (3) In-pit results are presented undiluted within a merged surface of the pit optimization shell 24 and the pit design, using a US\$1,250 gold price and a revenue factor 0.78.
- (4) The estimate includes 17 gold-bearing zones, and grade shells to incorporate remaining mineralized material.
- (5) In-pit resources were compiled at cut-off grades of 0.20, 0.30, 0.40, 0.50, 0.60, 0.70, 0.80 and 0.90 g/t Au; however, the official resource is at a cut-off grade of 0.30 g/t Au.
- (6) Underground resources were compiled at cut-off grades of 1.50, 2.00, 2.50, 3.00, 3.50, 4.00 and 4.50 g/t Au; however, the official resource is at a cut-off grade of 2.00 g/t Au.
- (7) Density (g/cm³) data used is on a per zone basis, varying from 2.72 to 3.28 g/cm³.
- (8) Ounce (troy) = metric tonnes x grade / 31.10348. Calculations used metric units (metres, tonnes and g/t).
- (9) The number of metric tonnes was rounded to the nearest thousand and ounces was rounded to the nearest hundred. Any discrepancies in the totals are due to rounding effects; rounding followed the recommendations in NI 43-101.

Centerra Litigation

On December 23, 2019, Premier Gold Mines Hardrock Inc. ("**Premier Hardrock**"), a wholly-owned subsidiary of Premier, received a statement of claim issued in the Ontario Superior Court of Justice by AuRico, a wholly-owned subsidiary of Centerra (the "**Centerra Claim**"). Premier Hardrock and AuRico are parties to a limited partnership agreement dated March 5, 2015, as amended and restated on March 9, 2015 (the "**Greenstone Limited Partnership Agreement**"), which provides for the exploration and development of the Hardrock Project. The claim seeks, among other things, a declaration that the 2019 Hardrock Project update (the "**Hardrock Update**") submitted by the managing partner of the partnership, Greenstone Gold Mines GP Inc. (the "**Managing Partner**" or "**GGM**"), should not be considered a "Feasibility Study" or satisfy the "Feasibility Criteria", as those terms are defined in the Greenstone Limited Partnership Agreement.

On January 31, 2020, Premier Hardrock served a statement of defence and counterclaim in response to the claim (the "**Premier Defence and Counterclaim**"), denying AuRico's contentions regarding the Hardrock Update, and pointing to a series of actions and statements by representatives of AuRico and Centerra that Premier Hardrock allege call into question the bona fides of the objections raised by AuRico regarding the Hardrock Update. In its defence, Premier Hardrock has asked the court to dismiss the claim, and in its counterclaim, Premier Hardrock has asked the court to, among other things, declare that the Hardrock Update was a "Feasibility Study" that meets agreed criteria, requiring both partners to proceed with the development of the Hardrock Project.

The parties have agreed to a timetable under which the dispute between the parties will be tried in October 2020, subject to any delays due to court closures on account of the COVID-19 pandemic.

Rodeo Creek Option

In November 2018, Premier entered into an option agreement (the "**Rodeo Creek Option Agreement**") with Ely Gold Royalties Inc. ("**Ely Gold**") to acquire a 100% interest in the Rodeo Creek property located in the Carlin Trend of Nevada (the "**Rodeo Creek Property**"). The Rodeo Creek Property is a 510 acre land package consisting of 31 unpatented claims and adjoins the South Arturo Mine in the heart of the Carlin Trend. It is located along the Bootstrap Reef/Margin, is underlain by the same rock units as the mines in the area, and is host to multiple faults and dike swarms, similar to the nearby gold mines. Pursuant to the terms of the Rodeo Creek Option Agreement, Premier will have the option to acquire a 100% interest in the Rodeo Creek Property by making payments to Ely Gold in the amount of US\$500,000 over a five year period. Ely Gold will retain a 2% NSR royalty.

Current Outlook – COVID-19 Pandemic

The Corporation has been monitoring the COVID-19 outbreak and the potential impact at all of its operations and has put measures in place to ensure the wellness of all of its employees and surrounding communities where the Corporation works while continuing to operate. Currently, all corporate personnel travel has been restricted to absolute minimum requirements and employees have been encouraged to work remotely. At each of the Corporation's operations in Mexico, Nevada and Ontario, the Corporation (and/or its joint venture operator) has implemented many control measures for dealing with the outbreak of COVID-19. These include pre-screening for symptoms and travel history with possible COVID-19 exposure of any employees, visitors and contractors (site personnel) prior to any travel to or from a site and isolation, where necessary, from the general site population. Each site has implemented restrictions and isolation procedures that are particular to each region's situation and response capabilities. The Corporation expects that procedures will continue to evolve according to the World Health Organization and Center for Disease Control guidelines as more becomes known about the virus. See "*Risk Factors*".

DESCRIPTION OF THE BUSINESS

Premier is a growth-oriented, Canadian-based, mining company involved in the exploration, development and production of gold and silver deposits in Canada, the United States and Mexico. Premier plans to continue to build on this base through existing operating mine expansions, development of new mines, advancement of its exploration properties and by targeting other gold consolidation opportunities. There is a global gold market into which Premier can sell its gold and, as a result, the Corporation is not dependent on a particular purchaser with regard to the sale of the gold that it produces.

Premier manages a high-quality pipeline of precious metal projects in safe, proven and accessible mining jurisdictions and is focused on profitable low-cost production from its two producing gold mines and the ongoing development of several advanced-stage, multi-million ounce gold deposits. Premier also has the option to acquire additional mines upon meeting certain earn-in requirements. Within this structure, the South Arturo Mine located in Nevada, U.S.A. and the Mercedes Mine located in Sonora, Mexico are the Corporation's material producing mines and the largest contributors to cash flow. Nevada Gold, an affiliate of Barrick, the Corporation's joint venture partner with respect to the South Arturo Mine, is the manager and operator of the South Arturo Mine.

Premier holds a 50% interest in the Greenstone Gold Property located in Northern Ontario. The property consists of four projects over a distance of more than 100 kilometers, including the Hardrock Project and the Brookbank, Key Lake and Viper deposits.

Premier holds a 100% interest in the McCoy-Cove Property located in Nevada, U.S.A. Premier also holds a 100% interest in the Hasaga Project on its Red Lake properties located in Red Lake Mining District, Ontario, and a 44% interest in the Rahill-Bonanza project located in Northwestern Ontario (the "**Rahill-Bonanza Project**"). RLGGM, the Corporation's joint venture partner with respect to the Rahill-Bonanza Project, is the operator of the Rahill-Bonanza Project. See "*Mineral Projects – Other Property Interests*".

Premier has entered into an agreement with Barrick to earn a 100% interest in the Rye Property located in Nevada, U.S.A., subject to the completion of certain expenditures on the Rye Property. Additionally, Premier has entered into an option agreement with Ely Gold to acquire a 100% interest in the Rodeo Creek Property located in the Carlin Trend of Nevada, U.S.A.

Material Properties

Set out below is a list of Premier's material properties and mines:

Producing Mines / Principal Mining Assets

- South Arturo Mine (U.S.A.) – 40% interest
- Mercedes Mine (Mexico) – 100% interest

Advanced Exploration and Development Projects

- Greenstone Gold Property (Canada) – 50% interest
- McCoy-Cove Property (U.S.A.) – 100% interest

Additional Projects

Set out below is a list of Premier's other properties and projects:

- Hasaga Project (Canada) – 100% interest
- Rahill-Bonanza Project (Canada) – 44% interest
- Rye Property (U.S.A.) – Premier holds an option to acquire the Rye Property, subject to the satisfaction of certain earn-in requirements, as described in further detail above.
- Rodeo Creek Property (U.S.A.) – Premier holds an option to acquire the Rodeo Creek Property, subject to the satisfaction of certain earn-in requirements, as described in further detail above.

Further information regarding Premier's mineral projects can be found under the heading "*Mineral Projects*".

Competitive Conditions

The mineral exploration and mining business is competitive in all phases of exploration, development and production. Premier competes with a number of other mining companies in the search for and acquisition of mineral properties and to retain qualified personnel. See "*Risk Factors*". The ability of the Corporation to acquire precious metal mineral properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for precious metal development or mineral exploration. Management believes that Premier's strong treasury position in comparison to other mineral exploration companies at a similar stage of development will enable Premier to execute on its corporate and operational objectives.

Environmental Regulation

Premier's exploration, development and production activities are subject to, and any future development and production operations will be subject to, environmental laws and regulations in the jurisdictions in which operations are carried out. See "*Risk Factors*".

Premier's operating mine sites seek to adopt the best environmental practices and programs to manage environmental matters and compliance with local and international legislation. In common with other natural resources and mineral processing companies, the Corporation's operations generate hazardous and non-hazardous waste, effluent and emissions into the atmosphere, water and soil in compliance with local and international regulations and standards. There are numerous environmental laws in Mexico, the United States and Canada that apply to the Corporation's operations, exploration, development projects and land holdings. These laws address such matters as protection of the natural environment, air and water quality, emissions standards and disposal of waste.

Cognizant of its responsibility to the environment, Premier strives to conform with all applicable environmental laws and regulations and to promote the respect of the environment in its activities. Pursuant to the Corporation's Code of Business Conduct and Ethics, employees are expected to maintain compliance with the letter and spirit of all laws governing the jurisdictions in which they perform their duties. Specifically, employees are expected to support Premier's efforts to develop, implement and maintain procedures and programs designed to protect and preserve the environment. Additionally, Premier has an Environmental, Health & Safety and Corporate Responsibility Committee appointed by the board of directors to assist the Corporation and the board of directors in fulfilling their respective obligations relating to safety, health and environmental matters concerning the Corporation.

Employees

As of December 31, 2019, the Corporation had approximately 516 employees.

Domestic and Foreign Operations

The Corporation's mines and mineral projects are located in Canada, the United States and Mexico. See "*Mineral Projects*" for a summary of the Corporation's projects. Any changes in regulations or shifts in political attitudes in any of these jurisdictions, or other jurisdictions in which Premier has projects from time to time, are beyond the control of the Corporation and may adversely affect its business. Future development and operations may be affected in varying degrees by such factors as government regulations (or changes thereto) with respect to the restrictions on production, export controls, income taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use, land claims of local people, mine safety and receipt of necessary permits. The effect of these factors cannot be accurately predicted. See "*Description of the Business – Emerging Market Disclosure*" and "*Risk Factors*".

Disclosure for Companies Operating in Emerging Markets

Corporate Governance and Internal Controls

Premier has implemented a system of corporate governance, internal controls over financial reporting and disclosure controls and procedures that apply at all levels of the Corporation and its wholly-owned subsidiaries, including its foreign subsidiaries in emerging jurisdictions, such as Mexico (the "**Mexican Subsidiaries**"). These systems are overseen by Premier's board of directors, and implemented by Premier's senior management in various ways. The Corporation's business and operations in emerging markets are exposed to various levels of political, economic, social and other risks and uncertainties associated with operating in a foreign jurisdiction such as difference in laws, business cultures and practices, banking systems and internal control over financial matters and reporting. See "*Risk Factors*".

Due to the risks inherent in mineral production, Premier holds each of its material properties in a separate corporate entity (through local subsidiary companies in foreign jurisdictions). Premier controls the Mexican Subsidiaries by virtue of corporate oversight and by its ownership of 100% of the shares issued by such entities. Premier's management has the power to instruct the Mexican Subsidiaries' officers to pursue business activities in accordance with Premier's objectives, and Premier has a legal right, as a shareholder, to require the officers of each of the Mexican Subsidiaries to comply with their fiduciary obligations. As a result, management of the Corporation can effectively align its business objectives with those of the Mexican Subsidiaries and implement such objectives at the subsidiary level.

In addition, the board of directors of the Corporation, through its corporate governance practices, regularly receives management and technical updates and progress reports in connection with the Mexican Subsidiaries. Certain of Premier's officers visit the Mercedes Mine and come into contact with local employees, government officials and business persons on a regular basis, and such interactions enhance the visiting officers' knowledge

of local culture and business practices. The Corporation also takes steps to ensure that in-person communication is a priority.

Subject to applicable local corporate laws and the respective constating documents of each of the Mexican Subsidiaries, the Corporation may remove directors of the Mexican Subsidiaries from office either by way of a resolution duly passed by the Corporation at a shareholders' meeting or by way of a unanimous shareholders' written resolution.

In connection with the acquisition of the Mercedes Mine from Yamana on July 28, 2016, Premier undertook considerable legal due diligence, including reviewing all of the material mining rights that were transferred and any material mining claim, mining concession, prospecting permit, mining lease, option agreement, mining right and water right. In addition, the Corporation retained local counsel to review title matters, conduct legal due diligence and advise on Mexican regulatory matters.

Financial Controls and Procedures

Premier maintains internal control over financial reporting with respect to its operations in emerging jurisdictions by taking various measures. Premier's Executive Chairman has experience in conducting business in Mexico, including international corporate finance and mergers and acquisitions experience in Mexico. A senior member of Premier's finance team is a former Mexican national and is fluent in both Spanish and English. He is currently located in Premier's head office and was previously a senior member of the finance team at the Mercedes Mine prior to its purchase by the Corporation.

The difference in cultures and practices between Canada and Mexico is addressed by employing competent staff in Canada and Mexico who are familiar with the local laws, business culture and standard practices, have local language proficiency, are experienced in dealing with the respective government authorities, and have experience and knowledge of the local banking systems and treasury requirements. The bank accounts relating to the Mexican Subsidiaries are held in banks that are affiliates of Canadian based banks.

The annual budget, capital investment and mining activities in respect of the Mercedes Mine are established by Premier in consultation with the operating team in Mexico. In addition, Premier has local counsel in Mexico and tax advisors relating to the Mexican operations.

Each of these factors facilitate better understanding and oversight of the Corporation's operations in the foreign jurisdictions in the context of internal controls over financial reporting.

With respect to the flow of funds, sales and marketing of precious metals are completed at the Corporation level, with cash from such sales going to the Corporation directly and the Mexican Subsidiaries completing the delivery of such precious metals to the refinery before proceeding to the end buyers. As a result of this arrangement, funds flow downward from the Corporation to the Mexican Subsidiaries in order to fund operating and capital expenditures. Accordingly, funds are very rarely transferred from the Mexican Subsidiaries upwards to the Corporation.

Communication and Records

The Corporation maintains open communication with its foreign operations through members of management who are fluent in both Spanish and English. In addition, many management team members in Mexico are proficient in English and are able to effectively communicate in English with management of the Corporation. Material documents relating to the Mexican Subsidiaries are reviewed by local counsel and are provided to the board of directors in English. Although the Corporation does not currently have a formal communication plan, it believes the informal policies and practices it has in place are sufficient to address any issues that may arise. To date, the Corporation has not experienced any communication-related issues. The Corporation's officers visit the Mercedes Mine several times per year to ensure in-person communication is a priority

All of the minute books and corporate records and documents of the foreign subsidiaries are maintained and updated by legal counsel in the local jurisdiction on an ongoing basis. The custodians of such documents report directly to the Corporation's head office and senior management team to ensure continued oversight.

MINERAL PROJECTS

Where appropriate, certain information contained in this AIF updates information derived from the Greenstone Gold Report, the McCoy-Cove Report, the South Arturo Report the Mercedes Report or the Hasaga Report, as applicable. Any updates to the scientific or technical information derived from such technical reports and any other scientific or technical information contained in this AIF was prepared by or under the supervision of Stephen McGibbon, P. Geo. Mr. McGibbon is the Executive Vice-President – Corporate and Project Development of the Corporation and a "qualified person" for the purposes of NI 43-101.

2019 Production

The following table provides a summary of production results from the Mercedes Mine and the South Arturo Mine for the fourth quarter 2019 and the full year 2019:

Mine	Q4 Gold Production (ounces)	Full Year Gold Production (ounces)	Q4 Silver Production (ounces)	Full Year Silver Production (ounces)
Mercedes Mine, Mexico	12,274	59,901	44,809	191,306
South Arturo Mine, Nevada ⁽¹⁾	4,606	7,526	691	1,523
Consolidated Production	16,880	67,427	45,500	192,829

Note:

(1) Figures provided are based on the Corporation's 40% interest in the South Arturo Mine.

Commercial production was declared at the El Nino underground mine ("El Nino") of the South Arturo Mine at the end of the third quarter of 2019. El Nino recovered a total of 5,964 ounces of gold (including 562 pre-production ounces) to the Corporation's account during 2019, with an additional 3,855 contained ounces being stockpiled for future processing. In addition, 2,124 ounces of gold were recovered from the Phase 2 open pit stockpile during the year with an additional 392 pre-production ounces of gold from the Phase 1 open pit.

Greenstone Gold Property

Background

On March 9, 2015, Premier, through its wholly-owned subsidiary, Premier Hardrock, formed a 50/50 limited partnership with Centerra for the joint ownership and development of the Hardrock Project and the Brookbank, Kailey and Key Lake deposits in Ontario. The name of the partnership was changed to Greenstone Gold Mines LP on July 20, 2015 (the "**Greenstone Partnership**").

Premier Hardrock and Centerra each have a 50% interest in GGM, the corporation formed to act as the managing partner of the Greenstone Partnership. Premier Hardrock, Centerra and the Managing Partner are party to the Greenstone Limited Partnership Agreement which provides for the ongoing governance and operations of the Greenstone Partnership. In December 2018, Centerra transferred its 50% interest in the Greenstone Partnership to its wholly-owned subsidiary, AuRico.

The contents of this section are qualified in their entirety by the Greenstone Limited Partnership Agreement.

The Greenstone Limited Partnership Agreement provides that the Greenstone Partnership is to be managed by the Managing Partner. The board of directors of the Managing Partner (the "**Managing Partner Board**") consists of four directors, with two nominees of Premier Hardrock and two nominees of Centerra. The Managing Partner Board is responsible for, among other things, approving the Greenstone Partnership's annual work programs and budgets and making decisions regarding the advancement of the Greenstone Gold Property.

Pursuant to the Greenstone Limited Partnership Agreement, the officers and other management personnel of the Managing Partner are responsible for the day-to-day management, control, administration and operations of the Greenstone Partnership's business. The Managing Partner has entered into services agreements with each of Premier Hardrock and AuRico that provide for the delegation of certain operational matters to Premier Hardrock and AuRico, respectively.

Premier Hardrock contributed all property, assets and rights it held in respect of the Greenstone Gold Property to the Greenstone Partnership in consideration for its 50% interest in the Greenstone Partnership (the "**Hardrock Contribution**") and Centerra made an initial cash contribution to the Greenstone Partnership in the amount of \$85 million in consideration for its 50% interest in the Greenstone Partnership (the "**Centerra Contribution**"). Following the Hardrock Contribution and the Centerra Contribution, the Greenstone Partnership made a cash distribution to Premier Hardrock in the amount of \$85 million.

Under the Greenstone Limited Partnership Agreement, Centerra agreed to make capital contributions to the Greenstone Partnership in the aggregate amount of \$185 million (the "**Centerra Development Commitment**"). A portion of the Centerra Development Commitment is to be used to complete an updated mineral resource estimate (the "**Greenstone Updated Mineral Resource Estimate**") and a comprehensive economic feasibility study (the "**Greenstone Feasibility Study**") in respect of the Greenstone Gold Property. Subject to the satisfaction of certain feasibility and project advancement criteria (discussed below), the remainder of the Centerra Development Commitment is to be used towards the development and construction of the Hardrock Project at the Greenstone Gold Property. As of December 31, 2019 approximately US\$35 million remains under the Centerra Development Commitment.

Centerra also agreed to make an additional contingent capital contribution in cash (the "**Centerra Contingent Contribution**") not to exceed \$30 million following the completion and based on the results of the Greenstone Updated Mineral Resource Estimate. The amount of the Centerra Contingent Contribution was to be determined by reference to the amount of mineral resources contained in the Greenstone Gold Report. On September 17, 2015, Centerra paid \$11,009,680 in cash to the Greenstone Partnership as the Centerra Contingent Contribution, which amount was distributed to Premier Hardrock as a capital distribution.

Premier Hardrock is not required to make any capital contributions to the Greenstone Partnership until Centerra has contributed the full amount of the Centerra Development Commitment to the Greenstone Partnership. Following Centerra's full contribution of the Centerra Development Commitment, cash calls are to be satisfied by each of Premier Hardrock and Centerra on a 50/50 basis (provided there is no change in the ownership interest of each party) pursuant to approved annual work programs and budgets. The Greenstone Limited Partnership Agreement contains customary dilution mechanisms for failures to meet cash calls and certain other events.

On November 16, 2016, the Corporation announced the results of the Greenstone Feasibility Study and indicated that the Managing Partner Board had not made a development or construction decision on the Greenstone Gold Property.

In 2017, environmental and community and aboriginal engagement activities were a primary focus of GGM. The GGM team submitted the Hardrock Project Environmental Impact Statement/Environmental Assessment (the "**Hardrock EIS/EA**") to the Canadian Environmental Assessment Agency ("**CEAA**") and the Ministry of the Environment and Climate Change ("**MOECC**") to initiate the formal environmental review portion of the permitting process in July, 2017.

Progress also continued with the optimization of the Greenstone Feasibility Study as part of a mandate to further de-risk the project. In 2017, the first phase (\$18.1 million) of a proposed three phase milestone-based budget of up to \$37.9 million was approved (to be spent by Centerra) to advance permitting and detailed engineering for the future development of the Hardrock Project.

On December 17, 2018, the Corporation announced that the Hardrock EIS/EA was approved on December 13, 2018, by the Honourable Catherine McKenna of the MOECC. The decision followed a thorough and science-based environmental assessment conducted by the CEAA with the participation of Indigenous groups, the public and federal departments, including Fisheries and Oceans Canada, Environment and Climate Change Canada, Health Canada and Natural Resources Canada. Participating provincial ministries included the Ministry of the Environment, Conservation and Parks, the Ministry of Natural Resources and Forestry ("**MNRF**") and the Ministry of Energy, Northern Development and Mines ("**MENDM**"). The Hardrock EIS/EA received approval from the provincial government of Ontario in March 2019.

Following the making of a positive feasibility decision by the Managing Partner Board, neither Premier Hardrock nor Centerra will be required to continue funding the Greenstone Gold Property if certain criteria do not remain satisfied (the "**Greenstone Property Advancement Criteria**"). The Greenstone Property Advancement Criteria include, among other things, that the Greenstone Partnership has acquired or it is reasonably expected that the Greenstone Partnership will acquire all material authorizations and commercially reasonable agreements with aboriginal communities and the owners of applicable surface rights required for the Greenstone Gold Property and that there has not been a material change in the underlying material assumptions in the Greenstone Feasibility Study that would result in a material decline in the internal rate of return demonstrated thereby.

If, at any time after the making of a positive feasibility decision in respect of the Hardrock Project and at a time when each of the Greenstone Property Advancement Criteria are satisfied and the Centerra Development Commitment has not been fully contributed, Centerra does not meet its cash call obligations or fails to approve a work program and budget (consistent with the Greenstone Feasibility Study) within a prescribed period, Centerra shall pay to the Greenstone Partnership, in satisfaction of its remaining obligations under the Centerra Development Commitment, a capital contribution in cash (the "**Centerra Default Contribution**") equal to the amount by which \$92.5 million exceeds half of the Centerra capital contributions made to that date. Upon receiving a Centerra Default Contribution, if any, the Greenstone Partnership is required to make a cash distribution to Premier Hardrock in an amount equal to the Centerra Default Contribution.

On December 23, 2019, Premier Hardrock received the Centerra Claim. The Premier Defence and Counterclaim was filed in response on January 31, 2020. See "*General Development of the Business – Three-Year History – Centerra Litigation*" for additional details.

Property Description and Location

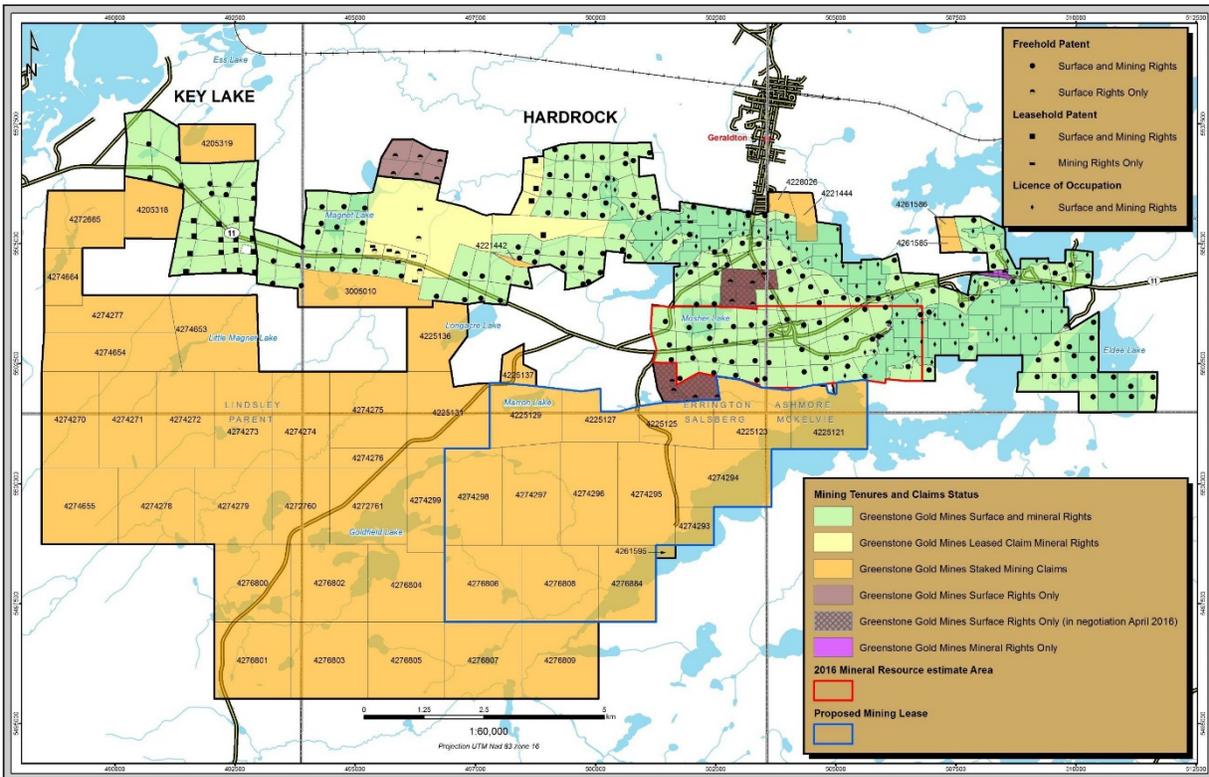
The Greenstone Gold Property is in Northern Ontario, approximately 275 kilometres northeast of Thunder Bay. It consists of four projects over a distance of over 100 kilometres, located along or in close proximity to the Trans-Canada Highway between the towns of Geraldton and Beardmore and Longlac, Ontario: (i) the Hardrock Project (a contiguous block of patented claims, mining leases, licences of occupation and unpatented mining claims covering an aggregate area of 15,522.071 hectares), (ii) Brookbank (consists of unpatented mining claims and mining leases covering an aggregate area of 18,958.477 hectares), (iii) Key Lake (consists of unpatented mining claims covering an aggregate area of 340.646 hectares), and (iv) Viper (consists of unpatented mining claims covering an aggregate area of 4,250.876 hectares).

Hardrock Project

The Hardrock Project is in the townships of Lindsley, Errington, Salsburg, McKelvie and Ashmore in Northern Ontario, Canada, approximately 275 kilometres northeast of Thunder Bay on National Topographic Systems sheets 42 E/10 and 42 E/11, and approximately at latitude 49° 40'N and longitude 86° 56'W. It consists of a

contiguous block of patented claims, mining leases, licences of occupation and staked claims covering an aggregate area of 15,522.071 hectares.

The Hardrock Project consists of 429 unpatented claims, 191 patented claims, 23 mining leases and 78 licenses of occupation. Some claims have title to mining rights only and others have title to mining and surface rights held jointly. There are also some claims for which the Greenstone Partnership holds the mining rights that have either easements or severed surface rights held by other parties. Finally, there are some properties owned by the Greenstone Partnership where it holds surface rights only. The below map illustrates the different rights attaching to the various claims.



A leasehold patent of mining rights or of surface rights, or of both mining rights and surface rights, is a conveyance or grant of possession of land for a set length of time. There is usually a requirement to pay rent.

Freehold patent means a grant from the Crown in fee simple. The patent cannot be terminated by the MENDM, except for voluntary surrender or non-payment of mining lands taxes.

Prior to 1964, mining licences of occupation ("MLO") were issued, in perpetuity, by the MENDM to permit the mining of minerals under the beds of bodies of water. MLOs were associated with portions of mining claims overlying adjacent land. As an MLO is held separate and apart from the related mining claim, it must be transferred separately from the transfer of the related mining claim. The transfer of an MLO requires the prior written consent of the Ministry. As an MLO is a licence, it does not create an interest in land.

Brookbank Project

The Brookbank project consists of 19 mining leases and 920 unpatented mining claims totaling 18,958.477 hectares. It is 14 kilometres northeast of the town of Beardmore, Ontario.

The Greenstone Partnership owns 100% of the 18 leases that comprise the Brookbank project with the remaining portion of the Brookbank project subject to two joint venture agreements with Metalore Resources Limited ("**Metalore**"). The first joint venture is between the Greenstone Partnership (74%) and Metalore (26%) while the second is between the Greenstone Partnership (79%) and Metalore (21%). The Brookbank project hosts the Brookbank, Cherbourg and Foxear deposits and the Irwin prospect.

Key Lake Project

The Key Lake project consists of 18 unpatented mining claims and is 100% owned by the Greenstone Partnership. The Key Lake project is 12 kilometres west of the town of Geraldton, Ontario. It is a few hundred metres north of the Trans-Canada Highway.

Viper Project

The Viper project consists of 216 unpatented mining claims and is 100% owned by the Greenstone Partnership.

Accessibility

The Hardrock Project is accessible year-round via paved roads from Geraldton or the Trans-Canada Highway, which crosses the property from east to west. The closest major city is Thunder Bay, Ontario, located 275 kilometres to the southwest, and it can be reached by the Trans-Canada Highway. The south portion of the Hardrock Project is accessed via the Trans-Canada Highway. The remainder of the Hardrock Project can be easily accessed by four-wheel drive vehicles via numerous logging/bush roads that branch off of the paved highways. Drill roads provide excellent access to the areas being explored the Greenstone Partnership. Those areas of the Hardrock Project not serviced by roads can be accessed by all-terrain vehicle, on foot or by boat during the summer and by snowmobile in the winter.

The Brookbank, Key Lake and Viper projects are also located in the Municipality of Greenstone in the Province of Ontario, between the towns of Beardmore and Geraldton, and are accessible year-round via paved roads from Beardmore/Geraldton.

Agreements and Royalties – Hardrock

Conventional royalties or taxes on possible future mineral production will be due to the Ontario and/or federal governments. There are a number of underlying agreements and royalties that apply to some of the mining claims constituting the Hardrock Project. The following maps show mining claims that are subject to an NSR royalty.

In connection with the acquisition by Premier of a 100% interest in the mining claims commonly known as the Geraldton, Ozone Creek and Eva Summer properties (which make up a portion of the Hardrock Project), together with certain equipment and other assets related thereto (the "**G-L Assets**"), from Lac Properties Inc. ("**Lac Properties**"), among other things, Premier entered into a royalty agreement with Lac Properties which provides for, among other things, the payment to Lac Properties of a 3% NSR royalty in respect of the G-L Assets (which 3% NSR royalty was subsequently acquired by Franco-Nevada Corporation). No royalty shall be payable for or with respect to reasonable quantities of product which are not sold but which are used for assaying, treatment, amenability, metallurgical, test work, piloting or other analytical processes or procedures.

As noted in the above map, a number of certain mining claims comprising the Hardrock Project are subject to NSR royalties ranging from 1% to 3% as well as certain claims that are subject to a 5% net profit interest in favour of Algoma Steel Inc. (now Essar Steel Algoma Inc.).

Environmental Liabilities – Hardrock

The Hardrock Project was subject to both federal and provincial environmental assessment. The Hardrock EIS/EA was submitted to the CEAA and MOEE in July 2017 and approved in December 2018 by the federal government and in March 2019 by the provincial government. The Hardrock Project was approved as proposed without any material changes or conditions required and there are no conditions of approval affecting the ability of the Managing Partner to extract minerals from the Hardrock Project.

Since the approval of the environmental assessment the Managing Partner has initiated the permitting process and obtained authorizations from the MENDM, MNRF and Fisheries and Oceans Canada. Permits obtained to date allow for construction activities to commence pending a construction decision. Additional permits are planned to be obtained in 2020.

Aboriginal – Hardrock

Through the federal and provincial environmental assessments, five local Indigenous communities were identified as being potentially affected by the Hardrock Project. These communities include the Aroland First Nation, Animiigoog Zaagi'igan Anishinaabek, Ginoogaming First Nation, Long Lake #58 First Nation and the Metis Nation of Ontario. The Managing Partner has successfully finalized agreements with each of the local Indigenous communities acquiring full support for the Hardrock Project. In addition, the Red Sky Metis Independent Nation ("**RSMIN**") was noted in the provincial environmental assessment decision for inclusion in future consultation opportunities. GGM works closely with RSMIN and has obtained their support for the Hardrock Project.

Closure – Hardrock

Before mining operations can begin, the MENDM requires that a Closure Plan with Financial Assurance (the "**Closure Plan**") be submitted and approved under the *Mining Act* (Ontario). Following an extensive consultation process, the Closure Plan was filed and approved by the MENDM on January 9, 2020. The Ministry accepted the Managing Partner's proposal for a five-phased approach to the provision of Financial Assurance that is commensurate with the level of development of the Hardrock Project. Phase 1 Financial Assurance has been provided to the Ministry.

History

The historical and previous resource estimates contained in this section are noted in this section as historical information related to the Greenstone Gold Property projects. **A qualified person for the purposes of NI 43-101 has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves. The Corporation is not treating the historical estimates contained herein as current.**

Hardrock Project

In 1931, F. MacLeod and A. Cockshutt staked the ground adjoining the Hard Rock Gold Mines Limited property to the west. The discovery of larger mineralized zones in 1933 led to the organization of a new company, MacLeod-Cockshutt Gold Mines Limited ("**MacLeod-Cockshutt**"). In 1934, shaft sinking began with the No. 1 shaft; followed by the No. 2 shaft, 600 metres to the southeast, in 1936. The MacLeod-Cockshutt mine became the fifth producing gold mine in the Little Long Lac area on April 19, 1938 when a mill with a rated capacity of 600 tonnes per day was brought into operation. Underground operations continued until July 1970. The mine had produced 1,546,980 ounces of gold ("**Au**") at an average grade of approximately 0.14 ounces of gold per tonne ("**oz/t Au**").

In the 1980s, Lac Minerals reviewed the remaining underground reserves on the Hardrock Project, MacLeod-Cockshutt and Mosher mines, conducted ground geophysical surveys and undertook diamond drilling programs in 1987 and 1988 totaling approximately 15,240 metres. Most of the drilling targeted areas with open pit potential that were in the vicinity of the Hardrock D and F, North and South Porphyry and Propyry Hill zones.

In 1992, Asarco Exploration Company of Canada Limited ("**Asarco**") entered into an agreement with Lac Minerals and, in 1993, carried out a program of reverse circulation overburden drilling and diamond drilling, the latter largely focusing on the near surface portion of the F-Zone and targets around the plunging nose of the albite porphyry. As a result of this work, a geological resource was calculated for the Propyry Hill, West and East pits as follows: (i) pit resource: 1,920,000 tonnes grading 0.079 oz/t Au (with strip ratio, including overburden, of 4.76 to 1); and (ii) ramp resource: 1,160,000 tonnes grading 0.127 oz/t Au. The following table shows the historical gold production, diamond drilling and underground development statistics for the Hardrock Project and the MacLeod-Cockshutt, Mosher Long Lac and Macleod-Mosher mines.

	Hardrock Project	MacLeod- Cockshutt Mine	Mosher Long Lac Mine	Macleod- Mosher Mine	Total
Years of production	1938-1951	1938-1967	1962-1966	1967-1970	
Ore milled (short tonnes)	1,458,375	9,403,145	2,710,657	1,656,413	15,228,590
Ore milled (metric tonnes)	1,323,038	8,530,533	2,459,108	1,502,698	13,815,377
Au grade (oz/t)	0.185	0.145	0.122	0.109	0.141
Au grade (grams per tonne or "g/t")	6.33	4.98	4.18	3.74	4.83
Gold ounces	269,081	1,366,404	330,265	180,576	2,146,326
Silver ounces	9,009	90,864	34,604	17,321	151,798
Total length of Surface Diamond Drill Hole (" DDH ") (metres)	14,021.4	16,933.5	1,083.0	0.0	32,037.9
Total length of underground DDH (metres)	67,423.6	224,168.5	59,591.1	1,043.0	352,226.2
Total length of drifting (metres)	10,572.0	32,698.9	7,292.3	7,259.2	57,822.4
Total length of crosscutting (metres)	3,608.5	8,976.1	3,267.2	3,369.3	19,221.1
Total length of raising (metres)	1,878.5	10,589.7	2,467.4	4,300.1	19,235.7

Asarco continued its exploration program into 1994, completing reverse circulation holes in overburden, sonic holes in tailings, and an additional 40,000 feet of diamond drilling, mostly on the aforementioned targets. Cyprus Canada Inc. ("**Cyprus**") assumed Asarco's role in the Lac Minerals agreement in 1996 and drilled 24 holes, leading to the discovery of the B Zone. The agreement ended in 1997. Lac Minerals began a rehabilitation program.

Historical work executed on the Hardrock Project area is summarized in Schedule "C".

Brookbank Project

The following summary is restricted to those leases and claims covering the Brookbank project. The earliest known work on the Brookbank project is a program of surface trenching and limited diamond drilling carried out in 1934 by Connell Mining and Exploration Co. Ltd. A total of 17 trenches, plus numerous test pits, exposed a rusty shear zone in mafic flows over a strike length of 396 metres. Gold values from samples in this zone were low and erratic, and the results for the diamond drilling are not known. Work was suspended in late 1935.

In 1944, Noranda Exploration Company Limited ("**Noranda**") completed detailed mapping, trenching and 1,860 metres of x-ray diamond drilling in 40 holes to test the Brookbank zone. Brookbank-Sturgeon Mines Limited ("**Brookbank-Sturgeon**"), a predecessor company to Ontex Resources Limited ("**Ontex**"), acquired the claims covering the current property in 1950; however, there is no record of the work performed (if any) by Brookbank-Sturgeon.

Between 1974 and 1975, Lynx Canada Explorations Limited ("**Lynx**") completed geological mapping, ground magnetic surveys and diamond drilling over a portion of the property. In 1974, Lynx carried out surface mapping and a magnetometer survey on the eastward extension of the Noranda showing. In the following year, Lynx completed six drill holes totaling 376 metres to test a thin siliceous band along the metavolcanic-metasedimentary contact.

In 1981, Metalore optioned the project from Brookbank-Sturgeon and completed line-cutting followed by an electromagnetic survey over the entire grid and a VLF-EM survey over selected portions of the property. Metalore subsequently drilled 30 holes totaling 3,567 metres. Between late 1982 and early 1983, Metalore drilled three widely spaced holes totaling 330 metres to test the metavolcanic-metasedimentary contact on the Brookbank West property and one 453 metre hole on the Foxear property.

From September 1983 to March 1984, Metalore completed an additional 62 drill holes totaling 6,946 metres, including four wedges. In July 1984, Metalore commissioned a combined helicopter-borne magnetometer, gamma ray spectrometer and very low frequency survey over its holdings in Sandra, Irwin and Walters townships, including the Brookbank project. From 1984 to 1985, Metalore drilled 23 holes, including 14 wedges, on the Brookbank zone totaling 4,421 metres, six holes on the Cherbourg zone totaling 6,684 metres, and 26 holes on the Foxear zone totaling 2,202 metres.

In 1986, Metalore concentrated on the Cherbourg zone and completed 43 drill holes for a total of 4,368 metres. On October 1, 1986, Metalore entered into an exploration and development agreement with Hudson Bay Mining and Smelting Co., Ltd. ("**Hudson Bay**"). In 1987, Hudson Bay drilled 44 holes for a total of 11,203 metres on Brookbank and 10 holes for a total of 2,777 metres on Foxear. Mineralogical studies and preliminary metallurgical testing were completed on one mineralized sample and approximately 70 drill collars were located and surveyed. Metalore's agreement with Hudson Bay was terminated in 1988 because of an ownership dispute between Metalore and Ontex. In October 1998, Ontex acquired a release of Metalore's right to earn an interest in the Brookbank leases, subject to a 1% NSR royalty due to Metalore upon production.

In July 1989, Placer Dome Inc. ("**Placer**") and Metalore signed an option agreement to which Ontex was not a party. From early August to late November of that year, Placer completed a program consisting of power stripping/trenching, detailed geological mapping, channel sampling and diamond drilling. Placer exposed an area of about 650 metres by 15 metres and took 215 channel samples totaling 244 linear metres. Detailed mapping was completed at an imperial scale of one inch to ten feet. During 1989, drilling at the Brookbank zone consisted of 18 holes totaling 7,010 metres to test the lateral and down-dip extensions to a vertical depth of 670 metres.

Between 1993 and 1994, Metalore completed four holes totaling 533 metres on the Brookbank zone, 15 holes totaling 2,107 metres at Cherbourg and seven holes (including one wedge) totaling 3,323 metres at Foxear. In 1994, positive reviews of the data by both Micon and J.R. Trussler & Associates, on behalf of Metalore, led to

recommendations for additional work. However, the ongoing litigation between Ontex and Metalore precluded the completion of any further work.

In October 1998, Ontex and Metalore announced a settlement whereby Ontex acquired a release of Metalore's right to earn an interest in the Brookbank leases and Ontex took over as the operator of the Brookbank project and all of the Metalore property in the area.

In June 2011, Premier and Goldstone Resources Inc. ("**Goldstone**") entered into a definitive agreement whereby Premier would acquire all of the outstanding common shares of Goldstone. On August 16, 2011, Premier completed the previously announced acquisition of Goldstone for approximately \$104 million. The acquisition of Goldstone allowed Premier to add the Key Lake, Brookbank, Northern Empire and Leitch-Sand River projects to its portfolio of projects, as well as add the remaining portion of the Hardrock Project it did not hold.

There has been no historical production from the Brookbank project. A previous mineral resource estimate on the Brookbank project was completed in 2009 and is summarized in the table below. A qualified person for the purposes of NI 43-101 has not done sufficient work to classify the historical estimates as current mineral resources. The Corporation is not treating the historical estimates as current.

Brookbank Project Historical Mineral Estimates (2009)

Zone	Indicated Mineral Resources			Inferred Mineral Resources		
	Tonnes	Cut Au (g/t)	Cut Au (oz)	Tonnes	Cut Au (g/t)	Cut Au (oz)
Brookbank	1,217,400	8.8	345,600	813,100	7.4	192,800
Cherbourg	79,900	10.1	25,900	141,200	8.1	37,000
Foxear	34,500	4.3	4,700	54,200	3.7	6,500
Total	1,331,800	8.8	376,200	1,008,500	7.3	236,300

Note:

Table adapted from the technical report titled "Technical Report on the Brookbank Gold Deposit, Beardmore-Geraldton Area, Northern Ontario, Canada", dated May 4, 2009, prepared by Ian T. Blakley, P.Geo. and Christopher Moreton, Ph.D., P.Geo., both of Scott Wilson Roscoe Postle Associates Inc. for Ontex. The parameters used to estimate the mineral resources for the 2009 Technical Report were as follows: (1) a minimum mining width of 1.5 metres and a minimum grade of 1.0 g/t Au for Foxear and 2.0 g/t Au for the other zones were used to build mineralization wireframes; (2) high assays were capped at 40 g/t Au for Brookbank, 13 g/t Au for Cherbourg, and no capping was required at Foxear. Assays were capped prior to compositing; and (3) mineral resources were estimated using an average long-term gold price of US\$850 per ounce, and a US\$/C\$ exchange rate of 1.10.

Since its acquisition of the Brookbank deposit in March 2015, approximately 95% of the Managing Partner's exploration expenditures on the Brookbank deposit have been on diamond drilling, acquisition of claims and claims protection.

Key Lake

Drilling by Placer at Key Lake in the 1980s identified extensive zones of gold mineralization but these were initially considered too low grade to be economic. Placer conducted additional drilling in 1990 before abandoning the project. Subsequently, Cyprus confirmed two shallow mineralized shoots with average grades greater than 1 grams per gold tonne ("**g Au/t**"). Roxmark Mines Limited carried out some drilling in 2010/2011 and identified wide mineralized intervals, such as 1.6 g Au/t (0.047 oz Au/t) over a drilled length of 30 metres in KL-11-109 (including 11.9 g Au/t over 0.3 metres). Higher grade intervals, such as 5.6 g Au/t (0.16 oz Au/t) over 16.1 metres in KL-11-112 (including 31.6 g Au/t over 1.85 metres) were also encountered. There has been no drilling below a vertical depth of about 250 metres.

The Key Lake deposit area includes the past-producing Jellicoe mine. The Jellicoe mine produced 5,620 oz of gold from 1939 to 1941 and an additional 55 oz in 1949. The ore bodies comprised a series of veins, each with a maximum strike length of about 100 metres and average width of 0.6 metres. The mine workings extend discontinuously for about 1,000 metres along strike at depths less than 150 metres.

Kailey

Kailey is located at the former Little Long Lac mine. In 1917, gold was discovered in the glacial drift along the shore near the Main Narrows on Little Long Lake. In 1932, claims were staked by various individuals. Sudbury Diamond Drilling Co. drilled the area of the gold discovery and outlined a commercial ore shoot. In 1933, Little Longlac Gold Mines Ltd. was formed to develop the mine. A three compartment shaft was sunk to 137.16 metres. In 1934, an electric power line reached the mine and a 150 tonnes per day ("t/d") mill was built. Between 1935 and 1940, underground development continued in the form of shaft sinking, drifting, winze sinking and cross-cutting. In 1941, the discovery of scheelite in the ore resulted in handpicking of the tungsten rich material. In 1942, the underground development continued. A small mill was built to treat the tungsten. Between 1943 and 1952, the underground development continued and diamond drilling was extensive. In 1953, the mining operations continued until the end of the year. In 1967, a new entity, also called Little Longlac Gold Mines Ltd., drilled 1,524 metres to test the iron formation.

The Kailey project area includes the past-producing Little Long Lac mine. The Little Long Lac mine produced 1,615,247 tonnes at a grade of 11.7 g Au/t for a total of 605,499 oz of gold from 1934 to 1956.

Geological Setting, Mineralization, and Deposit Types

Hardrock Project

I. GEOLOGY

The Greenstone Gold Property lies within the granite-greenstone Wabigoon Subprovince of the Archean Superior craton in eastern Canada. The Wabigoon Subprovince, averaging 100 kilometres wide, is exposed for some 900 kilometres eastward from Manitoba and Minnesota, beneath the Mesoproterozoic cover of the Nipigon Embayment, to the Phanerozoic cover of the James Bay Lowlands. The Wabigoon Subprovince is bounded on the south by the metasedimentary Quetico Subprovince, on the northwest by the plutonic Winnipeg River Subprovince and on the northeast by the metasedimentary English River Subprovince. The Wabigoon-Quetico Subprovince boundary is a structurally complex, largely faulted interface.

The Wabigoon Subprovince can be subdivided into western greenstone-rich domains in the Lake of the Woods-Savant Lake and Rainy Lake areas, a central dominantly plutonic domain and an eastern greenstone-rich domain in the Beardmore-Geraldton area. Beardmore-Geraldton Greenstone Belt is located east of Lake Nipigon along the margins of the granite-greenstone Wabigoon Subprovince and the metasedimentary Quetico Subprovince. This 90 kilometre long greenstone belt is composed of three metavolcanic and three metasedimentary units that are bounded by shear zones.

The Hardrock Project lies within the southern sedimentary unit. The southern sedimentary unit in the Geraldton area is characterized by multiple horizons of magnetite-rich chert banded iron formation ("BIF") within a thick sequence of interlayered sandstone-argillite and minor polymictic conglomerates. The sequence is intruded by medium- to coarse-grained diorite sills and feldspar-quartz porphyry dykes, which, together with the sedimentary rocks, are folded by tight to isoclinal, regional F2 folds.

II. MINERALIZATION

Most mineralized occurrences in the Hardrock Project area lie in a zone of deformation to the immediate north of, and genetically linked to, the Tombill-Bankfield Deformation Zone. This zone of deformation varies from

600 to 100 metres in total width, while the crush zone of the Tombill-Bankfield Fault proper ranges from metres to hundreds of metres in width. Gold mineralization is associated with D3 brittle shear zones and folds overprinting regional F2 folds. The plunge of the mineralized zones is parallel to F3 fold axes and to the intersection of D3 shear zones with F2 and F3 folds.

Lithological domains and mineralized zones are located inside three distinct structural domains: a North Domain consisting of a refolded (F3 overprinting F2) sequence of BIF and greywacke, with minor porphyry and gabbros; a Central Domain consisting mainly of an undifferentiated greywacke sequence and a mineralized portion of this greywacke, defined as the Mineralized Central Wacke, which are both likely sheared and folded; and a South Domain characterized by a tightly folded (F2) stratigraphic sequence.

Two main styles of mineralization at the Hardrock Project are quartz-carbonate stringer mineralization and sulfide replacement mineralization. Quartz-carbonate stringer mineralization generally consists of a series of narrow, tightly asymmetrically folded gold-bearing quartz-carbonate stringers, which are usually attenuated, transposed and dislocated in hook-like segments. Sulfide replacement mineralization occurs as variable pyrite, arsenopyrite and pyrrhotite replacement of iron oxide within the hinge zones of folded BIFs.

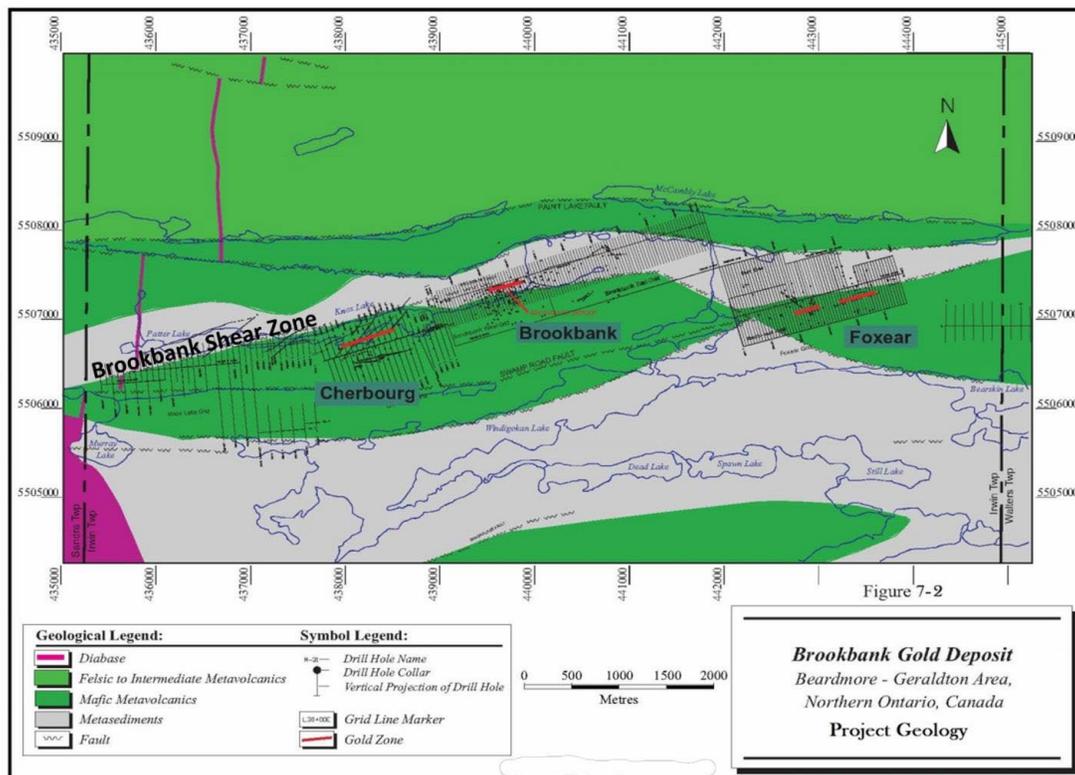
III. DEPOSIT TYPES

Gold deposits in the Hardrock Project are classic examples of epigenetic non-stratiform BIF-hosted gold deposits.

Brookbank Project

I. GEOLOGY

The following figure summarizes the Brookbank project's geology.



II. MINERALIZATION

The 6.5 kilometres long Brookbank shear zone hosts, among other things, the Brookbank deposit. The deposit occurs along lithological contacts between mafic volcanics and metasediments. Other areas of gold mineralization are present in one or more of the localized deformation bands within the hanging wall mafic volcanics, which are generally parallel to the Brookbank main zone within the Brookbank shear zone structure. The zones of mineralization at Brookbank occur within one of several bands of intense deformation and hydrothermal alteration at or near the contact between domains of mafic flows and polyimictic conglomerates. Hydrothermal alteration accompanying the mineralization consists of silicification, carbonatization, sericitization, chloritization, hematization and sulfidization. This alteration is commonly marginal to the mineralized quartz-carbonate veins, fractures and stockworks and may exceed 50 metres in width locally. Sulfide mineralization (pyrite and minor chalcopyrite) is also present within the sheared host rock and quartz veinlets.

III. DEPOSIT TYPE

Economic concentrations of gold in the Beardmore-Geraldton area are typical of Archean epigenetic hydrothermal gold deposits normally considered to be mesothermal lode gold deposits.

Key Lake Project

I. GEOLOGY

The Key Lake project is within the southern metasedimentary sub-belt on the southern limb of a west-plunging syncline. The mineralized zone at Key Lake is 550 to 800 metres northeast of the Tombill-Bankfield Fault and diverges from it toward the west. It is about 2.5 kilometres south of the contact with the central metavolcanic sub-belt. Metagreywacke is the predominant rock type in the area and occurs in a series of turbidites. A thick section of fine to coarse-grained altered wacke hosts most of the gold mineralization. A bed with granule- to pebble- size clasts may be a matrix-supported metaconglomerate or a vitric lapilli tuff. Magnetite-rich argillite occurs to the north and south of the mineralized zone. BIF's occur further north. The metasedimentary rocks have been intruded by one or more thin (0.5 to 3 metres) porphyritic aphanitic felsic dykes which are spatially related to gold mineralization. Gabbro and diorite dykes occur in some areas and Proterozoic diabase dykes crosscut all other rock units.

II. MINERALIZATION

Gold occurs in altered metagreywacke (arkose), felsic dykes and in thin veins cutting these rocks. Gold-bearing altered rocks typically have more than trace amounts of pyrite and/or arsenopyrite. Accessory chalcopyrite has been identified in some holes. A variety of veins are present including quartz with angular bits of white carbonate typically along vein margins, white and grey massive quartz and dark grey veinlets usually less than 3 millimetres thick composed of quartz and/or very fine grained arsenopyrite. Visible gold mineralization occurs in veins in both metagreywacke and felsic dykes but is not common and rarely occurs in wall rock. Alteration occurs within and extends beyond the zone of gold mineralization. Widespread dolomite/ankerite alteration was detected by staining.

III. DEPOSIT TYPE

The Key Lake deposit consists of several lenticular bodies in an echelon arrangement following a north-westerly direction.

Kailey Deposit

I. GEOLOGY

The Kailey deposit is located at the former Little Long Lac gold mine, about 1.7 kilometres north of the Hardrock Mineralized Corridor. It lies within a broad synclinal belt of greywacke, slates, conglomerates and iron formation that extend westwards to Lake Nipigon. The sediments overlie a thick series of lavas and both are intruded by igneous rocks of various ages and types. At Little Long Lac gold mine, the sediments follow a westerly pitching drag fold on the northern limb of the syncline. Subsequent to the folding, east-west zones of shearing developed and formed channel ways for gold-bearing solutions.

II. DEPOSIT TYPE

The Kailey deposit consist of more or less parallel quartz veins and stringers within fracture zones in massive arkose. For the most part, the sulfides are confined to narrow selvages and books of altered wall rock along and within the individual veins, although small amounts are commonly enclosed by the vein quartz itself. The quartz veins have, along their walls, narrow selvages, generally less than half an inch thick, of highly sheared and sericitized arkose impregnated with small amounts of finely divided sulfides, chiefly pyrite and arsenopyrite.

Exploration

Since June 1, 2014, Premier and, after March 2015, the Managing Partner has been removing soils and vegetation to expose rocks in the 2016 resource area. The work consisted of three outcrops with detailed geological mapping and channel sampling.

- On the Porphyry Hill Stripping, a total of 539 metres was channelled including 468 samples.
- On the F-Zone Stripping, a total of 186.9 metres was channelled including 128 samples.
- On the Headframe East Stripping, a total of 597 metres was channelled including 623 samples.

Hardrock Project

During 2016, the Managing Partner conducted induced polarization ("**IP**") surveys in the 2016 resource area and locally in the Hardrock claim block over past-producing mines and known mineralized zones.

The 2019 exploration program at Hardrock consisted of a core and reverse circulation ("**RC**") drilling program. A total of 12,008 metres of core drilling and 5,946 metres of RC drilling was completed in 2019.

Viper Project

In July 2016, the Managing Partner conducted 18.5 kilometres of IP surveys on the Viper claim block over known mineralisation. Soil sampling was executed during the summer of 2016, totaling 38 humus samples, 27 B Horizon samples and 23 C Horizon samples. A reconnaissance mapping program was carried out in the southern part of the claim block along with the collection of 56 grab samples. Re-logging of 11 drill holes added 688 new samples to the Viper database.

Brookbank Project

In the summer of 2016, an orientation till/soil survey was done on a 200 x 100 metres spacing, totaling 183 B Horizon samples and 80 C Horizon samples over the Brookbank deposit. A second till/soil survey was done over the Patter Lake area totaling 38 B Horizon samples and 13 C Horizon samples. A third till/soil survey was conducted over an area near the Brookbank East outcrop on a 200 x 100 metres spacing. On the historical stripped

outcrop of Brookbank East, the following work was done: 1.8 kilometres of ground magnetics, mapping and channel sampling. Finally, 14 holes in the area surrounding Brookbank East were relogged.

Drilling

Hardrock Project

Between May 26, 2014 and November 18, 2015, the Managing Partner added 157 diamond drill holes on the Hardrock Project for a total of 54,027 metres. One diamond drill hole (MM043) included in the 2014 mineral resource estimate was also deepened, from 456 metres to 655 metres, representing a total of 199 metres of new footage. Seventy-nine historical diamond drill holes were re-sampled to add new assay results in the 2016 updated mineral resource estimate. These holes represent a total of 8,733 metres of new footage and 6,411 of new samples in the 2016 database. A total of 55 condemnation diamond drill holes totaling 8,512 metres were drilled by the Managing Partner.

Two drilling campaigns have been completed in 2018 and 2019 designed to address specific aspects of the Hardrock Project based on recommendations stemming from audits of the Greenstone Gold Report.

I. 2018 DRILL PROGRAM

The first program, beginning in August 2018, was a resource definition RC grade control ("**RCGC**") program designed to increase the confidence level in the mineral resources in the initial years of production. A total of 20,011 metres was drilled in 405 holes using a drill pattern of 10 metres x 20 metres, locally raised to 10 metres x 10 metres, in five key areas. A variety of zones and mineralization styles were tested through the first three benches (30 meters) of the mine design. The RCGC program confirmed most of the gold expected in the 2016 block model ("**2016 BM**") and additional ounces of gold were identified in most of the areas drilled. Grade continuity was confirmed and overall, the grade was around 15% higher than predicted by the 2016 BM for the areas drilled with RCGC. The key findings of the program lead G Mining to remodel the mineralisation wireframes with the aim of reducing internal dilution, reinvestigate the assay capping strategy, adjust estimation parameters and re-estimate gold grades into the newly created block model.

II. 2019 DRILL PROGRAM

The second campaign, drilled in 2019, included a total of 12,008 metres of core drilling in 53 holes and 5,946 meters of RC drilling in 76 holes. The core drilling was designed to infill specific areas across the model and validate the 2018 internal mineral resource model update. The 2019 RC drilling program tested up to seven benches (70 meters) in previously drilled zones. The results were positive and confirmed the continuity and gold grades as predicted in the 2018 resource model update.

G Mining updated the mineralisation wireframes with the 2019 drilling information and following the same estimation strategy as undertaken in the 2018, updated the mineral resource model (described in the previous paragraph). After visual and statistical validation, the block model was found to be a good representation of the wireframes used to constrain the mineralization and the grade composites. Mineral resource classification was based primarily on estimation pass and other considerations such as drill spacing and confidence in grade continuity.

Brookbank Project

The drill results of the previous operators Lac Minerals, Asarco and Cyprus are not entirely available. One of the authors of a previous technical report on the Hardrock Project worked on the property for Asarco from 1993 to 1994, and also reviewed the property data when it was held by Cyprus in 1997. All exploration work, drilling procedures and assaying procedures are believed to have been conducted in accordance with standard industry practice at the time.

All of the diamond drilling between 2007 and 2009 was contracted to Chibougamau Diamond Drilling, based in Chibougamau, Québec. The 2010 drill program was completed by Chibougamau Diamond Drilling, Boart-Longyear Diamond Drilling and Bradley Bros. Diamond Drilling. The drill rigs were mounted on skids and dragged into position using a skidder or bulldozer.

In zones of uniform lithology, the sampling interval is one metre; however, where geological/alteration differences exist, the sample interval is reduced to a minimum of 0.5 metres or slightly increased to a maximum of 1.5 metres. Premier completed two holes, totaling 1,359 metres, while most of the drilling was conducted by Ontex between 1999 and 2008. The most significant results are summarized as follows:

- Mineralization on the Brookbank main zone deposit is continuous along strike for over a kilometre; the exact limits have yet to be established.
- Using a mineralization envelope of 0.1 g/t Au, the mineralized horizon is cone-shaped in section and is sub-vertical with a slight inclination to the south.
- The true thickness of the mineralized envelope varies from 20 to 50 metres at or close to surface and to one to two metres at a 750 metre (approximate) vertical depth from surface.
- Within the 0.1 g/t Au envelope, the drill intercepts with mineralization of potential economic interest vary in grade from 0.5 g/t to 15 g/t. The variation is completely random. The major intercepts have a true width ranging between 50% and 75% of the core length.

Key Lake Project

The methodology for drilling, surveying and core logging procedures described above for the Brookbank project is similar to that used on the Key Lake project within the Greenstone Gold Property.

Sampling and Analysis

Hardrock Project

All quality control samples are prepared and bagged in advance by Managing Partner personnel. The Managing Partner employee in the core cutting facilities places one half of the ticket into a bag with the sample and staples the other half in the box. One half of each quality control sample ticket is placed in the appropriate type of control sample bag, which was prepared beforehand. A list of quality control samples and their numbers/locations is posted on the wall in the core shack and regularly updated by Managing Partner personnel. Five to seven samples are placed in a rice bag and the contents identified on the outside of the bag. Each bag and its contents are recorded on a notepad and placed in a plastic holder once complete. These slips are picked up each morning by an employee of the Managing Partner and recorded in an Excel spreadsheet. Once the batches are complete, Managing Partner personnel deliver the bags to the Geraldton sample preparation facility ("**Actlabs Geraldton**") belonging to Activation Laboratories Ltd. ("**Actlabs**"). No third party is involved in transportation.

Economic samples (drilling and channelling programs) are sent in batches of 34 samples. As a quality control check, Actlabs Geraldton adds a 35th sample to every field batch received in the form of a coarse duplicate of the last regular sample (the 30th sample), constituting a second pulp prepared from the reject. The quality of the reject is monitored to ensure that proper preparation procedures are used during crushing. For the fusion process, Actlabs Geraldton adds seven additional quality control samples (two analytical blanks, two certified reference materials and three pulp duplicates), bringing the fusible batch to a total of 42. At Actlabs Geraldton, the maximum furnace charge of 42 samples ensures that the Managing Partner samples are not mixed with others.

Fire Assay Sample Preparation and Procedures

Samples are received at Actlabs Geraldton, sorted and bar-coded. They are then placed in the sample drying room and dried at 60°C. Any samples that are damaged upon receipt (i.e., punctured sample bag, loose core) are documented and the client is informed with pictures.

Samples are crushed to 90% passing 10 mesh and split with a Jones riffle, and a 250 grams split is pulverized to 95% passing 150 mesh. Sieve tests are performed on the crusher at the beginning of each day. Sieve tests are performed on the pulps on the first and 50th sample of each work order. If there is a failure, the samples are re-milled to ensure that they pass. There is a pulp duplicate made every 30th sample in sample prep and a coarse reject duplicate every 50th. Samples are then sent for fire assay.

Samples (50 grams each) are sent to the fire assay area numbered and in order (usually 1 to 34+1). A rack of 42 crucibles is then labelled with an assigned letter code and numbered one to 42. The mixture is placed in a fire clay crucible. The mixture is then preheated to 850°C, intermediate at 950°C and finished at 1,060°C, with the entire fusion process lasting 60 minutes. The crucibles are then removed from the assay furnace and the molten slag (lighter material) is carefully poured from the crucible into a mould, leaving a lead button at the base of the mould. The lead button is then placed in a preheated cupel which absorbs the lead when cupelled at 950°C to recover the Ag (doré bead) + Au. All samples were assayed using fire assay with atomic absorption ("AA") finish (1A2-50 code). The entire Ag doré bead is dissolved in aqua regia and the gold content is determined by AA. On each tray of 42 samples there are two blanks, three sample duplicates and two certified reference materials, one high and one low (Quality Control ("QC") = 7 out of 42 samples).

For the AA finish method, a pulp sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents as required, inquarted with 6 mg of gold-free silver and then cupelled to yield a precious metal bead. The bead is digested in 0.5 ml dilute nitric acid in the microwave oven. The 0.5 ml concentrated hydrochloric acid is then added and the bead is further digested in the microwave at a lower power setting. The digested solution is cooled, diluted to a total volume of 4 ml with de-mineralized water and analyzed by AAS against matrix-matched standards.

For the gravimetric finish method, a pulp sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents in order to produce a lead button. The lead button containing the precious metals is cupelled to remove the lead. The remaining gold and silver bead is parted in dilute nitric acid, annealed and weighed as gold. Silver, if requested, is then determined by the difference in weights.

At the ALS-Chemex laboratory, the batch size for all fire assay method is 84 including six internal QC. Therefore 78 client samples can be done per batch.

The maximum furnace charge of 78 client samples ensures that the Managing Partner samples are not mixed with others.

Metallic Sieve Sample Preparation

All samples containing visible gold are prepared with metallic sieve sample preparation procedures, which are the following. A representative 2,000 grams split (Code 1A4-2000) is sieved at 100 mesh (149 microns) with fire assays performed on the entire +100 mesh and two splits on the -100 mesh fraction. The total amount of sample and the +100 mesh and -100 mesh fractions are weighed for assay reconciliation. Measured amounts of cleaner sand are used between samples and saved to test for possible plating out of gold on the mill.

Laboratories

Actlabs Geraldton was used for the entire drilling and channelling programs. Actlabs Geraldton has received ISO 9001:2008 certification through Kiwa International Cert GmbH. Actlabs Geraldton is an independent commercial laboratory.

All re-assayed batches (pulp) were sent to ALS-Chemex in Thunder Bay. ALS-Chemex laboratory is part of the ALS Global Group and has ISO 9001 certification and ISO/IEC 17025 accreditation through the Standards Council of Canada. ALS is an independent commercial laboratory.

Analysis of the previous year's monitoring reports revealed that database accuracy was tested by adequate control samples incorporating certified reference material, blanks and duplicates. No flaws were identified in the Quality Assurance and Quality Control ("QA/QC") results.

The Managing Partner quality control protocol stipulates that if any analyzed standard yields a gold value above or below three standard deviations ("**3SD**") of the certified grade for that standard, then the Hardrock Project manager is informed and must decide whether the batch containing that standard should be re-analyzed. All re-analyzed batches (pulp) were sent to ALS-Chemex in Thunder Bay. Overall, more than 97.50% of the available results for standards passed the quality control criteria for the channelling program, while more than 97.55% passed for the drilling program.

The quality control protocol requires that a coarse duplicate be prepared for the 30th sample in each batch. The results obtained indicate an excellent reproducibility of gold values with a gravimetric finish and AA finish at Actlabs Geraldton.

Brookbank and Key Lake Projects

Quality control was achieved by inserting two standards (one high and one low), a blank and a duplicate for every batch of 34 samples sent to the assay laboratory. Other than the sampling and insertion of control samples, there was no other action taken at site.

Sample batches were placed into rice bags, sealed and transported to Actlabs sample preparation facilities in Geraldton in trucks by Premier staff. Sample pulps were shipped to Actlabs in Thunder Bay for analytical work. Actlabs is independent of Premier and provides analytical services to the mining and mineral exploration industry worldwide. It is ISO 17025 accredited.

Premier's project manager, a P. Geo, supervised all aspects related to sampling, recording, packaging and the transportation of samples to the laboratory.

The Actlabs sample preparation and analysis procedures used for the Brookbank and Key Lake projects are similar to those already described above for the Hardrock Project.

The performance of control samples (i.e. standards, blanks and duplicates) was assessed upon receipt of the results for each batch. Any results falling outside the failure limit of $\pm 3SD$ were rejected pending investigation into the source of error. Repeat analyses were conducted whenever significant failures were observed.

Micon International Ltd. has reviewed the control and monitoring charts compiled by Premier from 2009 to April 2013 and is satisfied that adequate measures were in place to ensure the accuracy of assays used in the resource databases.

Data Verification

Hardrock Project

Data verification included visits to the Hardrock Project field sites (outcrops and drill collars), as well as to the logging facilities. It also included an independent re-sampling of selected core intervals and a review of drill hole collar locations, assays, the QA/QC program, downhole surveys, the information on mined-out areas and the descriptions of lithologies, alterations and structures.

Brookbank and Key Lake Projects

Data verification was achieved by visiting and inspecting the facilities of Actlabs Geraldton where the Managing Partner samples for the Brookbank and Key Lake projects were analyzed. The laboratory visits were complemented by two site visits to the Hardrock Project areas, conducting independent repeat analyses of selected sample pulps, analyzing monitoring reports on the performance of control samples and performing resource database checks.

In order to ensure that sample analyses were being performed to current industry standards, a qualified person visited and inspected Actlabs Geraldton on February 15, 2011, November 9, 2011, March 19, 2013, and August 3, 2016. The sample preparation facilities are well maintained with adequate measures in place to avoid contamination between samples. Analytical equipment and the entire complex are kept in neat condition. Records of calibration and performance parameters are kept up to date for both testing and measuring equipment. The laboratory's internal QA/QC also includes the insertion of a blank and a standard in every sample batch. Analytical procedures are satisfactory and include metallic screening analyses.

Mineral Processing and Metallurgical Testing

Hardrock Project

The process design criteria have been established based on testwork results, Managing Partner and vendor recommendations or requirements and on standard industry practices.

Prior to the start of the Greenstone Feasibility Study, between 2011 and 2013, mineralogy, grindability and gold recovery testwork was performed by SGS Lakefield Research Limited ("**SGS Lakefield**") and McClelland Laboratories, Inc. ("**McClelland**"). The SGS Lakefield testwork showed that the ore is composed mainly of quartz and plagioclase with minor amounts of pyrite and arsenopyrite, the gold occurs mainly as native gold, the ore is in the category of medium hardness to moderately hard, a portion of the gold can be recovered by gravity concentration and gold can be recovered to a bulk concentrate. The subsequent McClelland testwork showed that gold recovery increased with finer grind size but was not affected by cyanide concentration.

In the course of the March 2014 preliminary economic assessment and feasibility study, additional testwork was carried out by SGS Lakefield, JKTech Pty Ltd and FLSmidth. Primarily, high pressure grinding roll ("**HPGR**") tests were required to confirm the ore amenability for high pressure grinding, to select the equipment and to estimate the operating costs. Grindability, head grade determination, mineralogy, magnetic separation, gravity recovery, flotation, cyanidation, cyanide destruction, solid-liquid separation and other tests were completed. Additional thickening and rheology testwork was carried out to determine the sizing and operating parameters of a pre-leach thickener.

The HPGR testing program included laboratory scale tests (batch and locked-cycle tests) to determine the amenability of the ore to HPGR milling and yield data to perform a preliminary sizing, abrasion tests to provide the data necessary to predict the service life of the rolls and a large scale pilot plant test to adequately size the equipment. Bond grindability testing was performed to evaluate the ball mill work index ("**BWI**") reduction of the HPGR product compared to the feed. A detailed comminution trade-off study recommended two-stage

crushing followed by HPGR and ball milling over other typical comminution flowsheets, such as crushing followed by semi-autogenous (SAG) milling and ball milling, to reduce the risk in not meeting the design throughput and increase energy efficiency.

A multivariate linear regression analysis was used to determine the correlation between the residual gold grade and the ore body mineralogical composition. Grindability tests have been performed on a sufficient number of samples to properly assess the comminution characteristics of the Hardrock Project. Generally, the ore falls into the high hardness end of the spectrum. The HPGR Labwal tests showed that the Hardrock Project is amenable to high pressure grinding and yielded a net power consumption of 2.6 kilowatt hour per tonne ("kWh/t"). The abrasion tests determined that the ore falls into the low to medium abrasiveness categories. Bond ball mill grindability comparative tests done on the HPGR feed and product revealed that a 7 to 12% power reduction could be expected when grinding a HPGR product.

The magnetic separation tests revealed that a variable amount of magnetic minerals is present in the different composites and that gold losses associated with the removal of the magnetic fraction can be significant. The tests also expose the fact that large amounts of gold bearing ore could potentially be rejected from the process if magnets are installed on relatively fine ore streams. Gravity recovery tests showed that gravity separation is an efficient method of recovering gold. Comparing gold extraction by cyanidation of whole ore with cyanidation of flotation concentrate, there was no benefit seen by including the flotation stage because the expected recovery with the flotation process does not demonstrate improvement to the overall metallurgical performance. Pressure oxidation as a pre-treatment ahead of cyanidation increased gold extraction to 97% (overall recovery of 94% including flotation) and compared favourably to cyanidation of finely ground rougher concentrate.

The Global Composite was subjected to developmental cyanidation testing. The program included whole ore versus gravity tailings leaching, effect of pre-aeration, grind size and percent solids. Gravity tailings of the Global Composite and the Variability Composites underwent cyanidation testing at P80's of approximately 80 and 60 microns (10-6 metre) (" μm "). The Master Composite was submitted to leach optimization testing. The effects of grind size, residence time, lead nitrate addition, pH and carbon concentration were examined. The Low Grade Composites were also submitted to cyanidation testing. Gold recovery and leach kinetics were improved at finer grind sizes. The gold recovery ranged from 80% to 95%.

The cyanidation tests revealed that overall gold recovery is improved at finer grinds but cyanide consumption is increased. The SO₂/Air process is effective at reducing cyanide levels to below 1 milligram per litre (" mg/L ") in the final tailings. A 90 minute retention time is required with the addition of 45 mg/l of copper sulfate and 7.32 grams of sulfur dioxide per gram of weak acid dissociable cyanide. The pre-leach slurry can be thickened to 55% solids weight by weight by adding a low charge density anionic flocculant at a 15 g/t dosage.

SGS Canada Inc. uses the semi-empirical models developed by Mintek SA to simulate Carbon-in-Leach ("CIL") and Carbon-in-Pulp ("CIP") circuits. The approach to CIL and CIP modelling involves conducting batch gold leaching and carbon adsorption tests with representative samples and commercially available activated carbon. The leach rate is determined through a classic bottle roll experiment by taking timed samples over a 72 hour period. The gold adsorption rate is determined by adding carbon to the slurry and again taking samples during 72 hours. Equilibrium adsorption isotherms are then established.

The Master Composite gravity tailings sample from test G-24 was used for the CIL/CIP modelling. The test revealed that leaching of the Master Composite Sample was complete after 24 hours. The sample showed relatively slow adsorption kinetics but very favorable equilibrium loading.

Mineral Resource Estimate

Hardrock Project

On October 3, 2019, the Corporation announced the results of an updated mineral resource estimate for the Hardrock Project. The updated 2019 mineral resource estimate was prepared by G Mining, an independent technical consultant, on behalf of GGM, and was presented to the partners of the Greenstone Gold Property. The mineral resource estimate is supported by some 12,000 metres of additional infill core drilling and 26,000 metres of reverse circulation drilling in selected areas during two campaigns held in 2018 and 2019. The updated mineral resource estimate for the Hardrock Project is set out in the following table:

		Tonnes <i>Mt</i>	Grade <i>g/t Au</i>	Au Ounces <i>000's</i>
Measured Resources	Open Pit Restricted	5.7	1.30	237
	Underground Restricted	-	-	-
	Sub-Total	5.7	1.30	237
Indicated Resources	Open Pit Restricted	132.0	1.33	5,631
	Underground Restricted	9.8	3.93	1,237
	Sub-Total	141.8	1.51	6,868
Measured + Indicated Resources	Open Pit Restricted	137.7	1.33	5,868
	Underground Restricted	9.8	3.93	1,237
	Sub-Total	147.5	1.50	7,105
Inferred Resources	Open Pit Restricted	0.9	1.19	36
	Underground Restricted	24.6	3.87	3,059
	Sub-Total	25.5	3.77	3,095

Notes:

- (1) The Independent and Qualified Person for the mineral resource estimate, as defined by NI 43-101, is Rejean Sirois, B.Sc., P.Eng. of G Mining, and the effective date of the estimate is September 4, 2019.
- (2) Mineral resources are not mineral reserves and do not have demonstrated economic viability. Mineral resources are inclusive of mineral reserves.
- (3) In-pit results are presented undiluted within a merged surface of the pit optimization shell 24 and the pit design, using a US\$1,250 gold price and a revenue factor 0.78.
- (4) The estimate includes 17 gold-bearing zones, and grade shells to incorporate remaining mineralized material.
- (5) In-pit resources were compiled at cut-off grades of 0.20, 0.30, 0.40, 0.50, 0.60, 0.70, 0.80 and 0.90 g/t Au; however, the official resource is at a cut-off grade of 0.30 g/t Au.
- (6) Underground resources were compiled at cut-off grades of 1.50, 2.00, 2.50, 3.00, 3.50, 4.00 and 4.50 g/t Au; however, the official resource is at a cut-off grade of 2.00 g/t Au.
- (7) Density (g/cm³) data used is on a per zone basis, varying from 2.72 to 3.28 g/cm³.
- (8) Ounce (troy) = metric tonnes x grade / 31.10348. Calculations used metric units (metres, tonnes and g/t).
- (9) The number of metric tonnes was rounded to the nearest thousand and ounces was rounded to the nearest hundred. Any discrepancies in the totals are due to rounding effects; rounding followed the recommendations in NI 43-101.

Brookbank, Key Lake, and Kailey Deposits

In addition to the Hardrock Project, mineral resources have been estimated for the Brookbank, Key Lake and Kailey deposits and are summarized in the table below. Open pit optimization using Whittle software, based on the Lerchs-Grossmann algorithm, was completed to estimate in-pit mineral resources for all three deposits. For Brookbank and Key Lake, underground mineral resources were also estimated. All these mineral resources are effective as of December 31, 2012. There are no mineral reserves currently estimated for these deposits. The qualified persons responsible for these mineral resource estimates are not aware of any environmental,

permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect these mineral resource estimates.

Deposit	Mining Method	Category	Tonnes (Mt)	Gold Grade (g/t)	Contained Gold (koz)
Brookbank	Open Pit	Indicated	2.638	2.01	171
		Inferred	0.171	2.38	13
	Underground	Indicated	1.851	7.21	429
		Inferred	0.403	4.07	53
Key Lake	Open Pit	Indicated	2.572	1.17	97
		Inferred	1.345	1.29	56
	Underground	Indicated	0.031	6.48	6
		Inferred	0.058	3.57	7
Kailey	Open Pit	Measured and Indicated	8.630	0.95	265
		Inferred	3.688	0.97	115

Notes:

- (1) CIM definitions were followed for mineral resources.
- (2) The effective date of the estimates is December 31, 2012.
- (3) Open pit mineral resources are reported at a cut-off grade of 0.50 grams Au/t and underground mineral resources are reported at a cut-off grade of 2.8 grams Au/t.
- (4) Mineral resources are estimated using a long-term gold price of US\$ 1,455 and an exchange rate of C\$/US\$ 1.18.
- (5) Mineral resources that are not mineral reserves do not have demonstrated economic viability.
- (6) Numbers may not add due to rounding.
- (7) Inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined economically. It cannot be assumed that all or part of the inferred resources will ever be converted to a higher category. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
- (8) "koz" references thousands of Troy ounces and "Mt" references to millions of tonnes.

Mineral Reserve Estimate

Hardrock Project

The mineral reserve for the Hardrock project was estimated based on the open pit mining scenario proposed in the Greenstone Gold Report with an effective date of October 1, 2016 and is summarized in the table below. The mineral reserves are based on measured and indicated mineral resources, and do not include any inferred mineral resources. There are only indicated mineral resources and no measured mineral resources. Therefore, all of the mineral reserve estimate is classified as probable. The inferred mineral resources contained within the mine design are classified as waste. Open pit optimization was conducted using Whittle software to determine the optimal economic shape of the open pit to guide the pit design process. The mineral reserve estimate includes a 17.3% mining dilution at an average grade of 0.15 grams Au/t and a 1.4% ore loss factor.

Category	Diluted Ore Tonnage (kt)	Diluted Grade (g Au/t)	Contained Metal (koz Au)
Proven	-	-	-
Probable	141,715	1.02	4,647
Total P&P	141,715	1.02	4,647

Notes:

- (1) CIM definitions were followed for mineral reserves.
- (2) Effective date of the estimate is October 1, 2016.
- (3) Mineral reserves are estimated at a cut-off grade of 0.33 g/t Au.
- (4) Mineral reserves are estimated using a long-term gold price of US\$1,250/oz and an exchange rate of C\$/US\$1.30.
- (5) A minimum mining width of 5 metres was used.
- (6) Bulk density of ore is variable but averages 2.83 tonnes per cubic metre ("t/m³").

- (7) The average strip ratio is 3.87:1.
- (8) Mining dilution factor is 17.3%.
- (9) Numbers may not add due to rounding.

Mining Methods

Mining is to be carried out using conventional open pit techniques with 10 metres benches. An owner mining open pit operation is planned with hydraulic shovels and mining trucks, and includes outsourcing of certain support activities such as explosives manufacturing and blasting.

Production drilling of the 10 metres benches will be by blast hole drill rigs with both rotary and down-the-hole drilling capability. Blast holes are loaded with bulk emulsion. The majority of the loading in the pit will be carried out by three hydraulic face shovels, two 26 cubic metres ("**m³**") and one 19 m³ and two front-end wheel loaders (21 m³). The shovels and loaders will be matched with a fleet of 181 t payload mine trucks. The presence of underground stopes was considered when designing the pits mainly for the void in the F-Zone, which is 150 metres high and 30 metres wide. Most of the other underground openings are backfilled with sand fill or rock fill.

Mining of the Hardrock main pit will occur in four phases (including the borrow pit) with a single phase for the smaller satellite pit to the east. Waste rock will be disposed of in four distinct waste dumps with three located around the pit and one further to the south. The open pit generates 548.9 Mt of overburden and waste rock (inclusive of historic tailings and underground backfill) over the life of mine ("**LOM**") for an average LOM strip ratio of 3.87:1.

The operating strategy is to process at a finer grind size of P80 of 72µm when the grade is high in the early years at a rate of 24 kilotonne per day ("**kt/d**") and to increase the throughput to the targeted rate of 27 kt/d by relaxing the grind size to P80 of 90µm. These operating regimes are expected to impact the gold recovery. Metallurgical recovery equations were established for these two regimes which are also impacted by the gold head grade (Au in grams Au/t), sulfur (S in %) and arsenic (As in %) levels. With these recovery equations, two recovered gold grade attributes were estimated for the two grind sizes.

The main factors which influenced the selection of the major mine equipment included the annual production requirements and optimization of the fleet size. An extensive analysis was performed to determine the optimal fleet size, equipment type and preferred suppliers.

The LOM plan details 14.5 years of production, with a four month ramp up and commissioning period, followed by 18 months at a processing rate of 24,000 t/d ore, increasing to 27,000 t/d ore for the remainder of the mine life.

Recovery Methods

Hardrock Project

The process design criteria have been established based on: testwork results; trade-off studies; Managing Partner, client and vendor recommendations; and standard industry practices. The plant is designed to operate at a throughput of 27,000 t/d (grind size of 80% passing 90µm). For the first 18 months of operation, the plant will operate at a throughput of 24,000 t/d (grind size of 80% passing 72µm). No plant modifications are planned to achieve the higher throughputs and is a result of coarsening the grind size. The run of mine material will be first crushed with a gyratory crusher followed by a cone crusher. The crushed product is put on a stockpile that feed the rest of process plant. The grinding circuit includes a HPGR unit followed by two identical ball mills and two identical gravity concentrators. The grinding circuit will be followed by a classical cyanidation and activated carbon recovery circuit. This circuit is made of a first pre-oxidation tank with seven hours of residence time followed by five leach tanks with 36 hours of residence time and seven tanks with 1.5 hours residence time for

recovering dissolved gold on activated carbon. Pure oxygen, quick lime and sodium cyanide are the reagent used for gold dissolution. The carbon is recovered daily from the circuit and pass through a gold stripping process that produce a concentrated gold solution. The gravity concentrate is also leached in an intensive leach reactor that also produced a concentrated gold solution. The solution from those two recovery processes passes through an electro winning system. The end product is gold sludge that is smelt in a furnace for doré production. The slurry exiting the carbon recovery tanks is transferred to detoxification process where cyanide is destroyed with well-known process using sulfur dioxide and oxygen. The mill operation schedule is 24 h/d, 365 d/y with an overall availability of 92%. Crushing plant and processing plant equipment design factors allow for a margin of error in the sizing of the equipment. They are used in the calculations of the equipment feed rates and residence times. The key general process design criteria are presented in the table below:

Parameter	Units	Value
Throughput - Design	Tonnes per year	9,855,000
Throughput - Design	t/d	27,000
Throughput - Design	Tonnes per hour	1223
Design Grind Size (P80)	Micron (10 ⁻⁶ metre) (" µm ")	90
Crusher Utilisation	%	67
Concentrator Availability	%	92
Operating Time	Days per year	365
Operating Time - Concentrator	Hours per day	24
Au Feed Grade - Average	g/t	1.24
Au Feed Grade - Design	g Au/t	1.30
Ore Moisture	%	3.0
Ore Specific Gravity		2.81
Gold Production - Design	Ounces per year	364,984
Strip Vessel Capacity	Tonnes (1,000 kg) (metric ton)	12
Crushing Plant Equipment Design Factor	%	30
Processing Plant Equipment Design Factor	%	15

Infrastructure

Hardrock Project

I. GENERAL

The Hardrock Project will require infrastructure to support mining and processing. General infrastructure for the Hardrock Project will include:

- Site access and haul roads;
- Workshop and maintenance facility;
- Warehousing for spare parts and reagents;
- Administration building including a dry facility, gatehouse and parking area;
- Explosive reagent storage;
- Fuel storage and distribution;
- Recycling and sorting facility;
- Potable water and sewage systems;

- Fire water systems; and
- Site security and fencing.

Existing infrastructure within the footprint of the Greenstone Gold Property limits that will need to be relocated includes:

- Trans-Canada Highway 11;
- Existing Hydro One 115 kilovolt ("kV") transmission station;
- OPP station;
- MacLeod high tailings (portion covering the open pit mine) and a portion of Hardrock tailings; and
- Ministry of Transportation ("MTO") patrol station.

Existing infrastructure within the footprint of the Greenstone Gold Property limits that will need to be purchased and/or dismantled includes:

- Portions of a golf course;
- Gas station;
- MacLeod-Cockshutt (MacLeod-Mosher) mine headframe; and
- MacLeod town site and Hardrock town site housing.

The existing Hydro One grid is insufficient for powering the processing facilities and associated infrastructure. A 65 megawatt natural gas-fired power plant will be constructed which will include a natural gas pipeline originating from the existing TransCanada-Pipe Lines Limited Canadian mainline pipeline directly to the site power plant.

II. TAILINGS MANAGEMENT FACILITY

The tailings management facility ("TMF") dams have been designed to meet the requirements of the *Lakes and River Improvement Act* and the Canadian Dam Association guidelines with a relatively low permeability core along with filters and transition zones upstream of the main embankment constructed of geochemically benign mine rock.

The TMF site is located approximately five kilometres southwest of the process plant site and was selected to minimize the disturbance to fish bearing water bodies, maximize the use of natural containment and optimize Hardrock Project economics. Prior to construction of the TMF, Goldfield Creek will be diverted around the north side of the TMF into a permanent channel designed to provide fisheries compensation.

The site has a positive water balance, and as such, the TMF will be developed initially with only one of two cells capturing runoff to minimize the surplus water requiring treatment. It is planned to complete tailings deposition early in one cell to allow for progressive rehabilitation and shedding of runoff from the system.

Closure of the TMF involves lowering of the spillways and vegetation of the exposed beaches. Runoff will be directed through emergency spillways constructed in natural ground when deemed suitable for discharge to the environment.

Environmental Constraints

Hardrock Project

The Hardrock Project is located within an area bounded by Kenogamisis Lake to the north, south and east, with wetland and low-lying areas and associated surface water features to the west. These constraints have been incorporated into the design of the Hardrock Project.

Acquisition of a number of properties is required as they will need to be removed to allow development of the Hardrock Project. An environmental screening report has been completed by TBT Engineering Limited for the proposed Highway 11 realignment, which included the MTO patrol yard, Mosher portal area, historical MacLeod tailings and the MacLeod mine landfill. Soil and groundwater impacts were identified at the Mosher portal area and at the historical tailings and MacLeod mine landfill with a soil management plan being developed for implementation during construction. The potential for soil and groundwater impacts were identified for the MTO patrol yard based on typical land use; however, actual site specific investigations have not been completed at this time. Modified Phase 1/2 Environmental Site Assessments were completed for a former gas station property and the current gas station property located at the intersections of Highway 11 and Michael Power Boulevard. Soil impacts associated with petroleum hydrocarbons and arsenic and groundwater impacts associated with petroleum hydrocarbons were identified. A soil management plan will be prepared to provide guidance on the management of excess soil generated during the development and operation of the Hardrock Project.

Historical mine openings exist within the project development area ("**PDA**") and are currently capped or secure. The condition of the caps and security of the existing mine openings were evaluated with respect to the requirements of O. Reg. 240/00 during preparation of the Closure Plan and upgrades will be completed as required. For the majority of the mine openings, they will be removed during development of the Hardrock Project and, as a result, a limited number of openings will remain at closure.

Seven provincial "Species at Risk" or their habitats have the potential to occur on site: American White Pelican (*Pelecanus erythrorhynchos*); Bank Swallow (*Riparia riparia*); Barn Swallow (*Hirundo rustica*); Eastern Whip-poor-will (*Caprimulgus vociferous*); Little Brown Myotis (*Myotis lucifugus*); and Northern Myotis (*Myotis septentrionalis*). All species and their habitats are protected by the *Endangered Species Act*, with authorizations being provided by the MNRF during permitting to develop these lands. The Managing Partner will submit applications for the appropriate authorizations to the MNRF prior to Hardrock Project development.

Development of the Hardrock Project will alter existing activities and facilities within the PDA, including the MacLeod-Cockshutt Mining Headframe, the Discover Geraldton Interpretive Centre and the Kenogamisis Golf Club. Discussions between the Managing Partner, MNRF, the Municipality of Greenstone and other affected stakeholders are ongoing.

MacLeod Provincial Park is located 350 metres east of the PDA.

Capital and Operating Costs

Hardrock Project – Capital Costs

Based on the Greenstone Gold Report, the initial capital cost ("**CAPEX**") for Hardrock Project construction, equipment purchases, pre-production activities and other payments is estimated to be \$1,247 million, as shown in the table below. The CAPEX includes a contingency of \$131 million, which is 11.8% of the total before contingency.

<u>Category</u>	<u>Total Costs (\$ (millions)</u>
Infrastructure	62.6
Power & Electrical	72.4
Water & Tailings Management	79.9
Mobile Equipment	178.1
Infrastructure Repositioning	45.6
Process Plant General	343.1
Construction Indirect Costs	175.4
General Services - Owner's Costs	59.8
Preproduction, Start up, Commissioning	94.1
Contingency	131.3
Other Costs	4.5
Total Capital Cost	1,246.9

Sustaining capital is required during operations for additional equipment purchases, mine equipment capital repairs, mine civil works, TMF dam raises and additional infrastructure relocation. The sustaining capital is estimated at \$257 million.

The total salvage value is estimated at \$38 million and includes mining equipment purchased during operations that will not have been utilized to its useful life, a residual value for some of the process plant major equipment and a residual value for the power plant as the units will have a remaining useful life of 10 to 15 years at the end of operations.

Reclamation and closure costs include infrastructure decommissioning, site preparation and revegetation, maintenance and post closure monitoring. The reclamation cost is funded with cash outflows provisioned in the economic model from Year 3 to Year 14 and spent over three years at the end of operations. The total reclamation and closure cost is estimated to be \$54 million.

Operating Costs

The operating costs ("**OPEX**") of the Hardrock Project, based on the Greenstone Gold Report, are summarized in the table below. The OPEX includes mining, processing, general and administration ("**G&A**"), transportation and refining, other costs and royalties. The average OPEX is \$705/oz Au or \$20.95/t milled over the LOM. The all-in sustaining cost ("**AISC**") which includes closure, reclamation and sustaining capital costs averages \$780/oz Au over the LOM.

<u>Category</u>	<u>Total Costs (C\$)</u>	<u>Unit Cost (C\$ per tonne milled)</u>	<u>Cost per oz (\$C/oz Au)</u>
Mining	1,412	10.03	338
Processing	1,061	7.54	254
G&A	205	1.45	49
Transport & Refining	13	0.09	3
Other Costs	56	0.40	13
Royalties	203	1.45	49
Total Operating Cost	2,950	20.95	705
Closure & Reclamation	54	0.38	13
Sustaining Capital	257	1.82	61
All-in Sustaining Cost	3,261	23.16	780

McCoy-Cove Property

Background

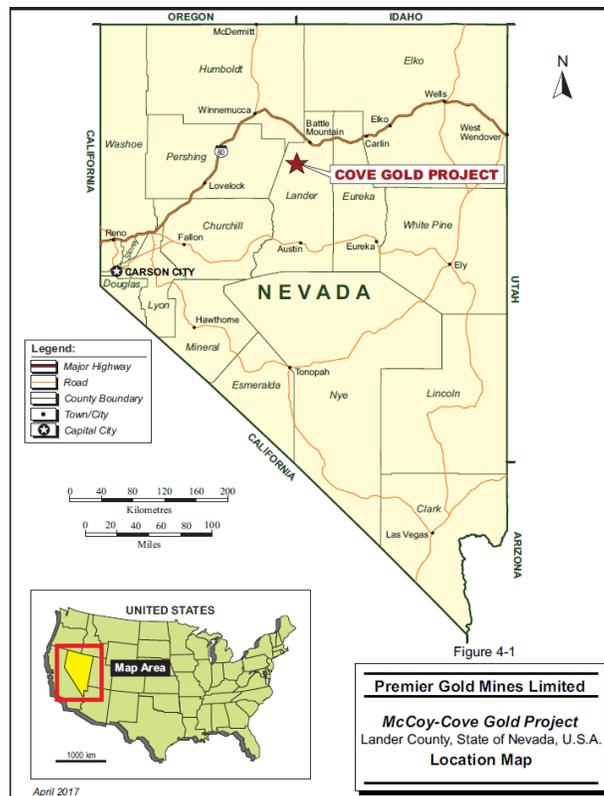
On September 11, 2014, Premier completed the McCoy-Cove Acquisition. As consideration for the McCoy-Cove Property, Premier: (i) paid Newmont US\$15 million in cash; (ii) replaced regulatory bonding obligations on the McCoy-Cove Property in the amount of US\$4,417,691 with a surety policy; and (iii) transferred to Newmont all land sections that comprise the South Carlin property (the "**South Carlin Property**"), which included Premier's Saddle Gold properties. In addition, Premier assumed all obligations and liabilities with respect to the McCoy-Cove Property, including but not limited to: (i) all existing reclamation and environmental liabilities; (ii) all obligations and liabilities under any of the then existing permits; and (iii) certain pre-existing royalty obligations of Newmont. Newmont assumed all obligations and liabilities with respect to the South Carlin Property.

In connection with the McCoy-Cove Acquisition, Newmont retained a 1.5% NSR royalty on all minerals that are produced and sold by Premier from the McCoy-Cove Property, including the Cove project; however, Premier is not required to pay any royalties on any minerals that it uses in connection with its mineral exploration, development, mining, production or processing operations.

Project Description, Location and Access

The McCoy-Cove Property covers 28,218 acres and is located 32 miles south of the Town of Battle Mountain, in the Fish Creek Mountains of Lander County, Nevada. It is centred approximately at 40°22' N and 117°13' W and lies within the McCoy Mining District.

The following figure shows the location of the McCoy-Cove Property.



The McCoy-Cove Property is, for the most part, on land controlled by the U.S. Department of Interior, Bureau of Land Management ("**BLM**") and patented mining claims. The McCoy-Cove Property consists of 1,680 100%-owned unpatented claims and nine leased patented claims.

The unpatented claims have annual maintenance fees of US\$12.00 per claim payable to the Lander County Recorder as well as US\$165.00 per claim payable to the Nevada BLM. No additional annual labour or improvement assessments are required for unpatented claims. Patented claims, with clear and absolute title, have neither claim maintenance fees nor annual expenditures for labour or improvement. Patented claims are, however, subject to property taxes.

On June 14, 2012, Premier, through its wholly-owned subsidiary, Au-reka Gold Corporation, acquired a 100% interest in the Cove portion of the McCoy-Cove Property (the "**Cove Deposit**") from Victoria Gold Corporation ("**Victoria**") pursuant to an asset purchase agreement dated June 4, 2012. In the event of production from the Cove Deposit, Premier will make additional payments to Victoria in the aggregate amount of \$20 million. At the time of acquisition, the Cove Deposit consisted of 439 unpatented mining claims and now consists of 421 unpatented mining claims.

Premier is responsible for all environmental liabilities related to the closure of the McCoy-Cove Property as well as final clean-up of surface drill pads and minor drill roads. All closure activities other than redemption of three water treatment ponds, evaporation of the tailings facility and water quality testing have been temporarily put on hold pending the potential for future production out of the Cove-Helen underground.

The authors of the McCoy-Cove Report were not aware of any additional environmental liabilities on the McCoy-Cove Property or any other significant factors and risks that may affect access, title or the right or ability to perform the proposed work program on the McCoy-Cove Property. Currently, Premier is working under the Cove-Helen Underground Exploration Plan of Operations (POO No. NVN-088795) approved in 2013, which authorizes Premier to complete up to 100 acres of surface exploration disturbance as well as an underground exploration decline and subsequent bulk sample of up to 120,000 tons.

Access to the McCoy-Cove Property area is via State Highway 305, 30 miles south from the town of Battle Mountain, and then west approximately seven miles along the hard surfaced McCoy Mine Road. Battle Mountain is off Interstate Highway 80, approximately 70 miles west of Elko, Nevada.

History

The exploration and production history of the McCoy-Cove Property can be found in Schedule "D" and Schedule "E", respectively, of this AIF.

Geological Setting, Mineralization and Deposit Types

Regional Geology

The McCoy-Cove Property is located in the central Nevada portion of the Basin and Range Province, which underwent regional extension during the Tertiary creating the present pattern of alternating largely fault bounded ranges separated by alluvial filled valleys. Prior to this extension, central Nevada had been the site of numerous tectonic events, including at least two periods of regional compression. The property lies west of the central part of the Battle Mountain-Eureka Trend.

During the Paleozoic, central Nevada was the site of the generally north-northeast trending continental margin of North America, along which pre-orogenic rocks of Cambrian to Early Mississippian age were deposited. A carbonate platform sequence was deposited to the east along the continental margin, with siliceous and volcanic rocks deposited to the west. In Late Devonian to Early Mississippian time during the Antler Orogeny, rocks of the western assemblage moved eastward along the Roberts Mountains thrust, perhaps as much as 90 miles over

the eastern assemblage carbonate rocks. A post-orogenic assemblage of coarse clastic sedimentary rocks of Mississippian to Permian age was shed eastward from an emerging highland to the west, overlapping the two earlier facies. Mesozoic rocks, primarily shallow water siliciclastic and carbonate units with minor volcanic and volcanoclastic rocks, are found in this part of Nevada.

Local Geology

The stratigraphy of the McCoy Mining District is well documented. The major lithological units of the McCoy-Cove Property are listed below in order of oldest to youngest:

1. Havallah Formation;
2. Koipato Formation;
3. Dixie Valley Formation;
4. Favret Formation;
5. Augusta Mountain Formation – Home Station Member;
6. Augusta Mountain Formation – Panther Canyon Member;
7. Augusta Mountain Formation – Smelser Pass Member;
8. Tuff of Cove Mine;
9. Intrusive Igneous Rocks;
10. Quaternary Alluvium.

Structural Geology

Deposits on the McCoy-Cove Property are related to specific structural features.

1. Major Defining Structures: The major structure and control on fluid movement is the broad northwest-striking, gently southeast-plunging Cove anticline interpreted as a fault propagation fold over a deep northwest striking reverse fault identified in deep drill holes under the Cove pit. While the reverse fault can be identified in the 2201-VG zone, its presence at the CSD Gap and Helen zones is uncertain due to limited drilling in areas that would confirm its continuation. The other major structures for fluid movement and mineralization are a number of northeast striking normal faults (Cay, Blasthole, 110, Gold Dome and Norm). The northeast striking faults commonly host altered granodioritic dikes, the largest of which is the Gold Dome.
2. Mineralization Controls: Carlin-style mineralization appears to be controlled by a combination of the axis of the Cove anticline, normal faults that cut the anticline, mafic sills and dikes throughout the property and contacts between different sedimentary units. Generally, the highest grades are found where the rhythmically bedded unit of the Favret Limestone is cut by mafic dikes and sills along the axis of the anticline, and especially where this area is cut by apparent small-scale, unmapped faults.
3. Post-Mineral Faulting: There is at least one instance of significant post-mineral faulting. The Striper Splay is believed to be a splay off of the Lighthouse fault which is known to have both pre- and post- mineralization movement. It dips steeply northeast and strikes approximately 320°

along the northeast limb of the Cove anticline causing significant post-mineral normal displacement before terminating against the Bay/110 fault complex. The overlying volcanics are not significantly faulted, as defined by holes NW-1, NW-2 & 2A, and NW-3.

The below sets out the four distinct mineralization types known on the property, and a brief description of each:

1. Carlin-Style (Au-Ag): The gold in Carlin-style deposits is usually sub-micron in size and generally occurs in pyrite and arsenical pyrite. An envelope characterized by decalcification, silicification and argillization accompanied by anomalous amounts of silver, arsenic, antimony, thallium and mercury often accompanies mineralization. The Carlin-style mineralization at Cove is relatively rich in silver compared to similar deposits elsewhere in northern Nevada.
2. Polymetallic Sheeted Veins (Au-Ag±Pb-Zn): The polymetallic veins in the 2201-VG zone are enveloped by a zone of illitic of the conglomerate matrix detected by sodium cobaltinitride staining and confirmed by scanning electron microscope (SEM) analysis. Minor silicification is relatively common, especially in the conglomerate, however, it is not present everywhere and not always directly associated with mineralization.
3. Carbonate Replacement (Ag-Pb-Zn±Au): Carbonate replacement mineralization occurs as local pods of manto-style mineralization characterized by massive sulfide (pyrite-sphalerite-galena) replacing basal limestone at the Dixie Valley/Favret contact. Mineralization is discontinuous and generally defined by high-grade Ag-Zn-Pb±Au.
4. Skarn (Au-Ag±-Cu): Skarn mineralization at the historic McCoy pit occurs as both endoskarn and exoskarn mineralization characterized by a predominantly garnet-diopside-magnetite mineral assemblage.

The Carlin-style mineralization across the deposit appears to represent an evolving system from a "primary" endmember represented by the CSD zone with higher Ag/Au, coarser-grained pyrite and a close proximal relationship to Ag-Pb-Zn-(Au) mineralization to the "evolved" endmember represented by the Helen zone with lower Ag/Au, very fine-grained pyrite and weak spatial association with any other styles of mineralization. The CSD Gap can be considered a "transition" zone between the two endmembers until more petrography is conducted on the recently discovered CSD Gap to test this hypothesis. Helen zone geochemistry is distinct from the CSD zone in many ways. For samples greater than 1 parts per million ("**ppm**") Au, less than or equal to 100 ppm Ag and confirmed to be Carlin-style mineralization by core photo review, the Helen zone has an average Ag/Au ratio of approximately 0.85 whereas the CSD zone is 2.25. Gold in both the Helen and CSD zones correlates with As, Sb, and Hg, however, Au correlates moderately (0.52 correlation coefficient) with Ag in the CSD zone but more weakly (0.3652 correlation coefficient) in the Helen zone. In the 2201-VG zone, Au correlates with Ag, As, Cu, Fe, Pb, Sb, and Zn – a distinctly different grouping of elements from the CSD, CSD Gap and Helen zones.

Deposit Types

The Cove-Helen deposit consists of two mineralization styles, Carlin-style and polymetallic sheeted veins. The Carlin-style mineralization within the Helen, CSD Gap and CSD zones comprises approximately 85% of the existing resource with high gold and silver grades occurring as both stratabound and structurally controlled mineralization at the intersection of the Cove anticline and favourable lithologic beds, structures, intrusive dikes and sills.

The polymetallic 2201 zone is a separate deposit from the shallower Carlin-style mineralization and is believed to be a structurally controlled sheeted vein system. Veining is oriented northwest, with vein geometry being controlled by a deeper northwest striking reverse fault. Due to its depth, the 2201 zone has seen limited drilling

since its original discovery in late 2013, however, additional infill and step-out drilling in the future will help to better define deposit potential and mineralization controls.

Drilling

The McCoy-Cove drill hole database is large, containing many holes drilled across the large land package. For the current resource estimate, the drill data was filtered to contain only holes within and near the Helen, CSD, CSD-Gap, Gap Hybrid and 2201 Zones. A total of 1,397 holes totaling 1,127,481 feet of drilling were included in the current estimate. Holes were drilled using both core and reverse circulation methods. Premier drilled 123 of the holes and the remainder were drilled by Victoria, Newmont and Echo Bay Mines Ltd. ("**Echo Bay**").

Recent drill projects have predominantly been completed by coring, while RC drilling was used extensively to delineate historic pit and underground resources. Accordingly, the recently discovered Helen, 2201 and CSD Gap zones were modeled almost exclusively using core holes, while the pit-proximal CSD Zone and low-grade lenses were modeled using a mix of RC drilling and core. The authors of the McCoy-Cove Report consider both core and RC data to be reliable.

Current Drilling Methodology

I. DRILL HOLE PLACEMENT

Initial surface collar locations are based on drill plan targeting – collar locations are marked in the field by a geologist using a hand held global positioning system (GPS) device loaded with coordinates from drill plans in either Gemcom or MapInfo project files. A wooden collar picket is marked with both the azimuth and dip designations. The azimuth is also painted in a line on the ground directly in-line with the collar picket allowing the drill rig to line up on the correct bearing from the collar location. The geologist re-confirms both azimuth and dip once the rig is lined up on the drill pad using a Brunton compass. After drilling is complete, holes are abandoned and marked with a metal tag cemented into the collar. A final collar location survey is performed by a professional contract surveyor. A UTM NAD83 Zone 11N coordinate system is used.

II. RC DRILLING PROCEDURES

Holes are drilled using industry standard RC drilling equipment. Samples are collected on five-foot intervals using a cyclone sample collector. The sample interval is written on the sample bag using permanent marker. Drilling advances are paused at the end of each sample run to ensure the complete sample has been collected and avoid contamination of the following sample. The optimum sample size collected is approximately one quarter to one half of a 17-inch by 22-inch sample bag (about 4.5 to 9 kg or 10-20 pounds).

III. CORE DRILLING

Core holes are drilled using HQ (about 3-inch diameter) core. Holes may be reduced to NQ (about 2.4-inch diameter) to permit continuation of a hole in difficult drill conditions. Premier has used both standard and triple-tube tooling. Triple-tube is preferable in broken ground because it facilitates placement of core into the core box, allowing the sample to remain more intact. Drilled material is placed in wax-impregnated core boxes. Drillers label the end of the core run to the nearest half of a foot and measure and record the recovery in feet on wooden blocks, which are placed in the core box at the end of each drilled interval. Core boxes are labeled with company name, property, bore hole identifying number (BHID), box number and drilled interval. The authors of the McCoy-Cove Report believe the drilling procedures are adequate.

Sampling Methodology

Boxed core is delivered to the Battle Mountain core logging facility by Premier geologists or geotechnicians. The core is washed, photographed and rock quality description (RQD) logged. Detailed geology logs are completed. Data is entered directly into LogChief, a Maxwell software logging module loaded on a laptop.

Sample intervals are chosen by the geologist based on detailed geology observations. Sample intervals may range from ten feet to a minimum of one foot. The geologist marks sample intervals on the core and staples a sample ticket double-stub in the core box at the end of the sample interval. Sample IDs are automatically generated in LogChief starting with a number the geologist enters from a printed fifty-sample booklet. Logged core boxes are stacked on a wooden pallet prior to being moved into the adjoining warehouse for sample cutting.

The geologist prints a cut-sheet from LogChief software with the sample numbers and intervals and gives the cut-sheet to the geotechnician. The geotechnician puts one sample bag in a five gallon plastic bucket on the floor next to the core saw. The core is sawed in half and the left piece is placed into the bag on the floor; right piece goes back into the core box. In the case of broken core, the sampler does his best to divide the sample equally. Once the interval is split, the geotechnician takes one part of the double sample stub from the core box and staples it to the sample bag. The remaining sample stub remains in the core box for future reference. The geotechnician then ties the sample bag shut and marks the sample off the cut-sheet. The tied sample bags are stored in a sample bin for the lab driver to pick up.

The geologist assigns five QA/QC samples per 50 samples. The geotechnician places the blanks and duplicates with their sample tags in the sample bin with the regular core samples. The standards are placed in a smaller box on a desk next to the large sample bin.

The geologist completes a sample submittal sheet. The lab driver picks up the samples directly from Premier's warehouse location and is given a chain of custody form with sample IDs for the shipment. An electronic copy of the sample submittal form is emailed to the lab.

Drill hole status, such as splitting, sample dispatch date, batch ID and dates of both preliminary and final results, are tracked on a white board in the geology office.

Surveying

I. PROPERTY GRID AND DRILL HOLE COLLARS

All diamond drill holes prior to 2012 were proposed and collared based on the UTM NAD 27 property grid, which was referenced in a historical digital terrain map created prior to full scale mining and reclamation. After acquiring the property in 2012, Premier converted all drill hole data to UTM NAD83_11 metres and systematically checked the validity of the inversion using historic air photos checked against an updated 2012 aerial survey as well as field checking historic drill hole collars where available.

II. DOWNHOLE SURVEY

International Directional Services ("**IDS**") of Elko performs downhole surveys on all drill holes. Holes are surveyed on 50-foot intervals using a north-seeking gyroscopic downhole survey tool.

Sampling, Analysis and Data Verification

Sample Preparation and Analysis

The following describes the current sample preparation, analysis and security measures Premier has put in place since its acquisition of the McCoy-Cove Property in 2012.

Drill hole samples collected by Premier were sent for assay analyses to three independent laboratories:

1. American Assay Laboratories Inc. located in Sparks, Nevada, which is accredited in accordance with ISO/IEC 17025:2005 ("**American Assay**");
2. Inspectorate America Corporation located in Sparks, Nevada, which is accredited in accordance with ISO 9001:2008 and ISO/IEC 17025:2005 ("**Inspectorate**"); and
3. ALS Minerals located in Vancouver, British Columbia, which is accredited ISO/IEC 17025:2005.

From 2012 until the end of 2014, samples were sent for analysis to Inspectorate laboratories. Starting with 2015, samples were sent to ALS. The pulp sample checks were sent to the American Assay laboratory.

The sample preparation and gold fire assay ("FA") procedures for the Premier 2012-2016 drilling programs at all the laboratories are essentially the same as those employed prior to 2012, except that gold FA results greater than 10 g/t Au are re-assayed by FA/gravimetric. The FA method employed prior to 2012 is described below:

1. Samples are received from weigh-room in labelled envelopes.
2. Crucibles are set up in trays of 20 by numbers assigned from Laboratory Information Management System.
3. Crucibles are charged with the appropriate type and amount of flux.
4. Samples are transferred from the envelopes to the appropriately labelled crucible, copper spikes are inserted and inquarting is conducted.
5. Additional reagents are added to the crucible if needed and sample and flux is mixed with cover flux added on to the top of charge.
6. Crucibles in sets of 80 charges are then loaded into pre-heated gas fusion furnace and fusion is conducted for one hour at 2,100°F.
7. Upon completion of fusion, molten lead-slag is poured into numbered conical moulds. Unsatisfactory fusions are submitted back to the weighing room for reweigh.
8. Fusions are allowed to cool and the moulds are transferred in order to the slagging station. Slag is removed with hammer and lead buttons are cubed and placed in numbered trays.
9. MgO cupels are heat treated in the cupel furnace at 1,800°F for a minimum of five minutes to drive off moisture. Cupels are then carefully evaluated for cracks or erosion and are discarded accordingly.
10. Lead buttons are loaded into cupels in order and the set is then loaded with a fork into an electric oven set at 1,800°F.
11. Upon full cupellation (lead adsorption), the cupels are allowed to cool and the resulting Ag ± Au prills are placed into numbered trays.
12. For AA finish, the prills are dissolved in aqua regia and analyzed on the ICP.

13. For gravimetric finish, the prills are placed in parting cups approximately two-thirds full with 20% nitric acid to dissolve the silver and then heated on a hotplate at 125°F until parted. The gold bead is then allowed to cool, transferred to cups, rinsed with cold de-ionized water and allowed to dry. The cups are fired at 1,560°F for approximately five minutes and then allowed to cool. The resulting doré bead is weighed on a microbalance.

In addition to the FA analysis, the current program includes analysis of gold and silver by screen metallic methods when visible gold is noted in the polymetallic sheeted veins intercepted in the 2201 zone. The current program also incorporates a 42-element, four-acid, ICP-mass spectrometry, ultra-trace level analysis.

In opinion of the authors of the McCoy-Cove Report, the sample preparation, analysis, and security procedures at the McCoy-Cove Property are adequate for use in the estimation of mineral resources.

Security Measures

Security measures taken to ensure the validity and integrity of the samples collected were adopted from Victoria, which included:

1. Chain of custody of drill core from the drill site to the core logging area.
2. Buildings were kept locked when not in use.
3. Core sampling was undertaken by technicians under the supervision of Victoria geologists.
4. All intersections were kept in the Reno office.
5. Inspectorate was storing all the rejects and pulps indefinitely.

Quality Control Measures

I. STANDARDS AND BLANKS

A total of 69 different blank and gold standard reference materials have been used at the McCoy-Cove Property. The null hypothesis test compares the calculated t-statistic to the t-value for a 95% confidence level. Acceptance of the test indicates that the lab mean is within the 95% confidence limit of the standard value. A rejection result from the test does not necessarily mean the data is not representative of the expected value but rather that the test was inconclusive. Groups which have a high out limit frequency are not necessarily reject by the t-test if the standard deviation for the group is not excessively high.

II. DUPLICATE ASSAYS

Duplicate assays are performed under two scenarios. The geologist can instruct the lab to duplicate the pulp of a specified sample or the lab can send a pulp to another lab for check assay. Both types of duplicates show good replication of assay values.

Data Verification

The authors of the McCoy-Cove Report received the McCoy Cove drill hole database from Mia O'Neal, Premier Senior Geologist. Premier manages the data using Maxwell Geoservices software. Ms. O'Neal exported the data as csv files for Practical Mining LLC. The authors imported the data into Maptek Vulcan software and identified holes within the resource area. The authors selected 5% of holes from the resource dataset for detailed review. The selected holes are a spatial and temporal sampling of the data, the majority consisting of holes drilled by

Victoria and Premier because most older holes are in the mined area and supported by past production. Ms. O'Neal supplied copies of the raw data for the selected holes to the authors.

The authors compared the raw data with the corresponding records in the database. Records reviewed include assay values for gold and silver, collar location surveys and downhole deviation surveys. The authors observed no significant problems with the data and concluded the data is suitable for use in the resource estimation.

Mineral Processing and Metallurgical Testing

Metallurgical testing was completed by SGS Laboratories under the direction of Jacobs Engineering on behalf of Premier. Composite samples from the Helen and Gap zones underwent whole ore cyanidation testing, roasting and calcine cyanidation tests and pressure oxidation with cyanidation of the residues. Results indicate that in general the Gap mineralization performs better with pressure oxidation and the Helen mineralization performs better with roasting. Recoveries were assigned to each mineralized lens from the associated composite test results. The recoveries stated herein represent a weighted average value for all mineralisation contained in the mine plan of 82.2% for gold and 21.5% for silver.

There are three roasting facilities and two pressure oxidation facilities located in northern Nevada which are amenable to processing the McCoy-Cove Property mineralization. The McCoy-Cove Report incorporates toll-milling arrangements with associated over-the-road trucking costs for both process methods.

Mineral Resource Estimates

The current mineral resource estimate (the "Cove Mineral Resource Estimate") is based on an underground mining method and includes 1,045,000 tonnes at an average grade of 11.21 g/t Au, containing 342,000 ounces in the indicated resource category. An additional 4,032,000 tonnes at an average grade of 11.23 g/t Au, containing 1,322,000 ounces, are estimated in the inferred mineral resource category.

There are four distinct mineralized zones: CSD, GAP, Helen and 2201. The mineralized zones follow a southeast to northwest trend beginning below the historic Cove pit and extending over 6,000 feet to the northwest.

The following table summarizes the Cove Mineral Resource Estimate.

Mineral Resources – March 31, 2018 Premier Gold Mines Limited – McCoy-Cove Project

<u>Category</u>	<u>Area</u>	<u>Tons (000)</u>	<u>Grade (g/t Au)</u>	<u>Contained Metal (000 oz Au)</u>
Indicated	Helen	577	12.66	213
	Gap	167	12.23	60
	CSD	301	7.86	69
Total Indicated		1,045	11.21	342
Inferred	Helen	1,493	11.49	500
	Gap	1,731	10.88	549
	CSD	503	7.00	103
	2201	305	18.72	169
Total Inferred		4,032	11.23	1,322

Notes:

- (1) The effective date of the estimate is March 31, 2018.
- (2) Underground mineral resources are reported at a cut-off grade of 0.149 opt Au (5.11 g/t Au).
- (3) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, marketing or other relevant issues.

- (4) Mineral resources were estimated using the CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
- (5) The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource.
- (6) Numbers may not add due to rounding.

The authors of the McCoy-Cove Report are not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant factors that could materially affect the Cove Mineral Resource Estimate.

The gold and silver mineralization was estimated using Vulcan versions 9.1.8 and 10.1.5 modeling software using the Inverse Distance Cubed (ID3) estimation method. A Nearest Neighbor method was run for comparison. The estimate was performed by Practical Mining LLC.

Exploration and Development

The 2019 program was designed to drill additional RC holes to the west of Helen Zone testing the apex of the antiform, and drill test other prioritized target concepts to the east of the McCoy-Cove Property in the pediment area and south of the McCoy-Cove Property in the Reflection Target area.

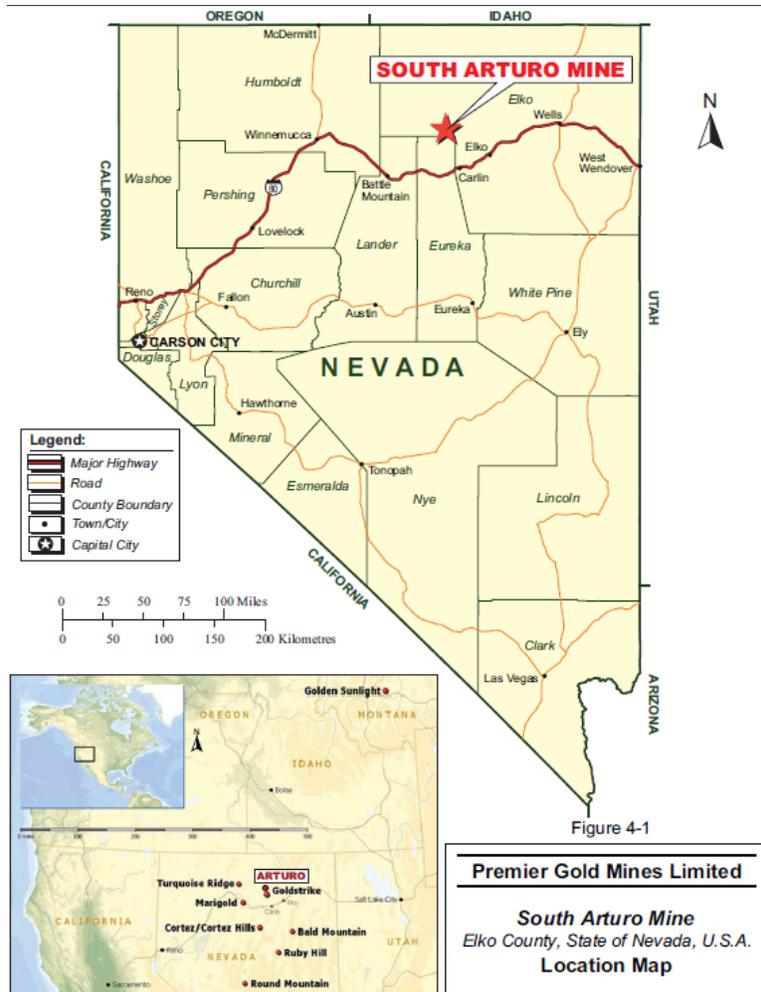
In 2019, 10 complete RC holes were drilled for a total of 8,510.7 meters, two RC pre-collars for 829.1 meters and two core holes were drilled for a total of 1,399.6 meters. In total, 10,739.4 meters were drilled in 2019. Total spending in 2019 totalled approximately \$4.2 million. On a project-to-date basis, approximately \$8.5 million in exploration spending has been conducted.

During 2020, Premier is planning to conduct a limited exploration program of approximately \$1.3 million and will include drill-testing the Davenport, Lakeside, Antenna and Saddle target areas using primarily RC-drilling techniques.

South Arturo Mine

Project Description, Location and Access

The South Arturo Mine is approximately 48 kilometres northwest of Carlin, Nevada. The South Arturo Mine includes development of an open pit mine and underground mine in the vicinity of the past producing Dee open pit and Storm underground mine. The South Arturo Mine lies within Townships 36 & 37 North and Range 49 East, MDM, within Elko and Eureka Counties. The South Arturo Mine is located near latitude 41°01'58" N and longitude 116°25'10" W, NAD 27.



Regional access from Elko and Reno, Nevada, is provided by Interstate Highway 80. Local access to the South Arturo Mine is via paved and improved gravel roads. Gravel road access is available from Barrick's Goldstrike Mine property, approximately 4.8 kilometres to the southeast. Access is also available over gravel road from the Dunphy exit on Interstate Highway 80, approximately 40 kilometres to the south. The climate is semi-arid with an annual average precipitation of 255 mm. There are, on average, 90 frost-free days, and the air temperature ranges from an average of -5°C in January to an average of 21°C in July, producing a year-round operating climate.

The South Arturo Mine mineral deposits occur on the Dee and Rossi properties consisting of unpatented mining claims owned or controlled by two separate mining ventures. The joint venture between Premier and Nevada Gold, an affiliate of Barrick (the "**Premier/Barrick JV**") controls the mining claims known as the Dee property. Nevada Gold operates the South Arturo Mine on behalf of the Premier/Barrick JV. In April 2019, Barrick contributed its interest in the Premier/Barrick JV to Nevada Gold, a joint venture between Barrick and Newmont operated by Barrick. The Barrick/Barrick Storm joint venture (previously known as the Barrick/Meridian venture) controls the mining claims known as the Rossi property. In 2007, Barrick acquired the portion of the Barrick/Meridian venture held by Meridian Gold Inc. ("**Meridian**"), which is now held by Barrick's wholly-owned subsidiary Barrick Storm Inc. ("**Storm**") and thus is under Barrick's full control. The majority of the mineral resources occur on the Dee property and only the Dee property mineral resources are included in the South Arturo Report.

The Premier/Barrick JV is comprised of approximately 4,909 acres of surface and mineral rights on federal lands administered by the U.S. Department of Interior, Bureau of Land Management. These rights are controlled by ownership of 391 unpatented lode mining and mill-site claims and are held subject to the paramount title of the United States. Unpatented lode mining and mill-site claims are maintained on an annual basis and do not expire if the annual maintenance fee payments are filed on a timely basis. All mining leases are reviewed on an annual basis and all payments and commitments are paid as required by the specific agreements. Details on the claims are a matter of public record and are available at the BLM Land & Mineral Legacy Rehost System (LR2000 website).

On June 2, 2015, the Corporation entered into a purchase and sale agreement with Goldcorp and Goldcorp USA, Inc. and completed the acquisition of a 100% membership interest in Goldcorp Dee LLC, which holds a 40% interest in the Premier/Barrick JV for the South Arturo Mine. Pursuant to the terms of the transaction, the Corporation: (i) paid Goldcorp US\$20 million in cash; (ii) reimbursed Goldcorp US\$16.67 million for costs and contributions paid by Goldcorp with respect to the South Arturo Mine since March 16, 2015; (iii) transferred to Goldcorp a 5% interest in Rahill-Bonanza Joint Venture; and (iv) granted Goldcorp a right of first refusal for a period of three years on any proposed sale or joint venture transaction by Premier of its McCoy-Cove Property located in Nevada.

Royalties

The Premier/Barrick JV portions of the South Arturo Mine (the "**Dee Joint Venture**") reside on leased claims and therefore are subject to royalties. Royalties are paid to Franco Nevada Corporation ranging from 4% to 9% of gross proceeds indexed to ore values, daily production rates, ore characteristics and other factors. The following table lists a range of likely royalties for the Dee Joint Venture.

Royalties on Dee Joint Venture			
Ore Grade (oz/st)		Royalty Percent By Ore Type	
From	To	Oxide	Non-Oxide
0.00	0.13	4%	6%
0.13	0.26	6%	6%
0.26	No limit	9%	6%

In order to maintain the lease in good standing, annual advanced royalty payments of US\$200,000 are required and are recoupable against future production royalties. The authors of the South Arturo Report are not aware of any environmental liabilities on the property. The Premier/Barrick JV has all required permits to conduct the proposed work on the property. The authors of the South Arturo Report are not aware of any other significant factors and risks that may affect access, title or the right or ability to perform the proposed work program on the property.

History

Exploration work for barite and gold began in the South Arturo Mine area in 1975. Prospecting exposed barite in several trenches. Cordex Exploration Company conducted exploration activities in the area from 1981 to 1983 and discovered the Dee gold deposits.

Within the South Arturo Mine area, four major companies (Meridian, Rayrock Mines Inc./Dee Gold Mining Co., Glamis Gold Ltd. ("**Glamis**") and Barrick) have been primarily responsible for exploration drilling, geologic mapping, geophysics and geochemistry that have defined the South Arturo Mine mineralization. Geologic mapping has occurred via mapping the Dee open pit, mapping and sampling of 1,200 metres of trenches, mapping of nearby barite open pits and mapping of the Dee and Storm underground workings. Drilling consisted of a combination of core, mud rotary and RC methods for a total of approximately 55,000 metres.

Barrick entered into the Dee Joint Venture in 1997. Barrick entered into the joint venture on the Rossi property in 1998, and acquired the remainder in 2007 (the "**Rossi Joint Venture**"). Extensive property-wide exploration had been carried out on both properties since the discovery of the Dee deposit in 1981. These exploration activities included several generations of drill testing, geologic mapping, geophysics and geochemistry.

Barrick's exploration activity since the inception of the Dee and Rossi Joint Ventures has included:

- Re-evaluation and assembling pertinent data from both properties into a combined data set.
- Property wide detailed geologic mapping at a scale of 1:2400.
- Geologic mapping of the Dee open pit at a scale of 1:1200.
- Geologic mapping at a scale of 1:600 and sampling of approximately 12,000 metres of trenches.
- Geologic mapping at a scale of 1:1200 and sampling the Queen and Sagehen Barite open pits.
- Geologic mapping of the Dee and Storm underground workings at a scale of 1:240.
- Acquisition and evaluation of 210 line-kilometres of magnetotelluric and Induced Polarization data (property wide survey) on lines spaced 300 metres apart.
- Acquisition and evaluation of 140 line-kilometres of ground magnetics.
- Acquisition and evaluation of 27 line-kilometres of Controlled Source Audio-frequency Magnetotelluric data, a frequency-based electromagnetic sounding geophysical survey technique that uses a remote synchronous signal source.
- Collection of 1,035 gravity stations on a 150 metres x 150 metres survey.
- Collection and analysis of more than 2,500 soil samples on various grid spacings.
- Completion of a 3D Vulcan/Geocad property wide geologic model.
- Reprocessing and detailed geophysical analysis of property wide geophysical data.
- Detailed geochemical analysis of property wide geochemical data.
- More than 338,743 metres of combined RC, mud rotary, sonic and core drilling.

The Dee open pit mine was put into production by Rayrock Mines Inc. in partnership with Dee Gold Mining Co. in 1984. Over 16 years from 1984 to 1999, the Dee mine produced approximately 605,000 ounces of gold from oxide ore. Underground production started in 1999 and continued until December 2000, when both open pit and underground operations were shut down and surface facilities were reclaimed. Annual production from 1984 to 1999, when the Dee mine was shut down, is shown in the following table.

Annual Production from Dee Mine

Year	Mill (oz)	Heap Leach (oz)	Total Gold (oz)
1984	6,388	0	6,388
1985	42,613	7,019	49,632

Year	Mill (oz)	Heap Leach (oz)	Total Gold (oz)
1986	43,351	7,682	51,033
1987	43,657	9,377	53,034
1988	43,698	6,090	49,788
1989	35,193	10,467	45,660
1990	37,035	11,029	48,064
1991	37,058	4,988	42,046
1992	29,900	8,918	38,818
1993	6,568	19,204	25,772
1994	9,093	16,541	25,634
1995	28,829	14,954	43,782
1996	28,829	9,789	38,618
1997	33,977	5,655	39,632
1998	25,070	3,453	28,523
1999	17,224	841	18,065
Total	468,482	136,006	604,488

Geological Setting, Mineralization and Deposit Types

Regional Geology

The South Arturo Mine is within the northern Carlin Trend in the Basin and Range physiographic province in northeastern Nevada. Late Devonian-Mississippian continental arc collision (Antler Orogeny) juxtaposed a siliceous deep-water assemblage over the favourable shelf and slope facies carbonate assemblage. A sequence of compressional, and later extensional, tectonic events have transformed the district into large scale, north northwest trending folds, and northwest to northeast trending faults, which expose "windows" of the lower plate rocks within the upper plate. The northern Carlin Trend is defined by a north northwest trending alignment of gold deposits in a series of these windows. The windows in the Carlin Trend from south to north are the Carlin, Lynn and Bootstrap. The South Arturo Mine is located within the Bootstrap Window.

Igneous activity along the Carlin Trend has occurred periodically from the Jurassic through the Tertiary with the emplacement of medium size diorite stocks, diorite, dacite, and lamprophyre dikes and sills, and a very large deep-seated intrusion at Mary's Mountain. A two-mile wide northwest trending lamprophyre dike swarm defines the overall axis of the Carlin Trend.

Local and Property Geology

In general, the South Arturo Mine deposits are sediment- and intrusive-hosted gold and silver deposits hosted mainly in silicified breccias. Oxide gold mineralization in the existing Dee pit mine area is structurally controlled, dominantly paralleling the north-south striking Dee Fault Zone. Gold was emplaced simultaneous to several pulses of silica alteration, which converted mineralized wall rocks into massive silica or silica breccia. Enriched zones are found where the Dee Fault Zone intersects northwest trending faults. Minor gold mineralization can be traced along northwest, northeast and east-west structures trending away from the Dee Fault Zone.

The oldest formation known near the South Arturo Mine is the Ordovician Hanson Creek dolomite, intersected in a deep drill hole west of the deposit. A 215 metre thick section of the Silurian-Devonian Roberts Mountains limestone occurs above the Hanson Creek dolomite.

There is a gradational contact between the Roberts Mountains Formation and the overlying Silurian-Devonian Bootstrap limestone. The Bootstrap limestone is a grey, massive limestone deposited in a reef margin

environment. The thickness of the Bootstrap limestone ranges from less than 60 metres to more than 120 metres along a north-northwest trend. West of the reef margin is a full section of Devonian Popovich Formation slope-facies carbonates. East of the reef margin, the Popovich carbonates thin to less than 30 metres above the Bootstrap limestone. The upper contact of the Popovich Formation grades conformably into the Devonian Rodeo Creek siliceous argillite and mudstone sequence, which ranges in thickness from 60 metres to 750 metres, north of the South Arturo Mine. The stratigraphic section west of the South Arturo Mine is consistent with the type sections described by Newmont at Bootstrap/Capstone/Tara and with the Popovich section described by Barrick at Rodeo/Goldstrike. The stratigraphic section east of the Mine is consistent with the type section described by Barrick at Meikle. Upper plate rocks at the South Arturo Mine consist of a sequence of mudstone, argillite and bedded cherts of the Vinini, Elder and Slaven Chert formations. The Tertiary Carlin Formation, a sequence of tuffaceous sedimentary rocks and air-fall tuff, fills channels and depressions in the Dee mine area.

At least three generations of dikes occur at the South Arturo Mine. The most notable zone is a 2.5 kilometre-wide northwest trending lamprophyre dike swarm that includes the Jurassic Arturo dike. Other, possibly Tertiary, intrusive rocks include a quartz-bearing biotite dacite dike in the Dee Fault and an andesite dike along the northeast Flower structure. North-south striking Basin and Range faulting is prominent throughout the deposit. The Dee Fault Zone controls mineralization in the Dee area. Northeast and northwest striking faults act as secondary controls on mineralization. The Hinge fault controls mineralization in the Hinge zone; West Button Hill mineralization is coincident with mapped structures encountered in the Phase 2 mining.

Mineralization

The South Arturo Mine gold-silver deposits can be divided into five mineralized areas. These areas are the South Arturo, West Button Hill, Southwest Dee pit, Deep North and Hinge. The majority of these deposits are classified as "Meikle Type" breccia-hosted Carlin-type deposits. A complex set of breccias occur at the upper contact of the Bootstrap limestone. These breccias can be generalized into four basic types: silicified heterolithic breccias; silica-sulphide breccia; dolomite breccia; and cavity-fill breccia. The oldest breccias are the silicified heterolithic breccias and the dolomite breccias which have been crosscut and replaced by mineralized silica sulphide breccias. The youngest breccias are the post mineral cavity-fill breccias.

The northern extent of the South Arturo Mine mineralization lies approximately 60 metres southeast of the Dee pit and under 180 metres of waste rock. An overall north-south orientation to mineralization is inferred from the grade thickness contours, which define an area 520 metres in a north-south direction by 100 metres to 115 metres wide in an east-west direction. The mineralization and tertiary contact dip 15 degrees to 20 degrees to the south. Drilling has shown that rocks are oxidized to a depth of up to 600 metres. Paleozoic rocks host the mineralization mainly in multi-stage, multi-lithic breccias with gold values ranging from 0.2 g/t Au to more than 35 g/t Au with an average grade of approximately 2.0 g/t Au. These breccias are commonly formed by karsting or dissolution of carbonate rock and subsequent collapse and cavity fill. In general, decalcification is followed by weak to strong silicification with local argillization. Silver to gold ratios are generally 1:1 at grades of greater than 2.06 g/t Au but increase to 5:1 at lower gold grade values.

Dee Deep North is a north-northeast trending pod of mineralization that plunges slightly north and is approximately 180 metres long, 45 metres wide and 45 metres thick. The majority of high-grade refractory mineralization is in silica-sulphide breccia within a flat to west-dipping silicified, multilithic breccia body above the Bootstrap limestone between 1,494 metres above sea level ("MASL") and 1,554 MASL. The principal controls are the north-northeast trending high angle EB fault and southwest dipping low angle structures.

The SW Dee pit mineralization is along the north-northeast trending, west dipping Dee Fault Zone. The mineralization is carbonaceous, partially oxidized, variably silicified mudstone/siltstone breccia approximately 100 metres in a north-south strike length, 30 metres wide and 45 metres in thickness. The mineralization sits between 1,494 MASL and 1,554 MASL, with a small portion exposed along the southwest high wall at the bottom of the Dee pit.

The West Button Hill mineralization trends north-northeast for over 600 metres in strike length, in pods that vary up to 120 metres wide and 15 metres thick. The majority of high-grade refractory mineralization is in the lower Rodeo Creek Formation and multi-lithic breccias above the Bootstrap limestone. The principal controls are the north-northeast and north-south trending high angle structures and favourable host rocks. The mineralization has been shown to extend 375 metres below pre-mining surface elevation, as it is offset on the northeast striking, down-to-the-east Tara West Fault.

The Hinge zone is a north-south striking zone that lies between the South Arturo Mine zone to the south west and West Button Hill to the northeast, and is due east relative to the existing Dee pit. It is approximately 425 metres long and up to approximately 90 metres wide, situated between elevations of 1,450 MASL to 1,600 MASL at depths from 100 metres to 270 metres below surface. Mineralization is hosted in the lower portion of the Rodeo Creek Formation and silicified breccias of the Basal Rodeo Creek and Popovich Upper Muds units. Breccia bodies drape the Bootstrap limestone.

Mineralization in the Hinge zone is controlled by the Hinge fault, a steeply east dipping north-south structure that appears to be a northerly extension of faults in Newmont's Bootstrap pit to the south. Intersecting faults that influence mineralization have not been clearly identified. Much of the mineralization is partially to completely oxidized, even in the more deeply buried zones.

Deposit Types

The South Arturo Mine is located in the northern end of the Carlin Trend, a 60-kilometre long north-northwest alignment of sedimentary rock-hosted gold deposits. These deposits are generally known as Carlin-type deposits. The gold mineralization in Carlin-type gold deposits is dispersed, micron-sized and found commonly on the rims of pyrite grains in predominately carbonate-bearing host rocks. Decalcification, silicification, and dolomitization are the most dominant alteration features. Generally, there is negligible base metal content, low silver to gold ratios and a geochemical enrichment in arsenic, antimony and mercury.

Carlin-type gold deposits represent a spectrum of deposit types including the classic stratigraphic hosted deposit end member, collapse breccia hosted deposit end member and structurally controlled deposit end member. Most, if not all, of these deposit types contain individual components of the end members. Most of the South Arturo Mine gold mineralization is considered by the authors of the South Arturo Report to be of the breccia hosted Carlin-type with structural controls, similar to Barrick's Meikle deposit located approximately 6.5 kilometres to the southeast.

Exploration

Exploration drilling in 2018 was focused on near-surface mineralization, potentially amenable to heap leach processing (based on initial cyanide solubility or "AuCN" results) and higher-grade mineralization at depth. In 2019, exploration drilling focused primarily on East Dee, El Nino and high priority exploration targets proximal to the pits. Definition drilling at East Dee was designed to establish mineral resources with a high level of confidence. Drilling at El Nino was focused on reserve definition and expansion. Key results stemming from the program include:

- Phase 3 mineralization appears to be significantly to entirely oxide mineralization rather refractory material.
- The redox boundary at Phase 3 is significantly deeper than was modelled previously.
- Positive reconciliation of potential heap leachable material versus previous modelling.
- Potential that re-optimized pits at Phase 1 and Phase 3 could be deeper and larger than previously modelled.

Phase 1 Open Pit – East Dee Target

Construction of the Phase 1 open pit is underway with heap leach material stockpiled for potential future processing. Mining was halted in the open pit in December 2019 pending evaluation of the optimum timing for ore processing resulting from opportunities provided by the formation of the Newmont-Barrick joint venture in Nevada in late 2018 (Nevada Gold). Engineering designs for the heap leach option were reviewed in 2019 and the current plan is to build the heap leach pad and re-start mining in 2024. Several holes were also drilled to test East Dee, an attractive target located immediately east of the Phase 1 pit that has the potential to become a new mining centre on the property.

Phase 3 Project

Phase 3 is a future open-pit development opportunity at South Arturo with the 2019 drill program targeting heap leach and roaster-feed mineralization. The program suggests the potential to expand mineralization beyond the currently modeled pit shell and work in 2019 focused on de-risking this potential future phase of mining including additional metallurgical characterization of the heap leach material.

2020 Program

The 2020 exploration plan at El Nino and surface drilling includes a combined 114 drill holes (RC and core combined) costing some \$5.0 million. At El Nino, a total of 12 drill holes and 3,200 metres costing \$0.95 million will be completed to define extents of anticline eastern limb mineralization along breccia contact. At Phase 1, up to 72 holes and \$500,000 will be directed toward a 50% conversion of indicated to measured mineralization. The "Cloud 9" exploration program of 2,700 metres and \$1.4 million will define extents of deep eastern limb mineralization along breccia contact. Finally, some 22 holes in 7,700 metres and \$2.2 million is proposed for target delineation purposes on surface at Phase 3. Targets will include potential mineralization proximal to the Jerry Fault, Hinge_W1 and Hendrix Fault interaction to further refine lithological formations and structural controls on mineralization in an updated geologic model.

Drilling

Barrick, Glamis, Dee Gold and Meridian have completed most of the exploration and development drilling for gold in the South Arturo Mine area, with most recent drilling conducted by Barrick. Data from these drilling programs is stored in the South Arturo Mine database that is maintained by Barrick. The database contains 3,713 drill holes with an aggregate length of 621,900 metres in the project area. The following table summarizes drilling activity by company and by drilling method.

<u>Company</u>	<u>Holes</u>	<u>RC (m)</u>	<u>Core (m)</u>	<u>Rotary/Other (m)</u>	<u>Total (m)</u>
Barrick	1,557	243,519	102,471	1,482	338,473
Glamis/Dee	1,754	98,534	4,130	64,321	166,985
Haliburton	29	3,566	1,377	-	4,943
Meridian/Rossi	364	78,801	11,175	12,137	102,113
Trio Gold	9	-	9,386	-	9,386
Total	3,713	415,420	128,539	77,940	621,900

Of the approximate 621,900 metres drilled, approximately 21% was core, 67% was RC holes and 12% was rotary/other drilling. Overall, 96% of the holes within the potential pit had downhole surveys conducted. Drill spacing varies throughout the South Arturo Mine area with drilling density increasing in mineralized zones. Drill spacing in the Dee Deep North area can be found as close as 15 metres, while the nominal drill spacing within the South Arturo area is approximately 30 metres to 50 metres.

Sampling, Analysis and Data Verification

The primary assay laboratories for the South Arturo Mine were ALS-Chemex and American Assay in Reno, Nevada. All ALS geochemical hub laboratories are accredited to ISO/IEC 17025/2017 for specific analytical procedures. American Assay is an ISO 17025 accredited laboratory. Minor assay work, including check assays, was performed at Inspectorate in Reno, Nevada. The following was the procedure used for Barrick's sample preparation and assay.

1. Submittal form is filled out by the geologist/geotechnician and submitted with samples to the laboratory.
2. Samples are catalogued and checked against submittal sheet. Barrick geologists are notified of any discrepancies.
3. The entire sample is weighed and then oven dried.
4. The entire sample is crushed to 75% passing 10 mesh.
5. 250 grams of material is riffle split from the minus 10 mesh material and pulverized to 80% passing 200 mesh.
6. Pulps are assayed for gold using a 30-gram aliquot by lead fire assay with an atomic absorption spectrometry finish ("FA-AAS") and for silver by atomic absorption spectrometry after an aqua regia digestion.
7. Samples with FA-AAS gold assays greater than 10 ppm (0.292 ounce per short tonne ("oz/st")) Au are reassayed by fire assay with a gravimetric finish. Samples from 2013 to 2015 used a 7 ppm (0.204 oz/st) Au threshold for gravimetric fire assay and samples from 2004 to 2013 used a 5 ppm (0.146 oz/st) Au threshold for gravimetric fire assay.
8. Pulps are returned to Barrick and stored at the Goldstrike core shed lay down yard, or connexes. Mineralized coarse rejects are returned or discarded after one year.

Meridian used Chemex Labs in Sparks, Nevada ("Chemex"), for the majority of assays. Assay checks were run by Bondar Clegg, Monitor and Assayers laboratories. The following was the procedure used by Chemex for Meridian's sample preparation and assay.

1. Submittal form was filled out by the Meridian geologist and delivered with the samples to Chemex.
2. Samples were catalogued and the entire sample was oven dried.
3. A riffle split was taken to obtain a 250-gram sub-sample, which was pulverized using a chrome-steel ring mill to greater than 90% passing 100 μm (150 mesh).
4. Standard fire assay methods using a 30-gram pulp sample were utilized to determine total gold content. Samples assaying greater than or equal to 5.0 ppm Au using FA-AAS were reassayed via FA with a gravimetric finish for accuracy.
5. Selected sample intervals were composited into five samples for multi-element geochemistry using a 32-element standard inductively coupled plasma atomic emission spectrometry (ICP AES) package.

6. Pulps and mineralized coarse rejects (greater than 1.0 ppm Au) were returned to Meridian and stored at a warehouse in Sparks, Nevada. Barrick took possession of the pulps and remaining core samples in 2002.

Dee drill samples were assayed on the mine site at the Dee laboratory.

The authors of the South Arturo Report noted that the analytical procedures used at the Dee laboratory were similar to those used by Barrick/Goldcorp at the Marigold mine (operated by Silver Standard Resources Inc. as at the date of the South Arturo Report).

Since nearly all drilling at Marigold involves oxidized rocks, the standard exploration sample procedure is to analyze visibly oxidized rocks using the atomic absorption AA method first. For samples where 0.14 g/t (0.004 oz/st) Au or higher was reported, the samples are FA. Moreover, if the rock in the sample during sample prep is grey or black, samples are initially fire assayed. If anomalous values appear in the results, the samples are analyzed by AA.

RC drilling samples and half core samples are delivered to the ALS assay laboratory by a Barrick employee or picked up by ALS personnel. Half core samples are picked up at the Goldstrike core shed at the completion of sawing.

RC drilling samples were picked up at the completion of drilling by the laboratory and core samples were delivered to the laboratory by Meridian geologists. According to the authors of the South Arturo Report, no documentation was available describing sample security for the Dee/Glamis samples.

The QA/QC system employed by Barrick at the South Arturo Mine includes the insertion of standard samples, blank samples and duplicate samples into the sample stream. From 1999 to 2003, non-certified standard and blank material was inserted approximately every 40 samples. Since 2004, certified standards, blanks and field duplicates have randomly been inserted into the sample stream. Assay results are electronically e-mailed from the assay laboratory to the Barrick Goldstrike office. Upon passing a QA/QC protocol, the results were downloaded into Barrick's assay database. Check analyses are done on pulps and/or rejects at American Assay in Reno, Inspectorate in Reno and ALS-Chemex in Reno and Vancouver. The authors of the South Arturo Report reviewed the results of the 2013-2014 and 2014-2017 QA/QC programs. During the 2013-2014 drilling campaign, 14,241 samples were received by the laboratory including 1,237 (8.7%) QA/QC samples as summarized in the following table.

<u>Sample Type</u>	<u>Nominal Frequency</u>	<u>Action Limits</u>	<u>Source</u>	<u>Total</u>	<u>Failures</u>
Blanks	1:50	0.06 g/t Au	Barren Drill Core Rejects	269	1
Standards - Au	1:50	2 SD	Rocklabs or CDN Resource	294	10
Duplicates	1:20	Varies by grade range	RC & Lab Duplicates	674	31

During the 2014-2017 drilling campaign, 17,970 samples were received by the laboratory including 1,853 (10.3%) QA/QC samples as summarized in the table below.

<u>Sample Type</u>	<u>Nominal Frequency</u>	<u>Action Limits</u>	<u>Source</u>	<u>Total</u>	<u>Failures</u>
Blanks	1:30	0.06 g/t Au	Barren Drill Core Rejects	480	38
Standards - Au	1:30	2 SD	Rocklabs or CDN Resource Laboratory	836	33
Duplicates	1:30	Varies by grade range	RC & Lab Duplicates	537	58

Dee/Glamis Samples

Approximately 5% to 10% of the samples were selected for re-assaying to check initial results, usually while drilling was slow or inactive during the winter; however, for holes with significant mineralization the check

assaying was expedited. Samples for this procedure include a combination of original assay pulps and "bulk bag" samples. Generally, samples originally sent through the Glamis laboratory were sent to off-site commercial laboratories and samples originally run off-site were run through the on-site assay laboratory. The blind sample procedure was also employed for the checks.

The Glamis internal laboratory also participated in a round-robin assay checking arrangement with several other commercial and mine laboratories, assaying known standard grade material and comparing results. They routinely inserted known, low-level control samples at every fifteenth sample in the AA string. Approximately 50 randomly chosen blast hole samples were re-assayed by AA and FA each month and checked for reproducibility as internal checks.

Data Verification

In 2018, Todd Wakefield of Mine Technical Services Ltd. ("**MTS**") reviewed the assay quality control results for all South Arturo control samples submitted from April 7, 2014 to March 5, 2018. MTS found most of the blank failures are related to BL-46 that was introduced as a blank in July 2015. MTS recommends that the South Arturo Mine source blank material from a reputable SRM provider or source blank material locally after sufficient testing to ensure that material will assist the mine to adequately control carryover contamination in the sample preparation process. Standard and blank failures are remediated on a batch basis by Barrick, therefore all assay batches have been approved by the project geologist and are considered acceptable for use in resource estimation.

Meridian holes were assayed at Chemex in Sparks, Nevada. Meridian transmitted Barrick assay results digitally and they were loaded into Barrick's assay database. Original hard copies of the assay results from the laboratory were available for most of the holes. Both Chemex and Monitor commonly ran in-house checks. Chemex results for four holes (RS-107, RS-108, RS-123, RS-125), all drilled in 1996, had every tenth sample sent to Bondar-Clegg and Company Limited ("**Bondar-Clegg**") for check analyses. According to the authors of the South Arturo Report, the results showed overall good correlation.

The 1992 through 2000 Dee drill samples were usually assayed at the Dee mine laboratory. Dee mine transferred the assay results to Barrick digitally and they were loaded into Barrick's assay database. They were in binders in the Barrick open pit office, with Dee drill logs and hard copies of the original Dee assay laboratory results. The Dee laboratory commonly ran in-house QA/QC as well as outside laboratory check assays. The QA/QC results were not available.

Mineral Processing and Metallurgical Testing

Ore samples from the South Arturo deposit were tested using gold processing technologies, such as heap leaching, oxide milling and roasting. The ore from the South Arturo deposit can be categorized into four distinct types based on gold grade, sulphide grade and expected recovery. AMTEL Ltd. ("**AMTEL**") completed a mineralogical study of the gold department in 2007. McClelland, in Sparks, Nevada, performed column leach tests to estimate the heap leaching performance and Barrick's Goldstrike Metallurgical Lab performed CIL and roaster/CIL tests to estimate the CIL and roaster/CIL recovery for the South Arturo Mine.

A new drilling program completed in 2017 for the South Arturo and North Deep/Dee areas generated additional drill core for metallurgical testing. Mined ore from the West Button Hill area was processed in the roaster at Goldstrike, and tests were also conducted on monthly composites of this materials.

According to the authors of the South Arturo Report, in the case of the South Arturo Mine, gold recovery via cyanide leaching appears to be a function of both the cyanide solubility ratio and the amount of silica contained in the samples. The roaster recovery has been previously shown to be a function of only the silica concentration. However, Bench-top Roasting Tests ("**BTR**"), on monthly composites from West Button Hill ore has not shown a strong correlation between gold recovery and silica, but the recovery continues to be a function of the head

grade. The samples used for the column leaching tests were HQ (6.25 centimetres diameter) half core uncrushed samples in 2006, and PQ (8.25 centimetres diameter) samples crushed to less than 3.13 centimetres in 2007. The column leaching tests were conducted by McClelland in Sparks, Nevada. The samples for the CIL/roaster tests were crushed reject material from the assay laboratory. Bottle roll tests to assess oxide mill grade and roaster ore characterization were conducted at the Goldstrike Metallurgical Lab. The samples for both test programs were selected on the basis of location in relation to the previous pit design, oxidation state and degree of silicification. Bond work index tests were also performed on a number of the samples tested at the Goldstrike Metallurgical Lab. No column tests were completed using samples from West Button Hill.

Additional CIL bottle roll tests were performed during active Dee operations. The sources of the samples were varied and were restricted to known resources on the north end of the deposit. The tests were conducted at a grind target of 80% passing 400 mesh. Additional sample analysis was conducted in 2013 and 2014. Some 39 composite pulp samples from 32 RC and diamond drill holes were re-analyzed and good correlation between old and new assays were observed. In early 2014, the number of LECO/metallurgical assays were increased for waste characterization and mineralogical study.

Additional metallurgical tests were performed on both drill core and plant composite samples in 2016 and 2017. The 2017 drilling program for the South Arturo and Deep North/Dee areas generated core for bottle roll, column and BTR tests. Mining and processing of the West Button Hill ore in 2016 through 2017 generated monthly composites for BTR tests. The table below shows the number of metallurgical tests performed on the samples from each of the defined areas.

Test ID	Deep North	South Arturo	West Button Hill
Bottle Rolls	30	30	0
Leach 6 Mesh	25	22	0
Column Tests	5	8	0
BTR	0	6	17

AMTEL analyzed a sample from the South Arturo deposit in 2007. The grade was 11.5 g/t Au, with 0.68% total sulphur and the cyanide solubility to fire assay ratio of 0.78. The sample had two major rock components, quartz (70%), and mica/clays (25%). AMTEL's gold department study concluded that native gold accounted for 90% of the total gold in the sample. At 80% passing 125 µm, only 22% of the gold is liberated. The gold particles are predominantly small, averaging five microns and ranging in size up to 36 µm in size. Unliberated native gold, averaging two microns in size, is primarily associated with the host rock while there is a minor association with pyrite (1%). Most of the unliberated gold (80%) is partially exposed, while 20% is locked or enclosed in rock. The remaining 10% of the gold is submicron gold which is mainly locked in pyrite. Although the grade of the sample analyzed is significantly higher than the grades that will be processed from the South Arturo Mine, the authors of the South Arturo Report note that the results appear to be consistent with the gold recovery results seen in the metallurgical tests and historically experienced on the site.

Twenty-four column leach tests were performed at McClelland during 2006 and 2007. The data from the column leach tests showed that the gold recovery demonstrated a moderate correlation to the cyanide solubility ratio to fire assay ratio and a strong negative correlation to the degree of silicification. When a multiple regression using both cyanide solubility and silica were used to predict recovery, a strong correlation was noted. It was also observed that head grade did not produce a meaningful correlation with gold recovery.

One run-of-mine ("ROM") bulk column test in a three-foot diameter by ten-foot tall column was completed by McClelland. It was not possible to access a typical leach feed bulk sample so this sample had a high silica, low cyanide solubility, which resulted in a ROM recovery of 8.7% compared to a crushed leach recovery of 12.7%. Therefore, an analysis of the historical Dee mine operating data was used to estimate the recovery for ROM leaching. The ROM leach recovery is estimated using 85% of the crushed ore heap leaching recovery.

Due to the near-refractory nature of the material, testwork on a bulk sample near the Storm deposit, northwest of South Arturo, did not respond well to either coarse (10-centimetre size) crush or two finer crush sizes. The authors of the South Arturo Report note that silver recovery in the column leach tests is very low. The average silver recovery in the column tests was 7%, which was used to model the leach pad silver production. A total of 13 column leach tests are underway at McClelland from the drilling program completed in 2017 (Deep North and South Arturo areas).

The CIL bottle roll test work was performed at Barrick's Goldstrike Metallurgical Lab in 2007, 2008 and 2009 using a targeted grind of 80% passing 74 µm. The gold recovery for the samples tested showed a strong correlation to the cyanide solubility to fire assay ratio and a moderate negative correlation to the degree of silicification. A multiple regression analysis that estimates gold recovery as a function of both cyanide solubility and silica content results in a slightly stronger correlation. It was also observed by the authors of the South Arturo Report that head grade did not produce a meaningful correlation with gold recovery. The CIL bottle roll tests did not yield much information about silver recovery because the silver head grades were low. The estimated silver recovery is based on bottle roll tests from samples with the highest silver head grades and historic Dee data. The authors of the South Arturo Report were of the opinion that additional tests should be completed using samples that are representative of the material that will be leached over the life of the mine.

Additional CIL bottle roll leach tests at both the Goldstrike Metallurgical Lab and McClelland from the drilling program were completed in 2017 (Deep North and South Arturo areas). A series of tests were conducted using a targeted grind of 80% passing -74µm, and another series at a fine crush size of 6 mesh. Results from these tests were consistent with those discussed above.

BTR tests were performed at Barrick's Goldstrike Metallurgical Lab using the same sample set as the CIL test work using a targeted grind of 80% passing, -74 µm. In these tests, cyanide solubility did not influence BTR gold recovery, as expected. It was also observed that head grade did not produce a meaningful correlation with gold recovery. The authors of the South Arturo Report noted that the silver head grade of the samples was so low that little information about silver recovery was gained from the BTR/CIL tests; however, the tests which used the samples with the 12 highest silver head grades yielded an average silver recovery of 36%, which is used to estimate silver recovery in the model.

Standard BTR tests were conducted on the 17 monthly composite samples from West Button Hill. Tests were conducted at a target grind of 80% passing 74 microns. Gold recoveries were on par with the predictive equation used to estimate gold recovery from ore processed in the Goldstrike Roaster facility and is a function of head grade ("HG").

Test results showed gold recoveries ranging from 82.3% to 93.0% at head grades ranging from 3.46 g/t (0.101 oz/st) to 12.31 g/t (0.359 oz/st) Au. The average gold recovery was 87.9% and the average gold head grade was 6.27 g/t (0.183 oz/st). The test results also showed that the ore from West Button Hill did not have a correlation with silica encapsulation, unlike earlier tests had shown. The amount of gold associated with silica at the 80% passing 74 µm particle size ranged from 0.14 g/t (0.004 oz/st) to 0.31 g/t (0.009 oz/st) Au and averaged only 0.21 g/t (0.006 oz/st) Au.

Additional BTR tests for the South Arturo area were completed in 2017 showed results consistent with those discussed above.

BWI tests were performed at the Goldstrike Metallurgical Lab. The BWI ranged from 15.4 kWh/t to 22.0 kWh/t, with an estimated average of 19.3 kWh/t. Additional BWI tests in 2016 and 2017 showed similar results to those previously reported.

According to the authors of the South Arturo Report, the metallurgical test results determined the following: sulphide ore and ore containing pre-robbing organic carbon above the target cut-off gold grade would be roasted; oxide ore above the target cut-off gold grade would be processed via ROM heap leach; ore containing pre-

robbing organic carbon below the cut-off grade gold grade for roasting will be considered waste; the mill recovery ranges from 48% to 92% depending on the process employed; recovery may be higher than predicted if the ore is ground finer than 74 µm in size; a gold deportment study completed by AMTEL and metallurgical test results indicated that a large portion of the gold is most likely encapsulated in silica, therefore, finer grinding could assist with improved gold liberation; the heap leach recovery and relationships between particle sizes and recovery may be different from the estimates because the samples tested are not from the same area of the mineralization that will be processed on the heap leach pads; additional sampling and column leach tests of material from the West Button Hill deposit would provide additional metallurgical data for analysis; BTR results on the West Button Hill monthly composites showed a good correlation between head grade and gold recovery – similar to the predictive model used for estimating Goldstrike Roaster gold recovery performance. Silica encapsulation was not found to negatively influence recovery results.

Mineral Resource and Mineral Reserve Estimates

Mineral Resource Estimate

A summary of the mineral resource estimates excluding mineral reserves, prepared by Barrick for the South Arturo Mine as of December 31, 2018, are shown in the following tables, which have been adjusted to reflect the 40% interest attributable to Premier. Stephen McGibbon, Executive Vice-President – Corporate and Project Development of the Corporation reviewed the mineral resource estimates for South Arturo disclosed below on behalf of the Corporation. Mr. McGibbon is a "qualified person" for the purposes of NI 43-101. See "Technical Information" above. Mineral resources are subject to reduction due to mining depletion. See "Mineral Projects – 2019 Production".

Cut-off grades for the mineral resources were established using a gold price of US\$1,500 per ounce.

South Arturo Mineral Resources (40% Premier) – December 31, 2018

<u>Category/Process Type</u>	<u>Tonnes (mt)</u>	<u>Gold Grade (g/t Au)</u>	<u>Contained Gold (000 oz)</u>
Measured Resources			
Stockpile	0.12	0.97	3.67
Open pit	2.28	1.05	77.12
Underground – El Nino	0.002	12.11	0.88
Total Measured Resources	2.40	1.06	81.7
Indicated Resources			
Stockpile	-	-	-
Open pit	6.78	0.99	217
Underground – El Nino	0.03	10.04	11.16
Total Indicated Resources	6.82	1.04	228.03
Total Measured and Indicated	9.22	1.05	310
Inferred Resources			
Stockpile	-	-	-
Open pit	0.69	0.44	9.9
Underground – El Nino	0.07	9.73	21.8
Total Inferred Resources	0.76	1.30	31.7

Notes:

- (1) CIM (2014) definitions were followed for mineral resources.
- (2) Mineral resources are estimated using a long-term gold price of US\$1,500 per ounce.
- (3) Mineral resources for open pit are reported using gold cut-off grades of 0.89 g/t (0.026 oz/st) Au for the roaster, and 0.69 g/t (0.020 oz/st) Au for the oxide mill.

- (4) Mineral resources represent attributable ounces to Premier, equal to 40% of the joint venture controlled ounces.
- (5) Mineral resources are exclusive of mineral reserves.
- (6) Mineral resources that are not mineral reserves do not have demonstrated economic viability.
- (7) Numbers may not add due to rounding.

Mineral Reserve Estimate

On a 40% basis, the proven and probable mineral reserve estimate prepared by Barrick as of December 31, 2018 is 2.84 million tonnes grading 3.01 g/t Au containing 274,651 ounces of Au. Stephen McGibbon, Executive Vice-President – Corporate and Project Development of the Corporation reviewed the mineral reserve estimates for South Arturo disclosed below on behalf of the Corporation. Mr. McGibbon is a "qualified person" for the purposes of NI 43-101. See "*Technical Information*" above.

The mineralized areas include the South Arturo, Dee Deep South, Southwest Dee, Hinge and the West Button Hill. Based on current operating costs, process recoveries and metal prices, the only areas that comprises mineral reserves, as of December 31, 2018, are the Dee Pit (Phase 1) and El Nino underground.

Metal prices used for mineral reserves are based on consensus, long term forecasts from banks, financial institutions and other sources. For mineral resources, metal prices used are higher than those for mineral reserves. Mineral reserves are subject to reduction due to mining depletion. See "*Mineral Projects – 2019 Production*".

The following table summarizes the 40% attributable to Premier as at December 31, 2018.

South Arturo Mineral Reserves (40% Premier) – December 31, 2018

Category/ Process Type	Tonnes (mt)	Gold Grade (g/t Au)	Contained Gold (000 oz)
Proven Reserves			
Stockpile	0.18	1.98	11
Open pit	1.32	3.32	141
Underground – El Nino	0.01	13.61	2.1
Total Proven	1.51	3.19	154.5
Probable Reserves			
Stockpile	-	-	-
Open pit	1.27	2.33	95
Underground – El Nino	0.07	11.08	25.2
Total Probable	1.34	2.79	120.2
Total Proven and Probable Reserves			
Stockpile	0.18	1.98	11
Open pit	2.59	2.84	236
Underground – El Nino	0.08	11.24	27
Total Proven and Probable	2.84	3.01	275

Notes:

- (1) Mineral reserves estimated according to CIM (2014) definitions.
- (2) Mineral reserves estimated at \$1,200/oz Au.
- (3) Mineral reserves for open pit are reported using gold cut-off grades of 1.10 g/t (0.032 oz/st) Au.
- (4) Cut-off grades are incorporated into the net block value calculation, which was used to determine the processing method for each block.
- (5) Numbers may not add due to rounding.

Mining Operations

The South Arturo Mine operation is an open pit and underground project with production sourced from two phased pits that are designed to optimize both mill feed and dewatering campaigns. The average mining rate will be 108,000 metric tonnes per day of ore plus waste over a mine life of approximately 7 years (2024-31) for the Phase 1 and Phase 3 open pits and 3 years (2020-22) for the El Nino underground mine which is accessed from the completed Phase 2 open pit. Mining of the West Button Hill pit was completed in 2017. The mine design includes two open pits in close proximity. Mining is carried out with a Nevada Gold-owned fleet of mining equipment including 263 metric tonnes (302 short tonnes) class rear dump haul trucks, electric shovels, hydraulic excavators, front-end loaders and blast hole drills for 222 millimetres to 251 millimetres (8¾ inches to 9⅞ inches) diameter blast holes. Pit benches are 6.1 metres (20 feet) in height in ore and 12.2 metres (40 feet) in waste. Track dozers, graders and service vehicles support the mining operation.

Overburden is transported by off-highway, 263 tonne (302 st) trucks from the open pit to adjacent overburden storage areas, which are approximately 0.9 kilometre from the pit exit. Mined ore is trucked over existing and proposed haul roads to appropriate stockpiles, depending on ore type. Ore that requires milling is transported to a pre-determined stockpile location for transportation to Nevada Gold's Goldstrike facilities for processing, located approximately five kilometres from the South Arturo Mine. Refractory ore is also transported to the Goldstrike facilities. Approximately 1.63 million tonnes of refractory ore are planned to be transported from the South Arturo Mine to Nevada Gold's Goldstrike facilities. Sub-grade or incremental material may be placed in stockpiles or on a selected portion of the overburden storage areas for possible future processing. Oxide mill ore is minimal and could be transported by truck to the Cortez operation for processing, which is located approximately 118 kilometres (73 miles) from the South Arturo Mine.

Ore control procedures developed and currently in use at the Goldstrike open pit mine are used at the South Arturo Mine. Cuttings from production drill holes are sampled and logged by the drill operators following procedures outlined by the ore control department.

Ore is routed by process type to the appropriate facility. Oxide ore will be treated on a leach pad or at an oxide mill facility, dependent on grade cut-offs. Refractory ore will be treated at a roaster facility via various stockpiles according to grade and metallurgical characteristics for blending purposes. Waste is routed as inert or environmentally adverse. Environmentally adverse waste is to be segregated to the interior of the waste rock disposal facilities.

Barrick proposes to increase the area and height of the currently authorized Overburden Storage Areas Nos. 1-4 and Phase C, as noted in the Arturo Plan of Operations dated August 2012. Such plan addresses the need to accommodate the overburden from the mining of additional pits, when production is expanded beyond the West Button Hill pit in future years. A buffer zone around the waste/overburden storage areas is planned, which can be up to 30 metres (98 feet) to make accommodations for storm water controls and haul roads. The heights of the waste rock disposal facilities are planned to be between approximately 75 metres and 150 metres above the ground surface.

In 2007, Barrick contracted Piteau to perform a geotechnical study on the South Arturo Mine area. Piteau was provided with preliminary pit designs for North Deep and South Arturo based on a gold price of \$575 per ounce. Piteau performed a nine-hole geotechnical drilling campaign that incorporated geo-mechanical core logging, oriented core logging, laboratory testing and piezometer installations. The Piteau report emphasized that the formation of highest concern in dictating the final pit design slopes is the Carlin Formation. Six additional geotechnical holes were drilled in 2013-2014. The southern portion of the South Arturo pit is affected the most by this formation. An upper and lower ash formation, the lower of which is at the base of the Carlin Formation, is the problematic rock type. The ash can become altered into a weak clay-like rock of high plasticity and exhibit a friction angle of nine degrees with cohesion of 720 pounds/square foot. Basic parameters used in the design of the Arturo West Button Hill (Phase II) are as follows:

- Catch benches will be designed every 18 metres (60 feet) in ore and 12 metres (40 feet) in waste and will be built in 6.1 metres (20 feet) high lifts;
- Minimum effective catch benches will be 9.1 metres (30 feet) wide for 18 metres (60 feet) high triple benches, and 7.0 metres to 7.6 metres (23 feet to 25 feet) wide for 12.2 metres (40 feet) high benches;
- A minimum of 32 metres (105 feet) wide step out for ramp width;
- A minimum factor of safety ("**FOS**") for the north pit wall overall slope of 1.30; a FOS for the southeast overall slope of 1.22; a FOS for the south wall overall slope of 1.46; and a FOS for the west and northwest overall slopes of 1.50.

The regional bedrock groundwater level has been lowered to below ultimate pit levels from pumping that is occurring at the neighbouring underground mines: Meikle, Rodeo and Leeville. Phase III is currently a resource pit and it is primarily composed of the Carlin Formation.

El Nino underground was accessed via a portal located at 1,536 m (5,040 ft) elevation above mean sea level ("**amsl**") within the South Arturo Phase-2 pit. Two portals were connected via a looped decline to access the ore deposit. The current mine depth for reserves extends down to 1,477 m (4,845 ft) amsl elevation and exploration potential exists down dip to the east and down plunge to the north.

Mining is currently carried out by a mine contractor company supported by the operator's technical staff and management. The primary method of mining is underhand cut and fill with cemented rockfill as the fill material. The underhand drifts are nominally designed as 4.6 m (15 ft) wide by 4.6 m (15 ft) high. The minimum width is 4.6 m (15 ft). The primary drift is driven with increased ground support to hold the ground open, then backfilled with a high strength cemented rock fill backhauled into the mine. Where the ore width exceeds the nominal drift width, subsequent drifts are developed (parallel or at oblique angles to the primary drift) and then backfilled. This process continues until the entire ore shape at a given elevation has been excavated and filled. Successive lifts are taken beneath the primary workings, utilizing the backfill as an engineered back. This method can provide a consistent production rate from a mining area given enough headings to complete the full mining cycle.

The underhand drift and fill method provides a backfill roof for subsequent lifts in the mining cycle. A backfill plant, shotcrete plant, cement storage facilities, aggregate storage area and cement mixing pit are located on surface to support this mining method.

Ore is hauled to ore pads on surface for temporary storage. The ore is subsequently transported to the Goldstrike Roaster facility for processing via open pit loader and haul truck combination.

Waste is hauled to waste pads on surface for temporary mined rock storage. The material is subsequently transported to a waste dump facility based on the rock type being mined at El Nino. The material is moved to the waste rock facility via open pit loader and haul truck combination.

The low-strength ore conditions are the key factor in the mine design and mining method selection.

The El Nino deposit is a Carlin type deposit, with fine to very finely disseminated gold and arsenic-bearing pyrite. The host rocks are generally sedimentary, mostly calcareous formations, frequently altered and decalcified. There is hydrothermal alteration and there are collapse structures which generated the breccias that host the deposits. The alteration and folding and faulting have led to poor rock quality in the deposits in generally and locally very poor ground conditions near the major faults.

The geometry of the deposits is variable from flat-lying to pipe-like, with irregular shapes due to the alteration.

Ground conditions are poor to fair due to the alteration of the original structures, with the known presence of some voids from the drilling history and surface mining in the Phase-2 pit. The generally low-strength rock conditions are the key factor in the mine design and mining method selection.

The concept of "next best ore" applies to the MCOG based on Goldstrike Roaster stockpile inventory of 3.43 g/t Au (0.1 opt). Any shipping of material lower than the 3.43 g/t Au (0.1 opt) stockpile feed will displace higher grade tons processed at the roaster, lowering the metal produced.

Due to the complexity of material segregation from underground and availability of existing material storage facilities, currently there is not an economical or practical way to segregate material based on grade. Therefore, any incremental material above 0.1 Au opt will be blended in and shipped with the ore production. This material may be classified as reserve to be consistent with accounting principles and standard practices. Hence any development material below 0.1 Au opt is regarded as waste.

The mine plan from 2020 forward is designed and scheduled for an average development rate in ore plus waste of 9.1 metres (30 feet) of lateral development per day. This translates to an average of 500 tonnes per day (550 tons per day) depending on the mine schedule and availability of mining faces.

Ventilation to develop the portals and ramp access to the ore consisted of vane axial fans providing air to the working faces via a ventilation ducting system. The portals have been connected via the loop around ramp, which in combination with ventilation control doors and a bypass and a vane axial fan provide for flow through ventilation. In this scenario one of the portals has been a dedicated source of fresh air while the other exhausts the used air.

Blasting is carried out with the use of mobile explosives vehicles utilizing bulk emulsion. Bulk emulsion is transported by ISO containers to underground faces from the powder magazine. Blasting typically is planned to take place at the end of shift. However, localized blasting on demand can be permitted in designated "safe" zones when applicable.

The current rock mass encountered in the El Nino underground is classified into poor to fair classification with the known presence of voids. The voids and some data were noted in surface drill holes and open pit mining in the Phase-2 pit. The underhand drift and fill method is utilized in areas of fair to poor ground conditions regardless of the width of the zone.

All headings are to be supported immediately after blasting. Rock bolts are a combination of swellex, split set and resin rebar bolts. Where development is under cemented backfill, there is no support used in the roof as the fill is designed to have adequate strength to remain unsupported. However, additional support is installed as needed if deemed necessary.

Regional groundwater elevations are influenced by pumping at the Barrick Goldstrike mine. The lowest level of the El Nino underground workings as currently planned is at the 1,356 metres (4,450 ft) amsl elevation while the groundwater elevation is at approximately 1,052 metres (3,450 ft) amsl in that area. No additional dewatering will be necessary for the proposed underground operations; however, the underground workings and portions of the Arturo pit are expected to fill with water at the end of the mine life and upon cessation of dewatering at the Barrick Goldstrike mine (BLM 2012).

The current underground mobile equipment is assumed to consist of mobile equipment including load-haul-dump units, haul trucks, jumbos, bolters and support equipment.

In the opinion of the authors of the South Arturo Report, the mining methods used are appropriate to the deposit style and employ conventional mining tools and mechanization; the LOM underground mine plan has been appropriately developed to maximize mining efficiencies, based on the current knowledge of geotechnical, hydrological, mining and processing information on the El Nino underground project; the equipment and

infrastructure requirements required for life-of-mine operations are well understood; conventional underground mining equipment is used to support the underground mining activities; the equipment is standard to the industry and has been proven on site; the underground equipment fleet was to be provided by an underground contractor with Barrick oversight; the predicted mine life to 2023 is achievable based on the projected annual production rate and the mineral reserves estimated.

Processing and Recovery Methods

Ore from South Arturo is being processed via one of two possible routes: roasting and CIL or ROM heap leaching (possible in the future if economics warrant). The heap leach ore is segregated for possible processing in the future. The majority of the precious metal production will come from ore that will be trucked to existing Barrick processing circuits located approximately 12 kilometres away over improved gravel roads.

ROM material is segregated in the waste dump for future possible heap leach process if economics warrant. ROM material will be placed on a permanent leach pad by haul trucks. Cyanide solution will be distributed by drip emitters. The pregnant solution will then be collected and pumped to a carbon adsorption circuit. The cyanide concentration and pH of the barren solution will be adjusted and the solution will be re-circulated via pumping to the heap leach pads. Loaded carbon will be trucked to the existing autoclave carbon processing circuit for stripping and refining to recover the precious metals and the carbon will be regenerated prior to being returned to the carbon adsorption columns at the South Arturo Mine for reuse.

Ore that is scheduled for roaster/CIL processing is toll processed in the existing roaster circuit at Goldstrike. The roaster pre-oxidizes ore that contains refractory carbonaceous and sulfidic material so it can be effectively processed in a traditional CIL circuit. Metallurgical recovery is based on the BTR test results and Goldstrike Roaster predicted recovery curve.

Infrastructure, Permitting and Compliance Activities

Infrastructure

Project infrastructure includes: the expansion of the Dee open pit and development of the El Nino underground and new waste rock disposal facilities; support facilities, including a communication site that has been installed; and new power transmission lines that have been installed. The South Arturo Mine does not require new operating facilities such as a maintenance shop for mine equipment and administrative offices. Both water and electricity supply still exist on site from previous operations. Regional and local access to the South Arturo Mine is by way of paved and improved gravel roads. Electrical power is provided by Nevada Energy through an existing power line that terminates at a substation near the previous Dee mill. A new substation and associated power lines have been constructed to supply power to the site facilities. The existing substation and a portion of the existing power line will be removed after the cessation of mining and processing.

Water is supplied locally from deep wells with installed submersible pumps. The process supply wells provide process water and fire reserve water to a single head tank. Potable water is supplied to a separate water tank and the water is treated.

The project infrastructure for the El Nino underground includes the following: haul road to access the underground portals in Phase-2 pit; high wall stabilization and rock fall barriers to support portal development; development of two decline portals; waste and ore pads for temporary mined rock storage; aggregate storage areas and cement mixing pit; backfill plant and cement storage facilities; shotcrete plant; power transmission lines; electrical substation and mobile load centers; equipment maintenance shop; fuel and lube storage facility; fresh water tank and piping; and a compressor.

Environmental Factors

At the date of the South Arturo Report, the South Arturo Mine has developed an Environmental Management System for operation. ISO 14001:2015 standards have been implemented for the South Arturo Mine as part of the Goldstrike EMS. The system was certified under the ISO 14001:2015 standard in October 2017.

Based on information presented in the 2012 feasibility study, baseline studies were considered complete for the South Arturo Mine area, but additional studies may be undertaken as needed. The baseline conditions and project impacts have been formally and extensively evaluated.

Potential impacts on water quality will be mitigated in accordance with an approved plan. Mitigating measures include water quality monitoring, treatment of unsuitable water quality prior to discharge, and re-assessment of forecasted water quality conditions every five years. As at the date of the South Arturo Report, the most significant environmental impact is anticipated to be the pit lake water quality after the cessation of mining. No storage of tailings on site is required since the mill grade ore will be processed off site. All ore that requires mill processing will be treated at the Barrick Goldstrike or Cortez facilities. Tailings associated with the roaster circuit are permitted for disposal in the North Block Tailings Disposal Facility, Tailings Storage Facility 3 (TSF3) or for delivery to the Rodeo paste backfill plant.

Permitting Factors

The primary responsibility for permitting is assigned to the Goldstrike Environmental team, with support from Barrick's regional permitting team. Ongoing permitting will consider the National Environmental Policy Act ("NEPA") as well as other state and federal program requirements, since a majority of the site resides on public lands. Three past NEPA actions had been performed for the Dee mine, all of which were Environmental Assessments. For the South Arturo Mine, Barrick initiated the NEPA process in June 2009 when the plan of operations, written by SRK Consulting (U.S.) Inc., was submitted to the BLM. It was determined by the BLM that an Environmental Impact Statement would be required for the South Arturo Mine. The Record of Decision was issued on May 7, 2014.

The South Arturo Mine is on the site of the previously operated Dee Mine and the associated facilities have been closed and reclaimed in accordance with approved closure plans. The authors of the South Arturo Report note that the Dee Mine has received full bond release. The following table indicates the status of the primary federal, state, and local permits required for the South Arturo Mine.

Primary Mine Permits

Permit Name	Permit Number
Arturo Stormwater Permit	NVR300000-MSW-39602
Arturo Class II Air Quality Operating Reclamation Plan Permit	AP1041-3155
Arturo Water Pollution Control Permit.....	NEV2013101
Arturo Reclamation Permit.....	355
Dee Gold Reclamation Permit	118
Dee Exploration Reclamation Permit	142
Dee Water Pollution Control Permit.....	NEV0050005
Arturo Mine Project EIS Record of Decision	
Arturo Mine – Class III Landfill.....	SW01760
Arturo Mine Plan of Operations	NVN-087946
Dee Gold Plan of Operations.....	NVN-070250
Dee Exploration Plan of Operations	NVN-071216
Bootstrap Haul Road Right-of-Way	NVN-007683
NV Energy Right-of-Way.....	NVN-092976
East Pit Stormwater Pond Dam.....	J-710

<u>Permit Name</u>	<u>Permit Number</u>
Water Rights Permits	Various
Jurisdictional Determination for the Arturo Mine Site	SPRK-2000-25139
Memorandum of Agreement.....	Undertaking #2010-0227

Social or Community Factors

Barrick has operated in the Elko area since 1987 and Newmont since the 1960's, therefore, the need to establish new plans for community engagement, resettlement, indigenous peoples, community development programs, local workforce development/education/training, local procurement/supplier development or immigration management is not anticipated. The South Arturo Mine will not significantly affect the actual area of operations or the daily lives of the local community; however, it sustains mining employment in the area.

Life of Mine Plan

Open Pit and Underground

The January 2018 Life of Mine ("LOM") plan for the South Arturo open pit mine scheduled the operation to run from 2018 to 2022 producing an approximate total of 142 million tonnes of ore and waste. Under the 2018 LOM plan, average production was 110,000 metric tpd using Goldstrike mining equipment and ore was to be processed by two possible routes: oxide mill and roaster. 2.5 million tonnes at a grade of 2.7 g/t Au were to be processed in an oxide milling circuit and the final 3.5 million tonnes at a grade of 3.29 g/t Au were to be shipped to the Goldstrike roaster. The January 2018 LOM plan for the El Nino underground mine scheduled the operation to run from 2018 to 2024. An approximate total of 215,000 tonnes of ore were scheduled at an average grade of 9.7 g/t Au. Premier is currently in the process of finalizing an updated LOM plan for the open pit and underground mines with Nevada Gold, an affiliate of Barrick and the Corporation's joint venture partner and the manager operator of the South Arturo Mine.

Capital and Operating Costs

The 2018 LOM capital plan for sustaining capital to support the LOM as developed at the site for approval by the Premier/Barrick JV is set out below:

LOM Sustaining Capital Costs

<u>Capital Cost</u>	<u>Totals US\$(000)</u>	<u>2018 US\$(000)</u>	<u>2019 US\$(000)</u>	<u>2020 US\$(000)</u>
Open Pit Mine Capital	13,398	4,429	8,969	-
Underground Mine Capital	4,951	3,101	1,850	-
Capitalized Drilling	2,983	-	-	2,983
Totals	21,333	7,530	10,819	2,983

Note:

(1) Table derived from the South Arturo Report and effective as of the date thereof.

The total direct operating costs estimated for the South Arturo Mine based on the 2018 LOM plan are shown in the following table before inventory adjustments, deferred stripping, silver credits and adjustments.

LOM (2018-2022) Operating Costs

<u>Operation</u>	<u>Unit</u>	<u>LOM Average</u>
Mining Cost	US\$/tonne mined	1.52
Underground	US\$/tonne processed	141.57

Roaster	US\$/tonne processed	29.81
Mill	US\$/tonne processed	12.68

Note:

(1) Table derived from the South Arturo Report and effective as of the date thereof.

Exploration and Development

In 2019, principal activities at the South Arturo Mine included the initial construction of the Phase 1 open pit and the El Nino underground development and drilling. Key results stemming from the program include:

- Phase 3 mineralization appears to be significantly to entirely oxide mineralization rather refractory material.
- The redox boundary at Phase 3 is significantly deeper than was modelled previously.
- Positive reconciliation of potential heap leachable material versus previous modelling.
- Potential that re-optimized pits at Phase 1 and Phase 3 could be deeper and larger than previously modelled.

Construction of both the Phase 1 open pit and the El Nino underground mine progressed with mineralized materials being stockpiled for future processing. Initial gold production from operations was achieved in late 2019. Mining production from the El Nino mine ramped up in Q4 2019. Heap leach material from the Phase 1 open pit is now being stockpiled for potential future processing. Engineering designs for the heap leach option were reviewed in 2019 and the current plan is to build the heap leach pad and re-start mining in 2024.

Mercedes Mine

Project Description and Location

The Mercedes Mine is in the state of Sonora, northwest Mexico, within the Cucurpe municipality. The Mercedes Mine is 250 kilometres northeast of Hermosillo, Sonora's capital city, and 300 kilometres south of Tucson, Arizona. The Mercedes Mine consists of approximately 69,285 hectares of mineral concessions under lease from the government of Mexico. The area is covered by 43 mineral concessions, all of which have been titled as mining concessions, according to Mexican mining law. The titles are valid for 50 years from the date titled. All of the concessions are owned by Minera Mercedes Minerales S. de R.L. de C.V. ("MMM"), a wholly-owned subsidiary of Premier, and remain in good standing with mining law obligations through twice-annual tax payments and required assessment work. The areas of interest at Mercedes are located on private land. A surface access agreement has been in place with the owner of the private land surrounding the Mercedes Mine since 2000. MMM has all required permits to conduct work on the property. The below table lists the mining concessions of the Mercedes Mine.

<u>Concession</u>	<u>Area (hectares)</u>	<u>Title</u>	<u>Title Date</u>	<u>Expiry Date</u>
El Principe.....	18.0000	172217	Oct 27, 83	Oct 26, 33
La Reina	12.0369	172418	Dec 15, 83	Dec 14, 33
Klondike.....	15.5275	174794	Jun 14, 85	Jun 13, 35
El Rey de Oro	18.6164	175490	Jul 31, 85	Jul 30, 35
El Rey de Oro 2.....	18.4000	175511	Jul 31, 85	Jul 30, 35
Corona de Oro	10.0000	175671	Aug 06, 85	Aug 05, 35
Klondike 2.....	9.8487	175672	Aug 06, 85	Aug 05, 35
Pragedia	20.0000	186251	Mar 22, 90	Mar 21, 40
La Bartola.....	10.0000	187085	May 30, 90	May 29, 40

<u>Concession</u>	<u>Area (hectares)</u>	<u>Title</u>	<u>Title Date</u>	<u>Expiry Date</u>
Fracc El Nuevo Tucabe	8.8492	208553	Nov 24, 98	Nov 23, 48
El Tucabe	38.4590	210794	Nov 26, 99	Nov 25, 49
El Sol.....	200.7300	210898	Jan 27, 00	Jan 26, 50
Argonauta.....	7.7061	212480	Oct 24, 00	Oct 23, 50
Argonauta.....	390.7005	213646	Jun 05, 01	Jun 04, 51
El Real de Oro Fracc I.....	497.3410	213718	Jun 12, 01	Jun 11, 51
El Real de Oro Fracc II.....	3.6784	213719	Jun 12, 01	Jun 11, 51
El Real de Oro Fracc III	4.1211	213720	Jun 12, 01	Jun 11, 51
El Real 1	125.8333	215243	Feb 14, 02	Feb 13, 52
El Real 2.....	487.6264	215244	Feb 14, 02	Feb 13, 52
El Tucabe 3	109.2250	215246	Feb 14, 02	Feb 13, 52
Gato 2.....	50.0000	215596	Mar 05, 02	Mar 04, 52
El Nuevo Tucabe.....	42.3052	216522	May 17, 02	May 16, 52
Gato.....	337.1108	221761	Mar 19, 04	Mar 18, 54
El Hipo Fracc I.....	45.8914	221763	Mar 19, 04	Mar 18, 54
El Hipo Fracc II.....	11.7569	221764	Mar 19, 04	Mar 18, 54
El Hipo Fracc III	31.4375	221765	Mar 19, 04	Mar 18, 54
San Francisco	98.9169	221919	Apr 14, 04	Apr 13, 54
El Hipo Fracc II.....	3.0941	221920	Apr 14, 04	Apr 13, 54
El Hipo Fracc I.....	123.1961	221921	Apr 14, 04	Apr 13, 54
Rey V	1,597.2124	224150	Apr 12, 05	Apr 11, 55
Tragedia 2	20.0000	226071	Nov 16, 05	Nov 15, 55
Argonauta 2 Fracc 1	4.9663	226859	Mar 14, 06	Mar 13, 56
Argonauta 2 Fracc 2	13.8788	226860	Mar 14, 06	Mar 13, 56
Argonauta 2 Fracc 3	141.8638	226861	Mar 14, 06	Mar 13, 56
Argonauta 3.....	81.0000	226862	Mar 14, 06	Mar 13, 56
Argonauta 4.....	2,127.0216	229005	Feb 27, 07	Feb 26, 57
Argonauta 5 Fracc 1	56,298.1556	236193	Mar 16, 07	Mar 15, 57
Argonauta 8.....	1,173.3752	238166	Aug 09, 11	Aug 08, 61
Argonauta 9 F-1	338.2361	238167	Aug 09, 11	Aug 08, 61
Argonauta 9 F-2	66.6451	238168	Aug 09, 11	Aug 08, 61
Tucaba 2.....	1,398.6047	243253	Aug 29, 14	Aug 28, 64
Tucaba.....	99.0807	244214	Jun 30, 15	Jun 29, 65
Tucaba 1.....	3,174.2856	244258	Jul 14, 15	Jul 13, 65
Total	69,284.7343			

MMM has all required permits to conduct work on the property. The tailings are considered pH neutral to alkaline and are not acid generating material. Rehabilitation of the tailings facility and the remainder of the mining areas on site at end of mine life are estimated to cost approximately US\$15.2 million. The authors of the Mercedes Report are not aware of any other significant factors and risks that may affect access, title or the right or ability to perform work on the property.

Access

The Mercedes Mine is accessed using Highway 54 via Magdalena de Kino, located approximately 180 kilometres from both Tucson, Arizona, and Hermosillo, Mexico. From Magdalena de Kino, access is gained to the property using Highway 15 for 67 kilometres, passing through the village of Cucurpe, to the Rancho Los Pinos entrance. The Mercedes Mine can be reached via an improved gravel road approximately 10 kilometres from the ranch entrance.

History

Exploration and development work was conducted in at least two or three distinct periods. The Mercedes, Tucabe, Saucito, Anita, Klondike, Rey de Oro, Reina and Ponchena veins were the focus of exploration and development work on a limited to moderate scale during the late 19th century and early 20th century. However, according to the authors of the Mercedes Report, very little information is available on such work.

The Tucabe vein was mined in early 1900s. A cyanide mill was constructed on the site and the Tucabe vein was accessed through a series of tunnels and shafts, covering over 600 metres of strike and a vertical range of over 150 metres. The Mercedes vein was discovered in 1936. Anaconda Copper Company optioned the property in 1937 and spent two years exploring underground. The work included sinking a 50 metres shaft and excavating a series of tunnels and internal raises for sampling and reserve estimation. Little historical data is available for past mining activities at the Klondike mine. Anaconda files from the 1930s indicate that the Klondike Mine was mined around 1900, with the main stope being about approximately 120 metres by 80 metres in size.

In 1994, the Fomento Minero, an agency of the Mexican government, conducted surface and underground sampling of the Tucabe vein to evaluate potential for an open pit, heap leach operation. Minera Sierra Madre evaluated the property and drilled 800 metres of RC drilling to depths of 75 metres in 1996.

Sampling by Rio Sonora (Gerle Gold Ltd.) of the underground workings on the Saucito zone indicated that the mineralization was very erratic but several samples returned results of greater than 10 g/t Au. Rio Sonora drilled 10 shallow holes testing the area for near surface open pit potential. The holes returned low-grade values and in the vicinity of the workings drilling failed to equal the grade from the underground sampling.

The Mercedes and Klondike mine areas were first examined by Meridian's predecessor, FMC Gold Company, in 1993 as part of a regional exploration program in Mexico. Meridian geologists completed surface and underground mapping and sampling in 2000. The surface evaluation identified 11 separate target areas. Five areas had historic mining activities and were the focus of the first phase of an RC drilling program.

RC drilling started in 2001, focusing on the Klondike and Mercedes zones. This program was successful, discovering a narrow, vein-hosted mineralized zone at Mercedes and significant mineralization was also encountered at Klondike.

In 2002, Meridian entered into a joint venture (the "**Fischer-Watt JV**") with Fischer-Watt Corporation ("**Fischer-Watt**"), to continue exploration at Mercedes. Fischer-Watt did limited metallurgical testing and developed a preliminary design for underground development on the Mercedes vein. The Fischer-Watt JV was terminated in the fall of 2004 and the property was returned to Meridian.

The exploration program conducted in 2005 resulted in the discovery of the bonanza grade Corona de Oro shoot in the Mercedes vein. Drilling expanded in 2006, and 2007, focusing on the Mercedes, Klondike and Lupita veins.

In October 2007, Yamana took control over the property and subsequently carried out surface mapping, geochemical exploration, and drilling. An aggressive drilling and development program was completed to bring the Mercedes Mine to a feasibility study stage. Drilling from 2009 to end of 2015 focused on district exploration outside the Mercedes-Klondike systems, resulting in: (i) the discovery of the Barrancas vein zone; (ii) Diluvio zone at Lupita; and (iii) expansion of the Rey de Oro vein system.

The Mercedes Mine began production in 2011. For the year ended December 31, 2019, it produced 0.668 Mt grading 2.91 g/t Au and 26.18 g/t Ag and recovered 59,901 ounces of gold and 191,306 ounces of silver. The following table is a summary of historic production at the Mercedes Mine to December 31, 2019.

Year	Tonnes Mined (000)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Gold Ounces (000)	Silver Ounces (000)
2011	19.2	4.97	61.7	3.1	38.0
2012	513.7	6.27	81.7	103.6	1,349.9
2013	641.0	6.13	76.6	126.3	1,578.1
2014	648.6	5.40	61.2	112.6	1,276.4
2015	492.1	5.06	52.2	80.1	826.4
2016	663.9	4.86	55.9	103.7	1,193.2
2017	683.5	3.93	37.6	82.6	338.3
2018	665.5	3.34	35.34	68.7	309.2
2019	667.7	2.91	26.18	59.9	191.3
Total	4,995.2	4.63	46.6	740.6	7,100.8

Geology and Mineralization

Regional Geology

The geology of north-central Sonora displays a complex history of tectonic and magmatic activity. The oldest known rocks are folded and variably metamorphosed late Jurassic volcanic sedimentary rocks and lower Cretaceous calcareous sediments.

The sedimentary basement rocks are covered by thick and aerially extensive sequences of upper Cretaceous felsic volcanic rocks, which are in turn locally intruded and overlain by upper Cretaceous andesite flow and intrusive units. This entire rock package was then intruded by a series of granitic to granodioritic stocks and dikes. Continued volcanic activity through the Oligocene produced a bi-modal suite of flows and volcanoclastic units.

The Miocene was dominated by extension, erosion, and limited volcanic activity. Thick and regionally extensive sequences of polymictic conglomerate and arenite, which are locally intercalated with felsic volcanic units, fill extensional basins throughout north-central Sonora.

Local Geology

The geology of the Mercedes area is dominated by two northwest-trending arches, which have exposed older marine sediments and overlying interbedded volcanoclastic sediments and lithic to quartz crystal lithic tuff units. The arches are cut by numerous northwest-trending high angle structures. Some of these faults have been intruded by at least three stages of dikes and small stocks, ranging in composition from andesite to latite and rhyolite. Marginal to the northwest-trending arches, andesitic flows, and flow breccias (with local coeval andesite dikes) have been deposited and preserved in at least three west-northwest thickening basins. This andesite package, locally over 500 metres thick, and the contact zone with the underlying tuff host all known economic epithermal vein deposits in the district.

Mineralization and Deposit Type

Gold-silver mineralization on the Mercedes Mine property is hosted within epithermal low sulphidation (adularia-sericite) veins, stockwork, and breccia zones. Over 16.5 kilometres of veins have been identified within or marginal to the andesite-filled basins, which constitute the primary exploration target on the property. Major veins typically trend N30-70W at 60° to 90° dips following the major regional structural pattern. Veins typically dip at greater than 60°, but locally range as low as 25°. Post-mineral latite dikes fill some of the same northwest trending structures that host some of the veins, locally destroying mineralization as emplaced.

The mineralized zones display a combination of fissure vein, stockwork, and breccia morphologies that change rapidly on strike and dip. The zones range in width from less than one metre to composite vein/stockwork/breccia

zones up to 15 metres wide. In the Diluvio zone, gold-silver bearing vein/stockwork zones locally attain thicknesses in excess of 100 metres. The length of individual veins varies from 100 metres to over three kilometres. Property-wide, gold-silver bearing veins occur over a vertical range of 700 metres (600 metres to 1,300 metres).

Mineralogical studies identified opaque minerals, including iron oxides, pyrite, gold, electrum, stibnite and rare pyrargyrite, within a gangue of substantial chalcedony, quartz and carbonate. Metallurgical studies have identified the presence of very small quantities of native gold, native silver, electrum, pyrargyrite, stibnite, galena, sphalerite and chalcopyrite in heavy mineral concentrates. Copper minerals such as malachite and chrysocolla are most common as fracture fillings in breccias at Klondike, although rare specks are also seen in the Mercedes and Lupita-Diluvio veins.

Exploration

Third party exploration efforts began with surface sampling in 1999. A total of 399 rock samples and 26 stream sediment samples were collected and a 60 square kilometres area was mapped. Mapping and sampling between 2005 and 2015 was subsequently extended to cover an area of approximately 235 square kilometres. Geochemical sampling focused on rock chip samples from outcropping veins along with samples from the historic mine workings. The abundance of outcrop in the property area, combined with limited vegetation, allow this sampling method to define general grades within veins. A total of 3,824 surface rock samples, 129 soil samples and 156 stream sediment samples have been collected for geochemical analyses through 2015.

Surface mapping identified three major basins filled with andesitic volcanic rocks on the Mercedes Mine property. Mapping also identified areas in which significant extensions of andesite basins may be covered by shallow post-mineral deposits. The mapping also identified over 16.5 kilometres of low sulphidation epithermal veins in the Mercedes Mine area.

2019 Results and 2020 Outlook

During the year ended December 31, 2019 the exploration program focused on the expansion of high-grade, near-infrastructure targets that may be upgraded to mineral resources and mineral reserves while also supporting the development of new deposits to increase mining flexibility and productivity. Toward this end, 259 greenfield, brownfield and definition drill holes representing 40,840 metres were drilled. The highlights of this exploration campaign include:

- Definition and initial mineral reserves of the Marianitas ore shoot located at the Marianas target.
- Discovery and initial mineral reserves and resources at the Lupita Extension target area.
- Discovery and initial inferred mineral resources at San Martin.
- Initial encouraging exploration results at the Neo target area.

In 2020, the Mercedes Mine will continue to focus on improving grade predictability while also reducing dilution and overall costs. Developing new deposits to increase flexibility and productivity remains a key priority. The Corporation plans to continue to develop underground access of zones to allow for increased production flexibility from all zones, including advancing development into the Lupita extension zone. Development of the Lupita extension zone is currently underway and drilling in 2019 focused on upgrading mineralization to year-end resources. The Corporation also intends to complete the expansion of the tailings facility to allow for the increased storage capacity required to sustain operations for the current life of the mine. In addition, the Corporation plans to focus on definition work to increase confidence in short-term mining grade and improve the short to medium mining plans.

Drilling

As of the end of December 2019, a total of 40,840 metres in 259 core holes were completed on the Mercedes Mine property. Mineralized zones at Mercedes, Marianas, San Martin, Lupita Extension and Rey de Oro were drilled. A summary of the drilling activities is provided below.

<u>Year</u>	<u>RC Holes</u>	<u>RC Metres</u>	<u>Core Holes</u>	<u>Core Metres</u>	<u>Total Holes</u>	<u>Total Metres</u>
2000-01	55	10,867.93	0	-	55	10,867.93
2002-04	0	-			0	-
2005.....	9	2,257.00	6	990.15	15	3,247.15
2006.....	64	5,693.65	11	3,063.50	75	8,757.15
2007.....	0	-	161	43,362.53	161	43,362.53
2008.....	4	806.17	318	82,805.35	322	83,611.52
2009.....	0	-	98	32,855.51	98	32,855.51
2010.....	0	-	151	45,805.35	151	45,805.35
2011.....	0	-	114	43,325.41	114	43,325.41
2012.....	0	-	149	37,902.88	149	37,902.88
2013.....	0	-	61	18,655.85	61	18,655.85
2014.....	0	-	199	49,705.54	199	49,705.54
2015.....	0	-	226	41,199.73	226	41,199.73
2016	0	-	135	27,442.77	135	27,442.77
2017.....	0	-	350	45,675.60	350	45,675.60
2018.....	0	-	280	40,720.00	280	40,720.00
2019.....	0	-	259	40,840.00	259	40,840.00
Total	132	19,624.75	1,979	554,349.00	2,300	573,973.75

Sample Preparation and Analysis

Almost all 2000 to 2017 assaying was done at ALS Chemex ("**ALS**") laboratories (ISO 17025:2017 certified) (and predecessors the Bondar-Clegg and Chemex in Vancouver, British Columbia). Due to extreme sample volumes, some sample preparation in 2011 was done by Chemex at preparation facilities in Chihuahua, Zacatecas and Guadalajara, Mexico. Sample preparation is currently completed at the ALS preparation laboratory in Hermosillo, Mexico.

At the laboratory, the sample is logged in the tracking system, weighed, dried and finely crushed to better than 70% passing a 2 m screen. A split of up to 250 grams is taken and pulverized to better than 85% passing a 200-mesh screen.

Bondar-Clegg assayed for gold utilizing 30 grams fire assay FA/AA finish. Silver was determined with AA using a single acid dilution. Any gold assays over 10.0 g/t Au were rerun with fire assay and any silver values over 50 g/t Ag were run a second time utilizing additional dilutions. The Bondar-Clegg fire assay procedure contained the following steps: a prepared sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents as required, inquarted with 6 mg of gold-free silver and then cupelled to yield a precious metal bead. The bead is digested in 0.5 mL dilute nitric acid in the microwave oven. 0.5 mL concentrated hydrochloric acid is then added and the bead is further digested in the microwave at a lower power setting. The digested solution is cooled, diluted to a total volume of 10 mL with de-mineralized water and analyzed by atomic absorption spectroscopy against matrix-matched standards.

Throughout 2005 and 2017, gold and silver analyses were conducted using a 30- or 50-grams fire assay, gravimetric finish method. Most 2005 to 2013 assaying was done using a gravimetric method at ALS in Vancouver, British Columbia, Canada. Since 2013, gold analyses were done using a FA-AA finish, with all samples over 5.0 g/t re-analyzed by the FA-gravimetric finish method. Due to high sample volume, a small

percentage of the 2007 samples were analyzed in the ALS laboratory in Guadalajara, Mexico. The gravimetric procedure was completed as follows: a prepared sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents in order to produce a lead button. The lead button containing the precious metals is cupelled to remove the lead. The remaining gold and silver bead is parted in dilute nitric acid, annealed and weighed as gold. Silver, if requested, is then determined by the difference in weights.

When visible gold was noted, samples were sometimes analyzed, or re-assayed by metallic screen methods. The screen metallic procedure was completed as follows. The sample pulp (1,000 g) is passed through a 100 μm (Tyler 150 mesh) stainless steel screen. Any material remaining on the screen (+) 100 μm is retained and analyzed in its entirety by FA with a gravimetric finish and reported as the Au (+) fraction. The material passing through the screen (-) 100 μm fraction is homogenized and two sub-samples are analyzed by FA with an AA finish (Au-AA25 and Au-AA25D). The average of the two AA results is taken and reported as the Au (-) fraction result. All three values are used in calculating the combined gold content of the plus and minus fractions. The gold values for both the (+) 100 μm and (-) 100 μm fractions are reported together with the weight of each fraction as well as the calculated total gold content of the sample.

Mine Production Sample Preparation and Analysis

Channel samples from development headings and underground infill drilling are processed at the mine laboratory. For gold assays, samples are analyzed by FA with an AA finish and, if the results are greater than 5.0 g/t Au, the samples are re-analyzed by FA and gravimetric finish, with both procedures using a 30 grams pulp sample. For silver analysis, samples are assayed by FA with a gravimetric finish using 30 grams pulp sample, however, since September 2015, silver analysis has been done with a total digestion using four acids.

Exploration Quality Assurance/Quality Control

I. 2012 TO 2016 CORE DRILLING PROGRAM

In these programs, a systematic QC procedure was implemented by Yamana, which included the insertion of standards, steriles and blanks in a logical order, as well as the insertion of duplicates and the regular use of check pulps (every 30-40 samples) in every sample sequence. A QC failure occurs when any of the following cases is encountered: (i) a standard greater than three standard deviations ("**3SD**") from the mean; (ii) two adjacent standards which are greater than two standard deviations ("**2SD**") from the mean, on the same side of the mean (bias); or (iii) a blank or sterile sample that is greater than the warning limit (i.e. five times the detection limit for the gravimetric method). According to the authors of the Mercedes Report, this rule is even more of a concern if an adjacent standard also fails.

II. STERILE SAMPLES

Sterile material used to monitor contamination during sample preparation was a vitrophyre rock that can be found on the property.

In the 2012 drilling program, a total 335 steriles were inserted with laboratory orders this period. All samples fell within the acceptable range. In the 2013 drilling program, a total 123 steriles were inserted with laboratory orders this period. All samples fell within the acceptable range. For the drilling programs in 2014, 2015 and up to July 2016, a total of 338 sterile samples were inserted with laboratory orders. Only one sample was returned out of the acceptable range for gold. Overall, the Mercedes Report authors consider the results of the sterile analyses acceptable in terms of control of contamination in the analytical procedure.

III. BLANK SAMPLES

In order to monitor the contamination that might occur during the analytical procedure, blank pulps were inserted in the sampling sequence, at the end of the mineralized zone, and following the sterile and a high-grade standard.

The blank pulps are certified reference material from CDN Resource which come in paper bags of approximately 100 grams each.

In 2012, a total of 291 blank samples were inserted with laboratory orders (using CDN Lab material standard CDN-GS-BL9). Only five samples were over the 0.005 g/t Au limit and none approached the 0.03 g/t Au warning limit. In 2013, a total of 111 blank samples were inserted with laboratory orders (using CDN Lab material standard CDN-GS-BL9). Only one sample was over the 0.03 g/t Au warning limit but it was not near any vein or zone of interest. For the drilling programs in 2014, 2015 and up to July 2016, a total of 505 blank samples were inserted with laboratory orders using blank material MX_BL_9 and MX_BL_10. No gold assays and only four silver assays were returned out of the acceptable range. Overall, the authors of the Mercedes Report consider the blank results acceptable in terms of control of contamination in the analytical procedure.

IV. STANDARD SAMPLES

In 2010, four different standards were professionally prepared by CDN Resource from core rejects collected at the Mercedes Mine site, including MER-HG (high grade), MER-MG (medium grade), MER-LG (low grade) and MER-CG (cut-off grade). The average of Chemex assays for the four standards in subsequent assays has been statistically very close to the mean established by CDN during the round-robin laboratory testing. A small proportion of the MER-HG standard has reported below the 3SD limit suggesting that there may have been some slight non-homogeneity in the MER-HG standard prep. These standards were used exclusively during the drilling programs in 2010-2013. In 2012, a total of 375 standard samples were submitted with laboratory orders. According to the authors of the Mercedes Report, only one sample assayed above the accepted range and seven standards from different categories assayed below the accepted range. Those were not considered as a fail but a warning and ALS was informed that some of the Mercedes Report authors' control samples were falling outside the Mercedes Report authors' accepted ranges. According to the authors of the Mercedes Report, MER-CG and MER-MG behaved very well in the period; MER-LG had two biases one above and one below, while MER-HG had five standards below the 3SD from different batches, those are not considered a fail but bias on the analysis, ALS was informed of those biases. In 2013, a total of 137 standard samples were submitted with laboratory orders. No samples assayed above the accepted range (>3SD) and a total of nine standards (7%) from the four combined standards assayed between 2SD and 3SD. For the drilling programs in 2014, 2015 and up to July 2016, a total of 706 standard samples were inserted with laboratory orders mainly using certified reference materials. A total of eight gold assays and 14 silver assays were above the accepted range (>3SD) and a total of 32 gold assays and 43 silver assays from the combined standards assayed between 2SD and 3SD. Each failure of a standard was investigated and the standard and adjacent samples were analyzed again where necessary, according to Yamana protocols.

Overall, the Mercedes Report authors consider the results of the standard samples acceptable in terms of monitoring the accuracy of the analytical procedure.

V. FIELD DUPLICATES

In order to monitor the variability of the grades obtained by ALS, the systematic use of field duplicates were implemented at the beginning of the 2008 program. These duplicates are splits of drill core that are inserted approximately every 30 samples and are taken randomly from outside the vein. They are treated as normal samples and are consecutively numbered with respect to the original core split.

In 2012, a total of 274 duplicate samples from 149 drill holes from Diluvio, Marianas and Rey de Oro areas were analyzed by Chemex, generally from low grade zones peripheral to veins. Duplicates are inserted every 30 samples in the sampling sequence from material outside the main vein zones in order to preserve the second half of core. Precision graphs were made using all 274 duplicates (cumulative data), in total in order to achieve more precision. The correlation between the original samples and duplicates is fair, showing an R2 value of 0.5714. Considering the variability of the mineralization, the overall 2012 data is considered acceptable for monitoring precision of grades. In 2013, a total of 89 duplicate samples from 61 drill holes were analyzed by Chemex;

generally from low grade zones peripheral to veins. Duplicates were inserted every 40 samples in the sampling sequence from material outside the main vein zones in order to preserve the second half of core. The correlation between the original samples and duplicates is very good, showing an R2 value of 0.8956.

For the drilling programs in 2014, 2015 and up to July 2016, a total of 406 duplicate samples were analyzed by Chemex. Thompson Howarth plots showed significant variability at gold grades less than 2.0 g/t Au and less variability above that grade. Only six of these samples however, returned gold assays above 2.0 g/t Au. According to the authors of the Mercedes Report, more field duplicate samples with grades above the cut-off grade should be collected, or this practice discontinued.

VI. PULP DUPLICATES

In May 2008, a system for pulp-checking was implemented at the Mercedes Mine. Every lab order that was submitted to ALS included a request for at least one sub-sample of pulp to be sent to Acme with the purpose of checking the reproducibility of the analysis. These check pulps were selected at random, approximately every 30 to 40 samples, by the person who makes the sample shipment. Up to November 2008, a total of 143 check assays were received. According to the authors of the Mercedes Report, the correlation between originals and checks is good at 98%. No pulp samples were sent to a secondary laboratory for analysis in 2011 to 2013. A total of 1,032 pulps were sent to Acme to check the reproducibility of the original assays. Standards and blanks were added to this sample stream. According to the authors of the Mercedes Report, results were excellent with a slight negative bias for high grade silver analyses in the ALS Chemex data.

A total of 879 pulps were sent to Bureau Veritas Commodities Canada Ltd. ("**Bureau Veritas**") in Vancouver to check the reproducibility of the original assays in 2017. Standards and blanks were added to this sample stream. According to the authors of the Mercedes Report, results were excellent with a slight negative bias for high grade silver analyses in the Bureau Veritas data.

Mine Quality Assurance/Quality Control

During 2013, a total of 424 gold standard samples were inserted with laboratory orders mainly using ten different certified reference materials with grades from 0.89 g/t Ag to 156.8 g/t Ag. A total of 87 gold assays (20.5%) were above the accepted range ($>3SD$) and a total of 22 gold assays (12.3%) from the combined standards assayed between 2SD and 3SD. As a result of the re-analyses, the percent failure greater than three standard deviations decreased to 8.96%. During 2013, a total of 250 silver standard samples were inserted with laboratory orders mainly using seven different certified reference materials with grades from 0.62 g/t Au to 30.8 g/t Au. A total of 76 silver assays (30.4%) were above the accepted range ($>3SD$) and a total of 35 silver assays (14.0%) from the combined standards assayed between 2SD and 3SD. According to the authors of the Mercedes Report, as a result of the re-analyses, the percent failure greater than three standard deviations decreased to 8.40%.

2014 to 2017 QA/QC Results

I. STERILE SAMPLES

Sterile material used to monitor contamination during sample preparation was a vitrophyre rock that can be found on the property. In the 2014, a total of 285 steriles were inserted in lab orders. Eleven (3.9%) of these were over the limit and were considered failures.

In 2015, a total of 442 steriles were inserted into the sample stream. There were thirteen analyses (2.9%) over the gold warning limit. In the 2016, a total of 382 steriles were inserted in lab orders. Twenty-five (6.5%) were over the 0.03 g/t Au warning limit. In the 2017, a total of 386 steriles were inserted in lab orders. Ten (2.6 %) of these were over the limit and were considered failures.

II. BLANK SAMPLES

In order to monitor the contamination that might occur during the analytical procedure, blank pulps were inserted in the sampling sequence, at the end of the mineralized zone, and following the sterile and a high-grade standard. The blank pulps are certified reference material from CDN Resource which come in paper bags of approximately 100 grams each.

In 2014, a total of 274 blank pulps were sent for analysis and 11 (4.0%) gold analyses exceeded the limit. In 2015, a total of 457 blank samples were inserted. Twenty-two samples exceeded the 0.3 g/t Au warning limit. In 2016 a total of 381 blank samples were inserted with laboratory orders. Only six of these (1.6%) gold analyses were over the gold warning limit. In 2017 a total of 396 blank samples were inserted with laboratory orders. Eleven of these (2.8%) gold analyses were over the gold warning limit.

III. STANDARD SAMPLES

The following tables show the results of the analyses of the gold and silver certified reference materials in 2014. When a standard analysis exceeds the three standard deviation limit, reanalysis is requested for the standard and two samples on each side of it in the batch.

Gold (2014)

Standard	Grade (g/t Au)	Number	Range			
			Out of Range (2SD to 3SD)	%	Out of Range (>3SD)	%
CDM-FCM-7	0.89	64	8	12.50	6	9.38
CND-ME-16	1.48	77	2	2.60	4	5.19
CND-ME-19	0.62	46	1	2.17	3	6.52
CDN-GS-5H	3.88	36	2	5.56	2	5.56
CDN-ME-1204	0.97	97	5	5.15	22	22.68
CDN-ME-1205	2.20	21	3	14.29	1	4.76
CDN-ME-1303	0.92	51	7	13.73	4	7.84
CDN-ME-1304	1.80	54	3	5.56	9	16.67
CDN-GS-5P	4.80	19	1	5.26	1	5.26
CDN-GS-14A	14.90	8	2	25.00	0	0.00
CDN-GS-10D	9.50	10	1	10.00	2	20.00
CDN-GS-12A	12.31	81	5	6.17	3	3.70
CDN-GS-6A	5.79	17	2	11.76	1	5.88
Total		581	42	7.23	58	9.98

Silver (2014)

Standard	Grade (g/t Au)	Number	Range			
			Out of Range (2SD to 3SD)	%	Out of Range (>3SD)	%
CDN-FCM-7	64.7	64	6	9.38	11	17.19
CND-ME-16	30.8	77	8	13.39	6	7.79
CND-ME-19	103.0	46	2	4.35	2	4.35
CDN-GS-5H	50.4	36	3	8.33	2	5.56
CDN-ME-1204	58.0	97	6	6.19	3	3.09
CDN-ME-1205	25.6	21	1	4.76	14	66.67
CDN-ME-1303	152.00	51	6	11.76	2	3.92
CDN-ME-1304	34.0	54	6	11.11	7	12.96
CDN-GS-5P	119.0	19	1	5.26	6	31.58

Standard	Grade (g/t Au)	Number	Range			
			Out of Range (2SD to 3SD)	%	Out of Range (>3SD)	%
Total		465	39	14.00	53	11.40

The Mercedes Report authors note that while the error rate is still problematic, further investigation revealed that the results show no bias, and the Mercedes Report authors consider that the mine assays are acceptable for use in Mineral Resource estimation.

The following tables show the results of the analyses of the gold and silver certified reference materials in 2015.

Gold (2015)

Standard	Grade (g/t Au)	Number	Range			
			Out of Range (2SD to 3SD)	%	Out of Range (>3SD)	%
CDM-FCM-7	0.89	43	7	16.28	8	18.60
CDN-ME-1205	2.20	74	4	5.41	7	9.46
CDN-ME-1303	0.92	47	2	4.26	3	6.38
CDN-ME-1304	1.80	91	5	5.49	14	15.38
CDN-GS-1Q	1.24	198	14	7.07	8	4.04
CDN-ME-1312	1.27	114	2	1.75	5	4.39
CDN-ME-1402	13.90	33	2	6.06	3	9.09
CDN-GS-14A	14.90	86	13	15.12	9	10.47
CDN-GS-10D	9.50	85	8	9.41	13	15.29
CDN-GS-7F	6.90	112	8	7.14	12	10.71
Total		883	65	7.36	82	9.29

The Mercedes Report authors note that while the error rate is still problematic, further investigation reveals that the results show no bias, and the Mercedes Report authors consider that the mine assays are acceptable for use in Mineral Resource estimation.

Silver (2015)

Standard	Grade (g/t Au)	Number	Range			
			Out of Range (2SD to 3SD)	%	Out of Range (>3SD)	%
CDN-FCM-7	64.7	43	0	13.95	17	39.53
CDN-ME-1205	25.6	74	14	18.82	41	55.41
CDN-ME-1303	152.0	47	0	0.00	5	110.64
CDN-ME-1304	34.0	91	7	7.69	21	23.08
CDN-GS-1Q	40.7	198	30	15.15	85	42.93
CDN-ME-1312	22.3	114	11	9.65	16	14.04
CDN-ME-1402	131.0	33	0	0.00	2	6.06
Total		600	68	11.33	187	31.17

According to the authors of the Mercedes Report, inaccuracies arise due to the encapsulated nature of the silver-bearing minerals and, at times, the incomplete digestion of the samples during analysis. The Mercedes Report authors note that while the error rate remained problematic, performance improved following the switch in analytical methods in 2015. Rates declined to 8.06% for failures between two and three standard deviations and declined to 6.99% for failures greater than three standard deviations for the 186 samples analyzed. Further

investigation reveals that the results show no bias and the Mercedes Report authors state that the mine assays are acceptable for use in a resource estimation.

The following tables show the results of the analyses of the gold and silver certified reference materials in 2016.

Gold (2016)

Standard	Grade (g/t Au)	Number	Range			
			Out of Range (2SD to 3SD)	%	Out of Range (>3SD)	%
CDN-ME-1403	0.95	143	3	2.10	14	9.79
CDN-ME-1304	1.80	152	3	1.97	7	4.61
CDN-ME-1312	1.27	122	2	1.64	1	0.82
CDN-ME-1402	13.90	153	6	3.92	12	7.84
CDN-GS-7F	6.90	175	12	6.86	15	8.57
Total		745	26	3.49	49	6.58

The Mercedes Report authors note that the error rate has improved and the Mercedes Report authors state that the mine gold assays are acceptable for use in resource estimation.

Silver (2016)

Standard	Grade (g/t Au)	Number	Range			
			Out of Range (2SD to 3SD)	%	Out of Range (>3SD)	%
CDN-ME-1403	53.9	143	1	0.70	5	3.50
CDN-ME-1304	34.0	152	2	1.32	4	2.63
CDN-ME-1312	22.3	122	4	3.28	3	2.46
CDN-ME-1402	131.0	153	3	1.96	10	6.54
Total		570	10	1.75	22	3.86

The Mercedes Report authors state that the mine silver assays are acceptable for use in resource estimation.

The following tables show the results of the analyses of the gold and silver certified reference materials in 2017.

Gold (2017)

Standard	Grade (g/t Au)	Number	Range			
			Out of Range (2SD to 3SD)	%	Out of Range (>3SD)	%
CDN-ME-1403	0.95	54	1	1.85	2	3.70
CDN-ME-1204	0.98	190	27	14.2	21	11.1
CDN-ME-1312	1.27	52	0	0	2	1.32
CDN-ME-1402	13.90	79	6	7.59	10	12.7
CDN-ME-1501	1.38	106	3	2.83	9	8.49
CDN-GS-3M	3.10	54	1	1.85	0	0
CDN-GS-7G	7.15	127	18	14.2	19	15.0
Total		762	56	7.35	63	8.27

The Mercedes Report authors state that the mine gold assays are acceptable for use in resource estimation.

Silver (2017)

Standard	Grade (g/t Au)	Number	Range			
			Out of Range (2SD to 3SD)	%	Out of Range (>3SD)	%
CDN-ME-1403	53.9	54	0	0	1	1.85
CDN-ME-1204	58.0	190	5	2.63	3	1.58
CDN-ME-1312	22.3	152	5	3.29	3	1.97
CDN-ME-1402	131.0	79	2	2.53	4	5.06
CDN-ME-1501	34.6	106	4	3.77	5	4.72
CDN-GS-3M	95.4	54	1	1.85	0	0
Total		635	17	2.68	16	2.52

The Mercedes Report authors state that the mine silver assays are acceptable for use in resource estimation.

IV. FIELD DUPLICATES

For the drilling programs in 2014, 2015 and 2016 a total of 2,206 duplicate samples were analyzed by the mine laboratory. Thompson Howarth plots showed significant variability at levels of gold and silver grades. This is probably due to the presence of erratically distributed coarse gold.

For the drilling program in 2017, a total of 708 duplicate samples were analyzed by the mine laboratory. Analytical and preparation duplicates taken by the laboratory show good precision, however, due to the presence of coarse gold, field duplicates only showed fair precision in almost all concentrations for the two monitored elements. The authors of the Mercedes Report recommend that more field duplicate samples with grades above the cut-off grade be collected or this practice be discontinued.

V. PULP DUPLICATES

No pulp samples were sent to a secondary laboratory for analysis from the mine laboratory in 2014 to 2017.

Security of Samples

I. REVERSE CIRCULATION DRILLING

A geologic determination is made at the drill rig regarding which samples were to be assayed. This included any intervals with veining or strong silicification and included several unmineralized samples on either side of the vein zone. Samples to be shipped were placed in grain sacks, and the tops tied with plastic ties or duct tape. Samples are transported to the Mercedes Mine camp area by MMM personnel. Samples were collected on-site approximately once per week by drivers from ALS, who come from the Hermosillo preparation facility. Samples are prepared in Hermosillo and shipped to Vancouver for analysis. Check samples and duplicate samples are collected daily and stored at the Mercedes Mine camp. Check samples are periodically shipped when sample quantity justified it.

II. CORE SAMPLES

All core drilled between 2005 and 2017 was logged directly at the Mercedes Mine camp. Samples were placed in plastic bags and sealed with bag ties. Batches of samples were then placed in grain sacks and sealed with bag ties or duct tape. Grain sacks were stored in a locked warehouse facility on site. Samples were collected on-site approximately once per week by drivers from ALS Chemex, who came from the Hermosillo preparation facility.

According to the authors of the Mercedes Report, although there have been some problems with sample preparation and analysis, MMM personnel have monitored the results and have taken appropriate corrective measures as deemed necessary.

In the Mercedes Report authors' opinion, sampling, sample preparation, analysis, and security procedures at the Mercedes Mine meet industry standards and the resulting data are acceptable for use in Mineral Resource estimation.

In the Mercedes Report authors' opinion, the QA/QC program as designed and implemented is adequate and the assay results within the database are suitable for use in a Mineral Resource estimate.

Data Verification

Since October 2008, assays have been received electronically from ALS. Upon passing QA/QC protocols, the results are downloaded directly into the Mercedes Century Systems database. The Mercedes Report authors reviewed reports containing control charts and detailing the results of the assay standards and blanks for the drill core. According to the authors of the Mercedes Report, the Mercedes Mine procedures appear to identify assay failures when blanks and/or standards failed to pass set criteria.

Drill hole data was viewed both on screen and on paper cross sections to verify that down-hole survey data had been entered into the database with correct coordinates.

In 2013, part of the resource database and several drill logs were reviewed by the Mercedes Report authors for accuracy of assay transcription from the assay certificates. Approximately 1,400 assays from drill holes in the database were compared to the original assay certificates, with no errors noted. No extreme length samples or excessive assay values were found. Visual validation of drill hole positions and comparison of in-hole survey and collar surveys with original logs and survey documents revealed no errors. The standard validations for overlapping samples also returned no errors.

In 2016, the Mercedes Report authors compared approximately 6,200 of 21,600 assay certificate values from 2014 and 2015 exploration with the resource database. Of the 6,200 matches, only 40 assays differed from the certificates more than 0.1 g/t Au, with only 11 assays differing more than 0.5 g/t Au, with the largest discrepancy at 0.58 g/t Au. Only two silver assays differed from the certificates by more than 10 g/t Ag, with the largest discrepancy at 22 g/t Ag. These discrepancies may at least in part be accounted for by re-assays for various reasons.

In 2017, the Mercedes Report authors compared approximately 21,800 assay certificates from the exploration and mine laboratories with the resource database.

Drill logs for four holes were compared to the core stored at site in 2013, three holes were reviewed in 2016 and two holes were reviewed in 2017. It was determined by the authors of the Mercedes Report that the logging and sampling were completed to industry standards.

Based on Mercedes Report authors' review of the database and primary records, plus discussions with the personnel at the Mercedes Mine, the Mercedes Report authors are of the opinion that database verification procedures for the Mercedes Mine comply with industry standards and are adequate for the purposes of Mineral Resource estimation.

Mineral Processing and Metallurgical Testing

Metallurgical testing for the Mercedes Mine operation was undertaken by McClelland, in Sparks, Nevada, with five phases of test work from February 2007 to November 2010. The Mercedes Mine plant has been constructed and attained commercial production as of February 1, 2012 and was in operation at the time of the site visit.

Metallurgical Testing

Phase I testing was commissioned by Meridian in February 2007. Testing included scoping level evaluation of cyanidation, gravity concentration and flotation processing on three RC drill (coarse assay reject) composites. A total of 23.4 metres of sample from six drill holes was used in the three composites. This preliminary testing showed that the Mercedes Mine medium and high-grade ore types are amenable to milling cyanidation at a 75 µm feed size, with average recoveries of 95% for gold, but only 25% for silver.

Phase II testing was commissioned by Meridian in December 2007. The program included ore variability (cyanidation) testing, detailed process optimization testing (milling/cyanidation and gravity concentration) and detailed comminution testing. Composites for the Phase II testing represented multiple grade ranges and rock types from the Mercedes, Klondike and Corona de Oro zones.

Results from Phase II testing confirmed incremental improvement in silver recovery obtained by finer grinding, and indicated no significant benefit to increasing solution cyanide concentration above approximately 1.5 grams NaCN/L.

Phase III testing was commissioned by Yamana in October 2008, and included a process simulation test, cyanide neutralization testing, detailed liquid/solid separation testing and scoping level tests for evaluation of novel processing alternatives for improving silver recoveries.

Phase IV testing was commissioned by Yamana in June 2009, and included comminution and gravity recoverable gold testing and process simulation testing for generation of leach slurry for liquid/solid separation testing, and detailed evaluation of tailings neutralization and environmental characterization. Phase IV testing was conducted on four bulk ore samples and one bulk ore composite.

Phase IV testing was commissioned by Yamana in June 2009 and included comminution and gravity recoverable gold testing and process simulation testing for generation of leach slurry for liquid/solid separation testing and detailed evaluation of tailings neutralization and environmental characterization. Phase IV testing was conducted on four bulk ore samples and one bulk ore composite.

In 2017, mining commenced in a new area, Diluvio, which accounts for approximately 40% of the feed to the processing plant in the LOM plan. Three samples from Diluvio were tested in July 2017. The table below summarizes the results of the Diluvio testing program:

Sample	Head Grade		Tailings		P ₈₀ (µm)	NaCN (ppm)	pH	Recovery	
	Au (g/t)	Ag (g/t)	Au (g/t)	Ag (g/t)				Au (%)	Ag (%)
1105-SC-1	4.35	42.87	0.24	24.72	54	1011	11.2	94.5	42.3
1105-SC-2	4.99	48.70	0.23	31.40	60	975	11.4	95.4	35.5
05-SE-01	4.22	43.44	0.20	26.56	54	614	11.4	95.3	38.9

Lupita is another new area which started production in 2017. It accounts for approximately 27% of the feed to the processing plant in the LOM plan. The table below summarizes the results from the Lupita metallurgical testing that was conducted in November - December 2018:

Sample	Head Grade Au (g/t)	Tailings Au (g/t)	P ₈₀ (µm)	NaCN (ppm)	pH	Recovery (% Au)
1060-AC	0.39	0.08	38	1000	12.0	80.5
1118-E	0.52	0.06	39.5	1000	12.2	88.7
1118-W	0.45	0.07	38	1000	12.2	85.6

Current Metallurgical Testwork

The metallurgical department at the Mercedes Mine conducts on-going test work to ensure that the plant is performing optimally, to improve efficiency and recovery and to reduce costs. It has re-leached tailings from the operating plant, evaluated zinc suppliers, conducted tests on cyanide detoxification, evaluated pre-coating and body feed for diatomaceous earth.

Plant Operating Data

Recovery estimates at the Mercedes Mine are currently based on recent recovery achieved in the processing plant. According to the authors of the Mercedes Report, prior to adding the 2017 data, there appeared to be a slight correlation between gold feed grade and recovery. When the improved recovery for 2017 is added to the data set, there is no correlation. According to the authors of the Mercedes Report, there is an inverse correlation between silver feed grade silver recovery, which is not normally anticipated.

Mineral Resource Estimate

The Mercedes Mine mineral resource estimates reported as at December 31, 2018, excluding the mineral resources which have been converted to mineral reserves, are listed in the table below and were prepared by or under the supervision of Stephen McGibbon, Executive Vice-President – Corporate and Project Development of the Corporation, a "qualified person" for the purposes of NI 43-101. See "Technical Information" above. Mineral resources are subject to reduction due to mining depletion. See "Mineral Projects – 2019 Production".

Gold (Au)	Measured Resources			Indicated Resources			M+I Resources			Inferred Resources		
	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's
Marianas	-	-	-	21.45	18.39	13	21.45	18.39	13	644.84	4.46	92
Klondike	2.66	4.70	0	45.42	3.36	5	48.08	3.44	5	27.88	3.26	3
Lupita	41.30	2.59	3	355.31	3.63	41	396.62	3.52	45	59.45	6.76	13
Barrancas	87.52	1.18	3	407.03	3.23	42	494.56	2.87	46	197.1	4.47	28
Rey de Oro	32.72	8.07	8	477.71	2.75	42	510.43	3.09	51	194.8	4.13	26
Mercedes	89.18	4.00	11	422.74	3.65	50	511.92	3.71	61	240.02	3.69	28
Diluvio	-	-	-	1,272.59	3.33	136	1,272.59	3.33	136	356.09	3.50	40
TOTAL	253.39	3.33	27	3,001.26	3.41	329	3,254.65	3.41	356	1,720.17	4.18	231

Silver (Ag)	Measured Resources			Indicated Resources			M+I Resources			Inferred Resources		
	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's
Marianas	-	-	-	21.45	10.5	7	21.45	10.5	7	644.84	26.99	560
Klondike	2.66	52.29	4	45.42	39.77	58	48.08	40.46	63	27.88	23.47	21
Lupita	41.3	21.65	29	355.31	32.61	373	396.62	31.46	401	59.45	51.23	98
Barrancas	87.52	36.53	103	407.03	53.57	701	494.56	50.56	804	197.1	51.87	329
Rey de Oro	32.72	128.03	135	477.71	54.79	842	510.43	59.48	976	194.8	29.12	182
Mercedes	89.18	51.16	147	422.74	47.14	641	511.92	47.84	787	240.02	50.39	389
Diluvio	-	-	-	1,272.59	23.06	943	1,272.59	23.06	943	356.09	36.59	419
TOTAL	253.39	51.23	417	3,001.26	36.93	3,564	3,254.65	38.05	3,982	1,720.17	36.11	1,997

Notes:

- (1) Mineral resources are estimated at a cut-off grade of 2.0 g/t gold equivalent ("AuEq").
- (2) Mineral resources are estimated using an average gold price of US\$1,400 per ounce and an average silver price of US\$19.25 per ounce.
- (3) No minimum mining width was used.
- (4) Mineral resources are exclusive of mineral reserves.
- (5) Numbers may not add due to rounding.
- (6) Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Premier is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant issues that would materially affect the mineral resource estimate.

Mineral Reserve Estimate

The Mercedes Mine mineral reserve estimates reported as at December 31, 2018, which are summarized below, at the Mercedes Mine operations consist of underground mineral reserves and were prepared by or under the supervision of Stephen McGibbon, Executive Vice-President – Corporate and Project Development of the Corporation, a "qualified person" for the purposes of NI 43-101. See "Technical Information" above.

The underground mineral reserves are being exploited in five separate underground mines and the ore is being processed for the recovery of gold and silver. See "Mining Operations" below.

Gold (Au)	Proven Reserves			Probable Reserves			Proven + Probable Reserves		
	Ore Zone	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t
Mercedes	20.09	7.53	5	74.06	2.79	7	94.15	3.80	12
Aida	-	-	-	120.44	3.84	15	120.44	3.84	15
Lupita	45.43	7.95	12	283.56	3.85	35	328.99	4.42	47
Rey de Oro	31.36	8.43	8	342.51	3.80	42	373.87	4.19	50
Barrancas	96.32	10.01	31	314.87	3.54	36	411.19	5.06	67
Diluvio	-	-	-	2,054.79	3.10	205	2,054.79	3.10	205
TOTAL	193.2	9.01	56	3,190.22	3.31	339	3,383.42	3.63	395

Silver (Ag)	PROVEN RESERVES			PROBABLE RESERVES			PROVEN+PROBABLE RESERVES		
	Ore Zone	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t
Mercedes	20.09	89.84	58	74.06	21.71	52	94.15	36.25	110
Aida	-	-	-	120.44	22.36	87	120.44	22.36	87
Lupita	45.43	43.51	64	283.56	22.33	204	328.99	25.26	267
Rey de Oro	31.36	119.66	121	342.51	39.82	438	373.87	46.51	559
Barrancas	96.32	84.18	261	314.87	34.72	352	411.19	46.31	612
Diluvio	-	-	-	2,054.79	16.50	1,090	2,054.79	16.50	1,090
TOTAL	193.20	80.97	503	3,190.22	21.66	2,222	3,383.42	25.05	2,725

Notes:

- (1) Mineral reserves are estimated at a cut-off grade of 2.0 g/t Au at Diluvio and 2.5 g/t AuEq at all other areas.
- (2) Mineral reserves are estimated using an average gold price of US\$1,200 per ounce and a silver price of US\$16.50 per ounce.
- (3) A mining width of 4.0 m was used.
- (4) Numbers may not add due to rounding.

Premier is not aware of any mining, metallurgical, infrastructure, permitting or other relevant factors that could materially affect the mineral reserve estimate. Mineral reserves are subject to reduction due to mining depletion. See "Mineral Projects – 2019 Production".

Mining Operations

The Mercedes Mine operation consists of mining in seven zones in five underground mines, all of which are being developed or are in the production planning stage. The five underground mine areas are:

1. the Aida mine area;

2. the Marianas-Barrancas-Lagunas mine area, composed of the Marianas, Lagunas, Barrancas Centro and Barrancas Norte;
3. the Diluvio mine area;
4. the Lupita mine area;
5. the Rey de Oro mine area.

Production will come from Aida, Marianas-Barrancas-Lagunas, Lupita, Diluvio and Rey de Oro. Access to all of the mines is by way of declines. The Rey de Oro area is contiguous with and immediately south of the mined-out Klondike deposit and will be mined primarily using the overhand mechanized cut and fill method and some of the infrastructure from this older mine area.

Geotechnical characterization of the deposit(s) and surrounding rock mass has been carried out using available drill hole data, laboratory testing data, geological models, underground mapping and experience excavating in the area for the past eight years. Geotechnical models of the Aida, Marianas-Barrancas-Lagunas, Rey de Oro, Diluvio and Lupita mines were developed based on these characterization studies. Observations of ground performance in the underground ramp and vein crosscuts have been used to confirm and revise the geotechnical model where appropriate.

Recovery Methods

The nominal plant capacity is approximately 2,000 metric tonnes per day. The plant consists of:

- Three stage crushing;
- Single stage grinding and classification with cyclones;
- Gravity concentration;
- Agitated cyanide leaching;
- Counter-current-decantation ("**CCD**") thickener wash circuit;
- Merrill-Crowe precious metal recovery circuit;
- Cyanide detoxification of tailings;
- Refinery.

Crushing

ROM stockpiles ahead of the crusher are used to blend different grades of ore. ROM ore is transported to the crusher dump hopper. From the dump hopper the ore discharges onto a vibrating grizzly feeder that feeds the ore into the jaw crusher. The jaw crusher product discharges onto the crusher discharge belt feeder and onto a transfer conveyor that transports the crushed ore to the coarse ore bin. A hydraulic rock breaker mounted on a mobile backhoe is used at the crusher dump pocket to break oversize ROM ore. A reclaim feeder transfers crushed ore from the coarse ore bin to the reclaim conveyor. The reclaim conveyor transports the primary crushed ore to the secondary screen. Secondary screen undersize material (final product) discharges to the screen undersize conveyor which transports it to the fine ore bin. Oversize material from the secondary screen is crushed in the secondary crusher. The discharge from the secondary crusher is routed to the tertiary screen.

Oversize material from the tertiary screen discharges into the tertiary crusher surge bin. Tertiary screen undersize (final product) discharges onto the screen undersize collection conveyor. Undersize material from the secondary and tertiary screens is combined and conveyed to the fine ore bin. The fine ore bin is a 2,000 tonne live and 5,000 tonne total capacity bin measuring 16 metre diameter and 16 metres high. Ore is withdrawn from the bin by two 1.22 metre wide fine ore bin reclaim belt feeders.

Grinding and Classification

The grinding circuit reduces the crushed ore from a particle size distribution of 80% passing (P80) 12.5 millimetres (1/2 in.) to P80 45 μm . A single ball mill measuring 5.03 metres in diameter and 8.84 metres long, powered by a 3,430 kW motor is operated in closed circuit with hydrocyclones. The reclaim belt feeders from the fine ore bin discharge crushed ore to the ball mill feed. The ball mill discharges to the cyclone feed sump. Slurry is pumped from the sump using variable speed horizontal centrifugal slurry pumps to five operating 254 millimetres (ten inch) hydrocyclones. A portion of the cyclone underflow flows by gravity to the gravity concentration circuit. The remainder of the slurry from the cyclone underflow is combined with the tailings from the gravity concentration circuit and returned to the ball mill for further grinding. Overflow from the cyclones is the final product from the grinding circuit. The slurry flows by gravity to the pre-leach thickener. Pebble lime is added to the ball mill feed conveyor to adjust pH of the slurry. Sodium cyanide solution is added into the cyclone feed sump.

Gravity Concentration

Approximately 25% of the hydrocyclone underflow is directed to a 762 millimetres diameter bowl style gravity concentrator. Tailings from the gravity concentrator is returned to the ball mill circuit. Gravity concentrate flows by gravity to a magnetic separator and shaking table circuit. Nonmagnetic concentrate material is further upgraded on a shaking table. Middlings from the shaking table are recirculated to the table feed while the tailings are pumped back to the ball mill circuit. The table concentrate is dried in an electric oven prior to smelting. The concentrate is direct smelted to produce a final doré product.

Pre-Leach Thickener

Flocculant and dilution water are added to a 16.4 metre diameter high rate thickener feed to aid in settling the solids and, in turn, establishing the liquid/solids separation process. Overflow from the pre-leach thickener is pumped into the clarification circuit. Underflow from the pre-leach thickener is pumped into the leach circuit at a slurry density of approximately 50% solids by weight.

Leach Circuit and Counter Current Decantation

The leach circuit consists of a series of four 9.3 metre diameter by 9.9 metre high agitated tanks. Each tank has a working volume of 581 m^3 . The slurry is leached in cyanide solution to extract gold and silver from the ore. The four leach tanks provide approximately 24 hours of retention time at 50% solids. Cyanide solution may be added to the first, third, or fourth tanks. Low pressure air is piped to all tanks. Slurry advances by gravity from leach tank to leach tank, starting at leach tank one and exiting leach tank four.

After leaching, the slurry continues to flow by gravity and reports to a series of four high capacity 16.4 metre diameter CCD thickeners for washing of the leach tailings to remove soluble gold and silver. CCD thickener underflow slurry is advanced by pumping from thickener to thickener, starting in CCD number one and exiting the last CCD thickener. From CCD number one, the overflow solution is pumped into the Merrill-Crowe circuit.

Cyanide Recovery Thickener

Underflow from the last stage of CCD reports to a high capacity, 16.4 metre diameter cyanide recovery thickener. Flocculant and dilution water are added to the thickener feed to aid in settling. The withdrawal rate of settled

solids is controlled by a variable speed, thickener underflow pump to maintain either thickener underflow density or thickener solids loading. The thickener underflow pump sends the cyanide recovery slurry to the detoxification circuit, while overflow from the cyanide recovery thickener is pumped back into the CCD circuit as wash water.

Tailings Detoxification

In the tailings detoxification circuit, weak acid dissociable residual cyanide is oxidized to the relatively non-toxic form of cyanate by the sulphur dioxide-air process using sodium metabisulphite and air. Copper sulphate is added as a catalyst for the reaction. Milk of lime is also added to maintain a slurry pH in the range of 8.0 to 8.5. The stable iron cyanide complexes are precipitated from solution as an insoluble ferro-cyanide complexes. Cyanide levels are reduced to environmentally acceptable, non-toxic levels.

Two 7.5 metre diameter by 8.5 metre high agitated tanks are provided as the detoxification reactors. Underflow from the cyanide recovery thickener is diluted to approximately 35% solids by weight in the cyanide detoxification tank using overflow solution from the tailings thickener. Slurry discharging from the detoxification circuit flows by gravity to a high capacity tailings thickener. Flocculant and dilution water are added to the thickener feed to aid in settling.

The tailings thickener underflow is the final tailing from the plant. The slurry is pumped into a tailing storage facility or pumped to the mine for use as backfill in the underground mine. Overflow from the tailings thickener is pumped back to the detoxification circuit for dilution water or to the reclaim water tank.

Merrill-Crowe

Gold and silver are recovered from pregnant solution by zinc cementation of metal ions using zinc dust in a Merrill-Crowe process. The process of recovering silver and gold by the Merrill-Crowe process includes:

- Clarification and filtering of pregnant solution to remove suspended solids.
- De-aeration of pregnant solution to reduce the dissolved oxygen concentration.
- Recovering gold and silver from the solution by addition of zinc dust using the cementation process that is commonly called zinc "precipitation".
- Filtering and drying of precipitate.

Mercedes returns a portion of the pregnant solution from CCD thickener number one to the grinding circuit for use as dilution water. This enriches the pregnant solution to achieve higher concentrations of precious metals which improves the performance of the Merrill-Crowe circuit and improves recovery of the metals from the pregnant solution. The precious metal recovery circuit is designed to process approximately 155,000 ounces of gold and 594,834 ounces of silver annually. Barren solution exiting the Merrill-Crowe circuit flows into a barren solution tank for re-use in the process.

Refinery

The zinc precipitate and gravity concentrate are independently batch processed in retort furnaces to vaporize and recover mercury which may be present in the precipitate. Two mercury retorts are provided. The dry precipitate and/or the gravity concentrate are mixed with fluxing agents and charged to a diesel fired, indirect fired crucible melting furnace for smelting. The metal, containing the gold and silver and minor impurities, is poured into bar molds to produce doré. The doré is shipped off site for further refining. The impurities are collected in slag that rises to the top of the molten metal and separated from the precious metal. The slag is returned to the grinding circuit for re-processing.

Infrastructure

According to the authors of the Mercedes Report, the Mercedes Mine has all required infrastructure necessary for a mining complex including:

- A conventional mill consisting of three-stage crushing and grinding, with a CIL circuit, a cyanide destruction circuit and a Merrill-Crowe process that produces gold doré. The processing plant has a current nominal capacity of 2,200 tonnes of ore per day.
- Mine and mill infrastructure including office buildings, shops, and equipment.
- A tailings storage facility with additional capacity for two years with plans for further expansion.
- Local water supplies from the mines and dewatering wells.
- Electric power from the national grid; via a 65-kilometre long, 115 kV line to the mine site.
- Mine ventilation fans and ventilation systems.
- Haulage roads from the mines to the plant.
- Stockpile areas.
- Maintenance facilities.
- Administrative office facilities.
- Core storage and exploration offices.
- Security gates and manned security posts at mine entries.
- Access road network connecting the mine infrastructure to the town site and to public roads.

Environmental Studies, Permitting and Social or Community Impact

The Mercedes Mine operation is in production and operating within the environmental framework of Premier. Premier operates under a corporate responsibility program which includes corporate responsibility, community relations, environment and health and safety.

Project Permitting

The key environmental permits for the Mercedes Mine operation are listed below.

<u>Licences</u>	<u>Agency</u>	<u>Date</u>
MIA Mercedes.....	SEMARNAT	Resolutivo/ Apr-2018
MIA Ampliación Mercedes	SEMARNAT	Resolutivo / Dec-2018
MIA Barrancas	SEMARNAT	Resolutivo/ Sep-2021
MIA Diluvio – Lupita.....	SEMARNAT	Resolutivo/ Nov-2025
MIA LSTE.....	SEMARNAT	Resolutivo/ Jul-2060
Número de Registro Ambiental (NRA).....	SEMARNAT	NRA MMMSP2602211
Registro como generador de residuos peligrosos	SEMARNAT	Registro / Dec-2010
Licencia Ambiental Única (LAU).....	SEMARNAT	LAU / Feb-2013
Permiso de descarga de agua residual	CONAGUA	Permiso/ Nov-2012

Licences	Agency	Date
Plan de Manejo de Gran Generador de Residuos	SEMARNAT	Entrega / Jun-2013
Plan de Manejo de Residuos Mineros	SEMARNAT	Entrega / Oct-2013
Cédula de Operación Anual (COA)	SEMARNAT	Entrega / Jun-2013
Permiso Para Comprar Explosivos.....	SEDENA	4344-SONORA/Dec-2018
Permiso en Materia de Seguridad Radiológica.....	CNSNS	CESIO-137(3701)/ Aug-2021
Vigencia de Certificanciones – ISO 14001	IQS	Sep-2018
Vigencia de Distintivos - ESR.....	CEMEFI	Mar-2018
Aprobación Programa Interno de Protección Civil	Gobierno	Feb-2018
Reconocimiento – Highly Protected Risk (HPR)	FM Global	No date

Mine Closure

Mexican law requires only a conceptual plan that meets legal guidelines for implementation. The Mercedes Mine has defined the post-closure land uses as ranching and wildlife, which correspond to the original land use prior to mining activities in the area. All mine waste facilities, mine openings, plant areas, processing areas, buildings, storm water and water treatment facilities, storage areas, stockpiles and borrow areas will be closed so that there are no potential safety or health hazards for ranchers, cattle and wildlife. The Mercedes Mine has also defined the exit strategy as walk-away mine closure to the extent feasible, which is consistent with the current practice of hauling out domestic and hazardous wastes rather than establishing onsite landfills. Premier intends to remove wastes and demolition debris to the extent possible to minimize the number of facilities requiring long-term care and maintenance.

Within the context of restoration measures and remediation practices, the following are summarized below:

- Activities designed to degrade and permanently confine the dumps;
- Reinstate the use and ecological productivity of the land to conditions similar to before the development of the Mercedes Mine;
- Planting to encourage colonization and generation of organic matter;
- Management of restored areas;
- Reseeding practices; and
- Monitoring.

An approximate closure schedule was developed by Golder based on the connections between, and the durations of, the various closure activities. The closure schedule was prepared assuming that the work will be distributed sequentially throughout the closure construction period to ensure constant progress and minimize possible delays due to activity dependencies. The duration of the closure period is approximately six years, based on the facilities existing in January 2018. The post-closure care period was assumed at 23 years.

The total cost of the closure and post-closure of the Mercedes Mine was estimated at approximately US\$15.2 million. The direct costs for the closure and post closure of the Mercedes Mines were estimated at US\$9.5 million and US\$565,000 (calculated using present value methods), respectively. Indirect costs include engineering, design and construction, contingency, insurance; contractor profit and contract administration. The indirect costs for closure and post-closure were estimated at US\$5.135 million. The final cost includes the direct and indirect cost of the closure construction and the post-closure care periods. In general, the costs of the closure of the Mercedes Mine are driven by the earthwork and removal activities. These two categories correspond to more than 65% of the direct costs.

Other Projects

Hasaga Project

The Hasaga Project is located in the Red Lake Mining District in western Ontario, approximately 440 kilometres northwest of Thunder Bay, Ontario and 270 kilometres northeast of Winnipeg, Manitoba. The Hasaga Project covers parts of Dome and Heyson townships, within and adjacent to the Municipality of Red Lake. The centre of the project's exploration focus is approximately at latitude 51° 01' 08" N and longitude 93° 50' 50" W. The Hasaga Project consists of 4 unpatented mining claims, 14 mining leases and 58 mining patents, covering a total of 1166.72 hectares.

The Hasaga Project hosts mineral resources in three principal sectors underlying the property: (i) the Central Sector, which hosts indicated and inferred mineral resources in a single modelled pit-shell; (ii) the Hasaga Sector, which hosts indicated and inferred mineral resources in three individual modelled pit-shells; and (iii) the Buffalo Sector, which hosts indicated and inferred resources in a modelled pit-shell. The mineral resource estimates calculations were based on data from 257 diamond drill holes totalling 109,194 metres, completed by Premier in 2015 and 2016. Gold grades were determined using an inverse distanced-squared algorithm into a 3-D (Gemcom) block model with X-Y-Z (i.e., east-west, north-south, vertical) block dimensions of 5.0 metres x 5.0 metres x 5.0 metres.

The following table provides a property-wide summary of the mineral resource estimate at the Hasaga Project. See the Hasaga Report for additional information, which is available under Premier's issuer profile at sedar.com.

<u>Resource Category</u>	<u>Tonnes (000 t)</u>	<u>Gold Grade (g/t)</u>	<u>Contained Au (000 oz)</u>
Measured	-	-	-
Indicated	42,294	0.83	1,124
Measured+Indicated	42,294	0.83	1,124
Total Inferred	25,143	0.78	631

Notes:

- (1) Independent Qualified Persons for the Hasaga Project mineral resources estimate are Abderazzak Ladidi P. Geo and Vincent Jourdain, Eng., Ph.D from MRB & Associates and the effective date of the estimate is December 30, 2016.
- (2) CIM definitions were followed for mineral resources.
- (3) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.
- (4) The estimate includes 13 mineralized zones (three in Buffalo sector, six in Hasaga sector, and four in Central sector) and two lithological envelopes.
- (5) High gold assays were capped at 15 g/t.
- (6) Bulk density data were averaged on a per zone basis (1220, 1230, 1320: 2.71 t/m³; 1330, 1510, 1540, 2399: 2.72 t/m³; 1520, 1525: 2.74 t/m³; 1210, 1340: 2.75 t/m³; 1515, 2599: 2.77 t/m³; 1530: 2.79 t/m³; 1310: 2.83 t/m³).
- (7) Resources were evaluated from drill hole and channel samples using a 5-pass ID2 interpolation in a block model (block size = 5 x 5 x 5 metres).
- (8) Open pit resources are constrained to the property limit in optimized pitshells at a cut-off grade of 0.5 g/t Au.
- (9) Pitshell optimization parameters: Mining cost = C\$2.50/t, milling cost = C\$12.00/t, G&A = C\$3.00/t, Gold price US\$1400/oz (exchange rate C\$1.30 = US\$1.00), milling recovery = 94%, mining recovery = 100%, mining dilution = 0.0%, pit slope = 55°.
- (10) Totals may not add correctly due to rounding.

The key assumptions and parameters used in the estimate of the mineral resources for the Hasaga Project are summarized as follows:

- The 5-pass ID2 interpolation method was used in the mineral resource estimate;

- The optimized pit shell used reflects a revenue factor of 0.74;
- High grade (outlier) assays managed utilizing a 15 g/t Au capping grade on raw assays as well as using a restricted search approach with a grade threshold;
- established on composites on a per zone basis (generally 3-6 g/t Au) within half of the variography derived search range;
- An exchange rate of \$1.30 to US\$1.00 has been assumed;
- Mineral resources have been restricted to no closer than 50 metres of any shoreline, but are not restricted by cultural effects such as roads and buildings; and
- Total number of below cut-off (waste) tonnes contained within the optimized pits is some 94,000,000 tonnes.

Other Property Interests

Premier also holds an interest in the following properties:

- a 44% interest in the Rahill-Bonanza Project, located in Dome Township in the Red Lake Mining Division in Ontario, pursuant to the Rahill-Bonanza Joint Venture between Premier and RLG, a subsidiary partnership of Newmont;
- a right to acquire up to 100% of the Rye Property from Barrick;
- a right to acquire up to 100% of the Rodeo Creek Property from Ely Gold.

For a list of inactive property interests of the Corporation see the Corporation's management's discussion and analysis for the year ended December 31, 2019.

DESCRIPTION OF SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Premier Common Shares, an unlimited number of preference shares, issuable in series (the "**Premier Preference Shares**"), and an unlimited number of special shares (the "**Premier Special Shares**"), of which 237,295,482 Premier Common Shares, no Premier Preference Shares and no Premier Special Shares were outstanding as of March 26, 2019.

Premier Common Shares

Each Premier Common Share entitles the holder thereof to one vote at all meetings of shareholders other than meetings at which only holders of another class or series of shares are entitled to vote. Each Premier Common Share entitles the holder thereof, subject to the prior rights of the holders of the Premier Special Shares and the Premier Preference Shares, to receive any dividends declared by the directors of the Corporation and the remaining property and assets of the Corporation upon liquidation, dissolution or winding-up. The holders of Premier Common Shares are not entitled to vote separately as a class or series on, or to dissent with respect to, any proposal to amend the articles of the Corporation to (a) increase or decrease the maximum number of authorized Premier Common Shares or to increase the maximum number of authorized shares of a class or series ranking in priority to or on a parity with the Premier Common Shares, (b) effect an exchange, reclassification or cancellation of all or part of the Premier Common Shares, or (c) create a class or series of shares ranking in priority to or on parity with the Premier Common Shares.

The Premier Common Shares carry no pre-emptive, conversion, redemption or retraction rights, except that Orion has a participation right to maintain its *pro rata* ownership of the Company pursuant to the terms of the Third Orion Subscription Agreement.

Preference Shares

The Premier Preference Shares are issuable in one or more series. Subject to the articles of the Corporation, the directors of the Corporation are authorized to fix, before issuance, the number of Premier Preference Shares in such series and determine the designation, rights, privileges, restrictions and conditions attached to the Premier Preference Shares of each series. Except with respect to matters as to which the holders of Premier Preference Shares are entitled by law to vote as a class, the holders of Premier Preference Shares are not entitled to vote at meetings of shareholders. The Premier Preference Shares rank in priority to the Premier Common Shares with respect to the payment of dividends and the distribution of the property and assets of the Corporation on liquidation, dissolution or winding-up, but are, in each case, subject to the prior rights of the holders of the Premier Special Shares. The holders of Premier Preference Shares are not entitled to vote separately as a class or series on, or to dissent with respect to, any proposal to amend the articles of the Corporation to (a) increase or decrease the maximum number of authorized Premier Preference Shares or any series thereof or to increase the maximum number of authorized shares of a class or series ranking in priority to or on a parity with the Premier Preference Shares or any series thereof, (b) effect an exchange, reclassification or cancellation of all or part of the Premier Preference Shares or any series thereof, or (c) create a class or series of shares ranking in priority to or on parity with the Premier Preference Shares or any series thereof.

Premier Special Shares

Except with respect to matters as to which the holders of Premier Special Shares are entitled by law to vote separately as a class or to authorize the sale, lease or exchange of the property of Premier other than in the ordinary course of business, the holders of Premier Special Shares are not entitled to receive notice of, attend at and vote at meetings of the shareholders, or sign a resolution in writing. Each Premier Special Share entitles the holder thereof to receive any dividends declared by the directors of the Corporation, and except with the consent in writing of the holders of Premier Special Shares, no dividend will be paid or declared on Premier Common Shares, Premier Preference Shares or any other shares of the Corporation unless after the payment of such dividend the realizable value of the assets of the Corporation would not be less than the Aggregate Redemption Amount (as defined below) of all of the Premier Special Shares then outstanding.

Premier may redeem in whole or in part the Premier Special Shares upon payment of a redemption price in the amount of \$1.00 per Premier Special Share plus all declared and unpaid dividends thereon, the whole constituting a "**Redemption Amount**" and the aggregate amount required to redeem all of the Premier Special Shares constituting the "**Aggregate Redemption Amount**". Premier is required to deliver a notice to the holders of Premier Special Shares at least five business days before the date specified for redemption, and pay to such holders the Redemption Amount on presentation and surrender of the certificates representing the Premier Special Shares so redeemed. If less than all of the Premier Special Shares represented by any certificate are redeemed, the holder thereof will be entitled to receive a new certificate for that number of Premier Special Shares represented by the original certificate which are not redeemed. From and after the date specified for redemption in such notice the holders of Premier Special Shares called for redemption will cease to be entitled to dividends and will not be entitled to exercise any of the rights of holders in respect thereof unless payment of the Redemption Amount in respect thereof has not been made upon presentation of certificates in accordance with the foregoing, in which case the rights of the holders will remain unaffected.

Any holder of the Premier Special Shares is entitled to require Premier to redeem, subject to the provisions of the OBCA, at any time all of the Premier Special Shares registered in its name by tendering to Premier a certificate representing all of the Premier Special Shares so held, together with a notice in writing specifying, among other things, the business day on which such Premier Special Shares are to be redeemed (the "**Retraction Date**"). The Retraction Date cannot be less than five days after the day on which the notice in writing is given

to the Corporation without the consent of the Corporation. Upon receipt of a certificate representing the Premier Special Shares to be redeemed, the Corporation will on the Retraction Date redeem such Premier Special Shares by paying to such holder the Redemption Amount. From the Retraction Date and thereafter, the holder of such Premier Special Shares will cease to be entitled to dividends and other rights unless payment of the Redemption Amount in respect thereof has not been made on the Retraction Date in which case the rights of the holder will remain unaffected.

The holders of Premier Special Shares are entitled to receive an amount equal to the Aggregate Redemption Amount for all of the Premier Special Shares upon liquidation, dissolution or winding-up of the Corporation before any amount is paid or assets distributed to holders of the Premier Common Shares or the Premier Preference Shares. The holders of the Premier Special Shares are not entitled to vote separately on, or to dissent with respect to, any proposal to amend the articles of the Corporation to (a) increase or decrease the maximum number of authorized Premier Special Shares or to increase the maximum number of authorized shares of a class or series equal or superior to the Premier Special Shares, (b) effect an exchange, reclassification or cancellation of all or part of the Premier Special Shares, or (c) create a new class or series of shares ranking equal or superior to the Premier Special Shares.

The specified amount per Premier Special Share is \$1.00 and each Premier Special Share may not be issued for consideration which is less than \$1.00.

DIVIDENDS AND DISTRIBUTIONS

The Corporation has not declared any cash dividends or distributions since the Corporation's formation and currently intends to retain future earnings, if any, to finance further business development. The payment of any cash dividend or distributions to shareholders of the Corporation in the future will be at the discretion of the directors of the Corporation and will depend on, among other things, the financial condition, capital requirements and earnings of the Corporation and any other factors that the directors may consider relevant. The OBCA provides that a corporation may not declare or pay a dividend if there are reasonable grounds for believing that the corporation is, or would be after the payment of the dividend, unable to pay its liabilities as they become due or the realizable value of its assets would thereby be less than the aggregate of its liabilities and stated capital of all classes of shares of its capital. Furthermore, holders of Premier Common Shares may be subject to the prior dividend rights of holders of the Premier Preference Shares and Premier Special Shares, if any, then outstanding.

TRADING PRICE AND VOLUME OF SECURITIES

The Premier Common Shares trade on the Toronto Stock Exchange ("TSX") under the symbol "PG". The following table sets forth the price range and volume of trading of the Premier Common Shares on the TSX for each month during the period from January 1, 2019 to December 31, 2019.

2019	High (\$)	Low (\$)	Volume Traded
January	2.01	1.54	13,414,661
February	2.04	1.66	9,636,279
March	1.80	1.55	9,514,455
April	1.75	1.41	10,325,362
May	1.91	1.55	11,534,309
June	2.18	1.84	11,360,006
July	2.47	1.93	12,537,028
August	2.55	2.07	14,064,185
September	2.46	1.80	12,825,924

October	2.27	1.81	12,558,025
November	2.295	1.86	8,409,471
December	2.13	1.90	9,725,535

PRIOR SALES OF UNLISTED SECURITIES

During the financial year ended December 31, 2019, the Corporation issued options to purchase Premier Common Shares under the Corporation's stock option plan. The options are not listed on the TSX or any other market place. The following options to purchase common shares were granted during the year ended December 31, 2019:

Date of Grant	Exercise Price per Share⁽¹⁾	Number of Shares Under Option⁽²⁾	Expiry Date
January 1, 2019	\$1.61	100,000	January 1, 2024
April 3, 2019	\$1.56	3,422,000	April 3, 2024
August 16, 2019	\$2.17	16,000	August 16, 2024
September 1, 2019	\$1.94	100,000	September 1, 2024

Notes:

- (1) Represents the exercise price per Premier Common Share of the options to purchase Premier Common Shares.
(2) Options to purchase Premier Common Shares granted under Premier's share option plan.

During the financial year ended December 31, 2019, the Corporation issued restricted share units ("RSUs"). Each RSU entitles the holder thereof to one Premier Common Share. The number of RSUs, grant dates and the market price at the time of grant were as follows during the year ended December 31, 2019:

Date of Grant	Type of Unit	Market Price at Grant Date	Number of Units
April 3, 2019	RSU	\$1.55	1,242,000
August 16, 2019	RSU	\$2.16	5,000

During the financial year ended December 31, 2019, the Corporation issued deferred share units ("DSUs"). Each DSU entitles the holder thereof to one Premier Common Share. The number of DSUs, grant dates and the market price at the time of grant were as follows during the year ended December 31, 2019:

Date of Grant	Type of Unit	Market Price at Grant Date	Number of Units
April 3, 2019	DSU	\$1.55	155,000

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth, for each of the directors and executive officers of the Corporation as of the date hereof, the person's name, province or state and country of residence, position and office held with the Corporation, principal occupation during the last five years and, if a director, the period or periods during which

the person has served as a director of the Corporation. Each of the directors of the Corporation has been appointed to serve until the next annual meeting of the shareholders of the Corporation.

Name and Province or State and Country of Residence	Position	Principal Occupation During Last Five Years	Director Since
John A. Begeman South Dakota, U.S.A.	Executive Chairman and Director	Mr. Begeman is a professional mining engineer with over 40 years of mining experience. He currently is a Director of Yamana Gold Inc. and African Gold Group Inc. Previously, Mr. Begeman served as President, Chief Executive Officer and Director of Avion Gold Corp. from 2008 to 2012 and as Chief Operating Officer of Zinifex Canada Inc. (formerly Wolfden Resources Inc.), where he was responsible for managing the day-to-day operations of the company. Mr. Begeman is a member of the National Association of Corporate Directors and has attained the Institute of Corporate Directors ICD.D designation.	May 29, 2006
Ewan S. Downie ⁽⁴⁾⁽⁵⁾ Ontario, Canada	President, Chief Executive Officer and Director	Mr. Downie is the President and Chief Executive Officer of the Corporation (since May 29, 2006). Mr. Downie is also Non-Executive Chairman and a Director of Wolfden Resources Corporation.	May 29, 2006
Claude Lemasson ⁽²⁾⁽³⁾⁽⁸⁾⁽¹²⁾ Ontario, Canada	Director	Mr. Lemasson is a mining executive with 30 years of experience in the Canadian mining industry, where he has held senior executive positions and been a board member of four different TSX-listed companies. Mr. Lemasson served as President and Chief Executive Officer of Eastmain Resources Inc. (from April 28, 2016 to December 6, 2019), and was also a Director (from November 10, 2015 to December 6, 2019). Previously, Mr. Lemasson was President, Chief Operating Officer and a Director of Guyana Goldfields Inc. from 2009 until 2012. Prior to that, from 1999 until 2009, with Goldcorp Inc., he was General Manager of Red Lake Mine followed by General Manager of Canadian/US Projects.	June 28, 2012
Ronald Little ⁽¹⁾⁽⁴⁾⁽⁹⁾⁽¹²⁾ Ontario, Canada	Director	Mr. Little currently serves as President and Chief Executive Officer of Wolfden Resources Corporation (since January 2018). Previously, Mr. Little was founder and Chief Executive Officer of Orezone Resources and Orezone Gold Corp. and for over 20 years built one of the most successful exploration and mine development track records in Burkina Faso. He is a Professional Engineer and geologist who has developed mining projects in Canada, South America and Africa and has been a director and advisor to other public companies and not for profit entities.	July 20, 2015
Anthony Makuch ⁽²⁾⁽³⁾⁽⁴⁾⁽¹²⁾ Ontario, Canada	Director	Mr. Makuch currently serves as President and Chief Executive Officer of Kirkland Gold Inc. (since July 2016). Previously, Mr. Makuch served as Executive Vice President / President of Canadian Operations of Tahoe Resources Inc., Lake Shore Gold Division from April 2016 to July 2016 and President, Chief Executive Officer and Director of Lake Shore Gold Corp. from March 2008 until March 2016.	June 23, 2016

Name and Province or State and Country of Residence	Position	Principal Occupation During Last Five Years	Director Since
John Seaman ⁽¹⁾⁽²⁾⁽⁴⁾⁽⁶⁾⁽⁷⁾⁽¹¹⁾⁽¹²⁾ Ontario, Canada	Lead Director	Mr. Seaman currently serves as President and Chief Executive Officer of a private security company and is a Director of Wolfden Resources Corporation. Mr. Seaman previously served as Chief Financial Officer of Premier from August 2006 to June 2012 and as Chief Financial Officer of Wolfden Resources Inc. from October 2002 to May 2007. He has also been a director and/or officer of various small-cap public companies.	May 29, 2006
Michael Vitton ⁽¹⁾⁽³⁾ Connecticut, USA	Director	Mr. Michael Vitton, is a former Executive Managing Director, Head, U.S. and Canadian Equity Sales, Bank of Montreal Capital Markets. As BMO's Head of U.S. and Canadian Equity Sales, he originated, placed and executed some US\$200 billion through public and secondary offerings and merger and acquisition transactions across all sectors until his departure from BMO in 2009. Prior to Bank of Montreal Capital Markets, he was engaged as Managing Director, Burns Fry Ltd., between June 1984 and June 1994. Mr. Vitton was also the co-founder and a director of MMX Minerals e Metalicos SA (Brazil) ("MMX") and LLX Logistica SA (Brazil). MMX sold Minas Rio and Amapa assets to Anglo American Corporation for USD \$5.5 billion in cash in December 2008, returning USD \$8.8 billion in cash or stock distributions to MMX shareholders, offering six times return from IPO. LLX Logistica (Acu Port) was sold to EIG (Energy Infrastructure Group). Additionally, he co-founded and was a director of Petro Rio SA, a leading publicly traded Brazilian oil and gas company. Recently, Mr. Vitton has acted as seed investor and capital markets advisor from inception to Newmarket Gold Inc., sold to Kirkland Lake Gold Ltd. for CAD \$ 1 billion. He acted as investor and capital markets advisor to ASX-listed Gold Road Resources Ltd., raising AUD \$57 million, which facilitated bringing the Gruyere gold mine into production jointly with Gold Fields SA. Mr. Vitton is partner and member of P5 Infrastructure, operating in partnership with EQT Infrastructure/CMA CGM, where EQT Infrastructure/P5 Infrastructure acquired 90% of Global Gateway South Terminal, a deep sea terminal in Long Beach Harbor, CA. Mr. Vitton is a Graduate of the University of Michigan Business School, former Seat Holder, NYSE and former President of the New York Society of Non Ferrous Metals Analysts.	December 18, 2013

Name and Province or State and Country of Residence	Position	Principal Occupation During Last Five Years	Director Since
Eva Bellissimo Ontario, Canada	Director	Eva Bellissimo currently co-leads McCarthy Tétrault's Global Metals & Mining Group and has broad legal, financial, merger and acquisition and corporate governance experience and knowledge. With more than 18 years of experience in the mining industry, she has been a trusted advisor to numerous companies in the sector. In addition, Ms. Bellissimo serves as Chair of the Advisory Council for the DAN Management Program and is a regular lecturer on mining law at Western University Law School and Osgoode Hall Law School.	March 4, 2020
Steven J. Filipovic ⁽⁵⁾⁽¹²⁾ Ontario, Canada	Chief Financial Officer	Mr. Filipovic is a Chartered Professional Accountant with over 18 years of experience. He currently serves as Chief Financial Officer of Premier (since June 28, 2012). Previously, Mr. Filipovic was the Vice President, Finance of Premier from April 25, 2008 to June 27, 2012 and Controller of Premier from May 29, 2006 to April 25, 2008. In addition, Mr. Filipovic served as Chief Financial Officer of Zinifex Canada Inc. (formerly Wolfden Resources Inc.) from May 2007 to May 2008, Vice President of Finance and Controller of Wolfden Resources Inc. from October 2004 to May 2007 and was a director and/or officer of Mega Precious Metals Inc., Source Exploration Corp., Kings Bay Gold Corporation and T.B. Mining Ventures Inc.	--
Peter Van Alphen Ontario, Canada	Chief Operating Officer	Mr. van Alphen has more than 20 years of leadership and management experience at various mining operations. Most recently, Mr. van Alphen served as the Country Manager for Canada for Pan American Silver, Vice-President of Operations at Tahoe Resources overseeing their Canadian Operations, Vice-President of Operations at Lake Shore Gold Corp. and Canadian Vice President and General Manager for DMC mining services. His Canadian operational experience also included five years as Mine Manager and Project Manager with FNX Mining.	--
Stephen McGibbon ⁽⁵⁾⁽¹⁰⁾ Ontario, Canada	Executive Vice-President, Corporate and Project Development	Stephen McGibbon is a Professional Geologist with extensive exploration, mine production and senior management experience. He is currently serving as Executive Vice-President, Corporate & Project Development at Premier (since August 2011). In addition, Mr. McGibbon has previously served as Executive Vice-President & Chief Operating Officer of Premier from September 2006 to August 2011, Chief Geologist & Exploration Manager, Red Lake Mine, Goldcorp from 2001 to June 30, 2006 and Chief Geologist, Red Lake Mine, Goldcorp from 1994 to 2001.	--

Name and Province or State and Country of Residence	Position	Principal Occupation During Last Five Years	Director Since
Brent Kristof Nevada, USA	Senior Vice- President Operations	Mr. Kristof is the Senior Vice-President Operations of Premier (since December 2016). Previously, Mr. Kristof served as Chief Operating Officer of Klondex Mines Ltd. from April 2014 to March 2015, General Manager at Barrick's Porgera Gold Mine in Papua New Guinea from 2013 to 2014 and General Manager of Barrick's Plutonic Mine in Western Australia from 2011 to 2013.	--
Kerri Chaboyer-Jean Ontario, Canada	Vice-President, Finance	Ms. Chaboyer-Jean is a Chartered Professional Accountant with over 20 years of experience. She started with Premier in 2012 as Corporate Controller, having previously held the position of Director of Financial Reporting at San Gold Corporation in Canada. Prior to that, Ms. Chaboyer-Jean was a senior financial consultant involved in full scale ERP system implementations for small mining and manufacturing companies in Canada and the United States.	--
Matthew Gollat Ontario, Canada	Vice-President, Business Development	Mr. Gollat has worked in various capacities and on several initiatives at Premier since 2008, including its financings, the creation, development and spin-out of Premier Royalty Corporation, as well as key transactions, including the Trans-Canada Property joint venture, the South Arturo acquisition and Mercedes Mine acquisition and transitions.	--
Shaun Drake Guernsey, Channel Islands	Secretary	Mr. Drake has been a Corporate Secretarial Officer with Dixcart Trust Corporation Limited since June 2019. Previously, Mr. Drake served as President of DRAX Services Limited, a company providing corporate secretarial services, from July 2013 until May 2019. Prior to that, Mr. Drake was an executive with DSA Corporate Services Inc. (formerly 6196322 Canada Limited), a company providing corporate secretarial services, from February 2009 to June 2013. He was also the President of 6196322 Canada Limited, a company that was a partner of Marrelli & Drake Corporate Services (formerly Duguay & Ringler Corporate Services) (a company providing accounting and corporate secretarial services), from August 2004 to January 2009.	--

Notes:

- (1) Member of the Audit Committee of the board of directors.
- (2) Member of the Compensation & Nominating Committee of the board of directors.
- (3) Member of the Corporate Governance Committee of the board of directors.
- (4) Member of the Sustainability Committee of the board of directors.
- (5) Member of the Disclosure Committee of the board of directors.
- (6) Chair of the Audit Committee of the board of directors.
- (7) Chair of the Compensation & Nominating Committee of the board of directors.
- (8) Chair of the Corporate Governance Committee of the board of directors.
- (9) Chair of the Sustainability Committee of the board of directors.
- (10) Chair of the Disclosure Committee of the board of directors.
- (10) Lead independent director. The position of lead independent director is a non-executive position, which focuses on ensuring open and candid discussion takes place among the independent directors as well as between independent and non-independent

directors. To enhance the effectiveness of the board of directors, among other things, the lead independent director ensures that the independent directors have an opportunity to meet, without management and the non-independent directors being present, at each regularly scheduled meeting of the board of directors.

(11) Graduate of the Institute of Corporate Directors—Rotman Directors Education Program.

As of March 26, 2019, the directors and officers of the Corporation as a group, beneficially owned, directly or indirectly, or exercised control or direction over an aggregate of 7,224,269 Premier Common Shares, representing approximately 3.04% of the then outstanding Premier Common Shares.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

None of the directors or executive officers of the Corporation is, or was within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to cease trade order or an order that denied such company access to any exemption under securities legislation that was, in each case, in effect for a period of more than 30 consecutive days and that was issued while that person was acting in such capacity or that was issued after that person ceased to act in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

None of the directors or executive officers of the Corporation, is, or was within the ten years prior to the date hereof, a director or executive officer of any company that, while that person was acting in such capacity, or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

None of the directors or executive officers of the Corporation has within the ten years prior to the date hereof become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

None of the directors or executive officers of the Corporation has been subject to any penalties or sanctions imposed by, or entered into a settlement agreement before, a court or regulatory body, including any securities regulatory authority.

AUDIT COMMITTEE DISCLOSURE

Composition of the Audit Committee

The Audit Committee consists of three directors, being Messrs. Seaman, Little and Vitton. Mr. Seaman is the Chair of the Audit Committee. The directors of the Corporation have determined that each member of the Audit Committee is "independent" from the Corporation and "financially literate" for the purpose of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("**NI 52-110**"). Each member of the Audit Committee has the ability to perform his responsibilities as an Audit Committee member based on his education and/or experience as summarized below.

Mr. John Seaman has significant experience working with resource issuers as a director, controller and chief financial officer. He has also been a member of various public company audit committees. Mr. Seaman received a Bachelor of Education degree from Lakehead University in April 1993 and a Bachelor of Science degree in April 1990.

Mr. Ron Little is a Geologist and Professional Engineer and the founder of Orezone Gold Corporation. He is currently President and Chief Executive Officer of Wolfden Resources Corporation. He was previously the Chief Executive Officer of Orezone Resources Inc. He has more than twenty years of experience, at senior levels, in

mine operations, mine development, project finance and exploration. Mr. Little has held directorships with other public and private companies and held senior operating positions in both major and junior gold producing companies.

Mr. Vitton, was the former Executive Managing Director, Head, US Equity Sales, Bank of Montreal ("**BMO**" or "**BMO Capital Markets**"), and originated, placed and executed some US\$200 billion through public and secondary offerings and merger and acquisition ("**M&A**") transactions across all sectors until his departure from BMO in 2009. Prior to Bank of Montreal Capital Markets, he was engaged as Managing Director, Burns Fry Ltd., between June 1984 and June 1994.

As BMO's Head of U.S. and Canadian Equity Sales, he acted as seed investor, lead/co-lead underwriter or in a M&A capacity and placed fifty percent or more of some of the most important deals in the metal resource sector including: African Platinum Ltd., Arequipa Resources Ltd., Bema Gold Corp, Brancotte Resources, Comaplex Minerals Corp., Diamond Fields Resources Inc., Echo Bay Mines Ltd., Francisco Gold Corp., Franco-Nevada Corp., Gammon Gold Inc., Getchell Gold Corp., Golden Shamrock Mines Ltd., Guinor Resources Ltd., Hemlo Gold Mines Inc., Ivanhoe Mines Ltd., Meridian Gold Inc., MexGold Resources Inc., Minefinders Corporation Ltd., Moto Goldmines Ltd., New Gold Inc., Northern Orion Resources Inc., Peru Copper Inc., Wheaton River Minerals Ltd., Randgold Resources Ltd., Rio Narcea Gold Mines Ltd., Skye Resources Inc., Semafo Inc., Sino Gold Mining Ltd., Urasia Mining PLC, Uramin Inc., Osisko Mining Inc., and Detour Gold Corp. among many others.

Mr. Vitton was also the co-founder and director of MMX Minerals e Metalicos SA (Brazil) ("**MMX**") and LLX Logistica SA (Brazil). MMX sold Minas Rio and Amapa assets to Anglo American Corporation for USD \$5.5 billion in cash in December 2008, returning USD \$8.8 billion in cash or stock distributions to MMX shareholders, offering six times return from the initial public offering. LLX Logistica (Acu Port) was sold to EIG (Energy Infrastructure Group). Additionally, he co-founded and was director of Petro Rio SA, a leading publicly traded Brazilian oil and gas company producing 30,000 bbls /day.

Recently, Mr. Vitton has acted as seed investor and capital markets advisor from inception to Newmarket Gold Inc., sold to Kirkland Lake Gold Ltd. for CAD \$ 1 billion. Kirkland Lake Gold Ltd. was awarded 2018 Digger of the Year (Diggers and Dealers). He acted as investor and capital markets advisor to ASX-listed Gold Road Resources Ltd., raising AUD \$57 million, which facilitated bringing the Gruyere gold mine into production jointly with Gold Fields SA. Gold Road Resources Ltd. won the Diggers and Dealers award for best deal in 2017. He currently is acting as advisor to Cardinal Resources Ltd. Mr. Vitton is partner and member of P5 Infrastructure, operating in partnership with EQT Infrastructure/CMA CGM, where EQT Infrastructure/P5 Infrastructure acquired 90% of Global Gateway South Terminal, a deep sea terminal in Long Beach Harbor, CA.

Mr. Vitton is a Graduate of the University of Michigan Business School, former Seat Holder, NYSE and former President of The New York Society of Non Ferrous Metals Analysts.

Audit Committee Charter

The responsibilities and duties of the members of the Audit Committee are set out in the Audit Committee's charter, the text of which is set forth in Schedule "A" to this AIF.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption set out in section 2.4 (*De Minimis Non-audit Services*), section 3.2 (*Initial Public Offerings*), subsection 3.3(2) (*Controlled Companies*), section 3.4 (*Events Outside Control of Member*), section 3.5 (*Death, Disability or Resignation of Audit Committee Member*), section 3.6 (*Temporary Exemption for Limited and Exceptional Circumstances*) or section 3.8 (*Acquisition of Financial Literacy*) of NI 52-110 or any exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Audit Committee Oversight

At no time since the commencement of the most recently completed financial year of the Corporation was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the directors of the Corporation.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies or procedures for the engagement of the Corporation's auditor to perform non-audit services.

External Auditor Service Fees (By Category)

The aggregate fees billed by the external auditor of the Corporation, Grant Thornton LLP, during the two most recently completed financial years of the Corporation are as follows:

<u>Financial Year</u>	<u>Audit Fees⁽¹⁾</u>	<u>Audit Related Fees⁽²⁾</u>	<u>Tax Fees⁽³⁾</u>	<u>All Other Fees⁽⁴⁾</u>
2018	\$281,000	\$196,350	Nil	\$6,828 ⁽⁵⁾
2019	\$273,145	\$133,473	Nil	\$4,714 ⁽⁵⁾

Notes:

- (1) "Audit Fees" refers to the aggregate fees billed for audit services.
- (2) "Audit-Related Fees" refers to the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under "Audit Fees".
- (3) "Tax Fees" refers to the aggregate fees billed for professional services for tax compliance, tax advice and tax planning.
- (4) "All Other Fees" refers to the aggregate fees billed for products and services, other than the services comprising the fees disclosed under "Audit Fees", "Audit-Related Fees" or "Tax Fees".
- (5) Includes CPAB Participation Fee.

RISK FACTORS

An investment in the securities of the Corporation is subject to various risks and uncertainties, including those set out below, under the heading "*Cautionary Note Regarding Forward-Looking Information*" and elsewhere in this AIF. Such risks and uncertainties should be carefully considered by an investor before making any investment decision. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently deems immaterial may also impair the Corporation's business operations. If any of the possibilities described in such risks actually occurs, the Corporation's business, financial condition and operating results could be materially adversely harmed.

Risks Relating to Premier's Business

Nature of Mineral Exploration and Mining

Development of any of Premier's exploration and development-stage mineral projects will only follow upon, among other things, obtaining satisfactory exploration results and the completion of feasibility or other economic studies. The exploration and development of mineral deposits involve significant financial risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on exploration properties in which Premier has an interest will result in a profitable commercial mining operation.

The economics of exploring and developing mineral properties are affected by many factors including capital and operating costs, variations of the grades and tonnages of ore mined, fluctuating mineral market prices, costs of mining and processing equipment and such other factors as government regulations, allowable production, importing and exporting of minerals and environmental protection. Whether developing a producing mine is economically feasible will depend upon numerous factors, most of which are beyond the control of Premier, including the availability and cost of required development capital, movement in the price of commodities, securing and maintaining title to mining tenements, as well as obtaining all necessary consents, permits and approvals for the development of the mine. Should a producing mine be developed at any of Premier's exploration or development-stage mineral properties, other factors will ultimately impact whether mineral extraction and processing can be conducted economically, including actual mineralization, consistency and reliability of ore grades and future commodity prices, as well as the effective design, construction and operation of processing facilities. Premier's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties are added. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in Premier not receiving an adequate return on invested capital.

Mining operations are inherently dangerous and generally involve a high degree of risk. Premier's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold and silver, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, pit wall failure, mining voids and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, personal injury or loss of life, damage to property and environmental damage, all of which may result in possible legal liability. Although the Corporation expects that adequate precautions to minimize risk will be taken, mining operations are subject to hazards such as fire, rock falls, geomechanical issues, equipment failure, failure of retaining dams around tailings disposal areas, instability of historical tailings, which may result in environmental pollution and consequent liability. The occurrence of any of these events could result in a prolonged interruption of the Corporation's operations that would have a material adverse effect on its business, financial condition, results of operations and prospects.

Estimates of Mineral Resources and Mineral Reserves

Mineral reserves and mineral resources are estimates only, and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral reserves can be mined or processed profitably. Mineral reserve and mineral resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing and other relevant issues. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Corporation's control. Such estimation is a subjective process and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data, the nature of the ore body and of the assumptions made and judgments used in engineering and geological interpretation. These estimates may require adjustments or downward revisions based upon further exploration or development work or actual production experience.

Fluctuations in gold or silver prices, results of drilling, metallurgical testing and production, the evaluation of mine plans after the date of any estimate, permitting requirements or unforeseen technical or operational difficulties may require revision of mineral reserve and mineral resource estimates. Prolonged declines in the market price of gold (or applicable by-product metal prices) may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and could materially reduce the Corporation's mineral reserves. Should reductions in mineral resources or mineral reserves occur, the Corporation may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. Mineral resources and mineral reserves should not be interpreted as assurances of mine life or of the profitability of current or future operations. There is a degree of uncertainty attributable to the calculation and estimation of mineral resources and mineral reserves and corresponding grades being mined and,

as a result, the volume and grade of mineral reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of mineral reserves and mineral resources, or of the Corporation's ability to extract these mineral reserves, could have a material adverse effect on the Corporation's results of operations and financial condition.

Mineral resources are not mineral reserves and have a greater degree of uncertainty as to their existence and feasibility. There is no assurance that mineral resources will be upgraded to proven or probable mineral reserves.

Mineral Resources do not have Demonstrated Economic Viability

Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no assurance that the mineral resources set out in this AIF will ever be classified as proven or probable mineral reserves as a result of continued exploration. In addition, mineral resources that are classified as inferred mineral resources are considered too speculative geologically to have economic considerations applied to them to enable them to be categorized as reserves. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that the estimated tonnage and grades as stated will be achieved or that they will be upgraded to measured and indicated mineral resources or proven and probable mineral reserves as a result of continued exploration.

Mining Projects in Production

The ability of the Corporation to sustain or increase its present level of gold and silver production is dependent in part on the success of its projects. Significant projects currently in production include the South Arturo Project and the Mercedes Mine. Some or all of these projects, however, may not proceed as anticipated and problems may arise. Risks and unknowns inherent in all projects include but are not limited to: the accuracy of mineral reserve and mineral resource estimates; metallurgical recoveries; geotechnical and other technical assumptions; capital and operating costs of ongoing production of such projects; the future price of gold and silver; environmental compliance regulations and restraints; political climate and/or governmental regulation and control; the accuracy of engineering; the ability to manage large-scale construction; and scoping of major projects including delays, aggressive schedules and unplanned events and conditions. The significant capital expenditures and long time period required to develop projects are considerable and changes in costs and market conditions or unplanned events or construction schedules can affect project economics. The Corporation's ability to maintain its licenses to operate the projects is also important to the success of those projects. Actual costs and economic returns may differ materially from the Corporation's estimates or the Corporation could fail or be delayed in obtaining all approvals necessary for execution of a project, in which case, the project may not proceed either on its original timing or at all. In addition, the Corporation may be unable to develop projects that demonstrate attractive economic feasibility at low gold or silver prices.

The number or capital costs of projects may outweigh the Corporation's capital, financial and staffing capacity restricting the ability to sequentially or concurrently execute multiple projects and adversely affect the development of a project. The inability to execute adequate governance over projects can also have a major negative impact on project development activities. The inability to develop these projects could have a material adverse effect on the Corporation's business, financial condition, results of operations, cash flows or prospects.

Projects also require the successful completion of feasibility studies, the resolution of various fiscal, tax and royalty matters, the issuance of, and compliance with, necessary governmental permits and the acquisition of satisfactory surface or other land rights. It may also be necessary for the Corporation to, among other things, find or generate suitable sources of water and power for a project, ensure that appropriate community infrastructure is developed by third parties to support the project and to secure appropriate financing to fund these expenditures. It is also not unusual in the mining industry for mining operations to experience unexpected problems during the start-up phase, resulting in delays and requiring the investment of more capital than anticipated.

Mineral exploration and development is speculative and involves a high degree of risk. While the discovery of an ore body may result in substantial rewards, few properties which are explored are commercially mineable and ultimately developed into producing mines. There is no assurance that any exploration properties will be commercially mineable. Thus, it is possible that economic returns may differ materially from the Corporation's estimates or that metal prices may decrease significantly or the Corporation could fail to obtain the satisfactory resolution of fiscal and tax matters or the governmental approvals necessary for the operation of a project or obtain project financing on acceptable terms and conditions or at all, in which case, the project may not proceed either on its original timing or at all. If the Corporation declines to advance a project on a particular timetable or at all, the rights associated with the project could be negatively affected.

Fluctuating Commodity Prices

As Premier has commenced production, its profitability is dependent upon the market price of gold and any other metals contained in minerals discovered. Historically, gold prices have fluctuated widely and are affected by numerous external factors beyond Premier's control, including industrial and retail demand, central bank lending, sales and purchases of gold, forward sales of gold by producers and speculators, production and cost levels in major producing regions, short-term changes in supply and demand because of speculative hedging activities, confidence in the global monetary system, expectations of the future rate of inflation, the strength of the U.S. dollar (the currency in which the price of gold is generally quoted), interest rates, terrorism and war, the outbreak of communicable diseases such as COVID-19 and other global or regional political or economic events. Resource prices have fluctuated widely and are sometimes subject to rapid short-term changes because of speculative activities. The exact effect of these factors cannot be accurately predicted, but any one of, or any combination of, these factors may result in Premier not receiving an adequate return on invested capital and a loss of all or part of an investment in securities of the Corporation.

Financing Risks

Premier has limited financial resources and will have further capital requirements and exploration expenditures as it proceeds to expand exploration activities at its mineral properties, develop any such properties or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it. The continued exploration and future development of Premier's exploration and development-stage properties will therefore depend on Premier's ability to obtain additional required financing. In particular, any potential development of its projects will require substantial capital commitments, which Premier cannot currently quantify and may not currently have in place. Premier can provide no assurance that it will be able to obtain financing on favourable terms or at all. Premier may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the gold industry in particular), the price of gold on the commodities markets (which will impact the amount of asset-based financing available) and/or the loss of key management personnel. If Premier is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, forfeit its interest in some or all of its properties, incur financial penalties or reduce or terminate its operations. Additional equity financing would also result in the dilution of the current issued and outstanding Premier Common Shares.

Debt and Liquidity Risk

As of December 31, 2019, Premier had aggregate consolidated indebtedness of approximately \$37,874,823. The Corporation's ability to make scheduled payments of the principal of, to pay interest on or to refinance its indebtedness depends on the Corporation's future performance, which is subject to economic, financial, competitive and other factors many of which are not under the control of the Corporation. Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due, including, among others, debt repayments, interest payments and contractual commitments.

The Corporation may not continue to generate cash flow from operations in the future sufficient to service the debt and make necessary capital expenditures. If the Corporation is unable to generate such cash flow, it may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. The Corporation's ability to refinance its indebtedness will depend on the capital markets and its financial condition at such time. The Corporation may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on its debt obligations.

In addition, the Investec Credit Agreement and the Corporation's agreements with Orion require the Corporation to satisfy various affirmative and negative covenants and to meet certain financial ratios and tests. These covenants limit, among other things, the Corporation's ability to incur further indebtedness, create certain liens on assets or engage in certain types of transactions. There are no assurances that the Corporation will not, as a result of such covenants, be limited in its ability to respond to changes in its business or competitive activities or be restricted in its ability to engage in mergers, acquisitions or dispositions of assets. Furthermore, a failure to comply with such covenants could result in an event of default under any debt instruments which may allow the lenders thereunder to accelerate repayment obligations or enforce security (if any).

Capital and Operational Cost Estimates

Decisions about the development of the Corporation's mineral properties in the future will ultimately be based upon technical studies. Technical studies derive estimates of cash operating costs based upon, among other things:

- anticipated tonnage, grades and metallurgical characteristics of the ore to be mined and processed;
- anticipated recovery rates of gold, silver and other metals from the ore;
- cash operating costs of comparable facilities and equipment; and
- anticipated climatic conditions.

It is important to note that the economic parameters described in technical studies include a number of assumptions and estimates that could prove to be incorrect. For example, capital costs, operating costs, production and economic returns and other estimates contained in studies or estimates prepared by or for the Corporation, may differ significantly from those anticipated by the Corporation's current studies and estimates and there can be no assurance that the Corporation's actual operating costs will not be higher than currently anticipated. The Corporation's actual costs may vary from estimates for a variety of reasons, including: short-term operating factors; revisions to mine plans; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability, floods and earthquakes; and the outbreak of communicable diseases, such as COVID-19; and unexpected labour shortages or strikes. Operational costs may also be affected by a variety of factors, including: changing waste-to-ore ratios; ore grade metallurgy; labour costs; the cost of commodities; general inflationary pressures; currency exchange rates; availability and terms of financing; difficulty of estimating construction costs over a period of years; delays in obtaining environmental or other government permits; and potential delays related to social and community issues. Many of these factors are beyond the Corporation's control. Failure to achieve estimates, or material increases in costs, could have an adverse impact on the Corporation's future cash flows, business, results of operations and financial condition.

Furthermore, delays in the construction and commissioning of mining projects or other technical difficulties may result in even further capital expenditures being required. Any delay in the development of a project or cost overruns or operational difficulties once the project is fully developed may have a material adverse effect on the Corporation's business, results of operations and financial condition.

Fluctuations in the Value of the United States Dollar and Mexican Peso

A significant portion of Premier's current and proposed expenditures are made in U.S. dollars. As a result, its financial positions and results will be impacted by exchange fluctuations between the Canadian dollar and the U.S. dollar. The effects of the foreign exchange rate on operating costs and on future cash flows may be significant. Premier does not currently have any hedging contracts in connection with its use of U.S. dollars. The depreciation of the Canadian dollar against the U.S. dollar would increase the costs associated with the exploration and development of Premier's properties and potentially increase future operating costs, taxes and royalties paid. These increased costs could materially adversely affect Premier's results of operation and financial condition.

Currency fluctuations may affect the Corporation's capital costs and the costs that the Corporation incurs at its operations. Gold is sold throughout the world based principally on a U.S. dollar price, but a portion of the Corporation's operating and capital expenses are incurred in Mexican pesos. The appreciation of the Mexican peso against the U.S. dollar would increase the costs of gold production at such mining operations, which could materially and adversely affect the Corporation's earnings and financial condition. The Corporation has not entered into any hedging contracts in connection with its use of Mexican pesos and is therefore exposed to currency fluctuation risks.

Dependence on Key Personnel

The success of the operations and exploration and development activities of the Corporation is dependent on the efforts and abilities of a relatively small number of key employees, the loss of any of whom could have a materially adverse effect on the Corporation's operations. In addition, the Corporation relies on management's ability to motivate, retain and attract highly skilled persons. The competition for qualified personnel in the mining industry is intense. There can be no assurance that the Corporation will successfully attract and retain the qualified personnel necessary to manage its current needs and effectively carry out its operations. The Corporation does not have in place formal programs for succession and training of management and does not have key person insurance on such individuals, which insurance would provide Premier with insurance proceeds in the event of their death. Without key person insurance, Premier may not have the financial resources to develop or maintain its business until it replaces the individual. The failure to attract such qualified personnel or the loss of one or more of these key employees or contractors, if not replaced, could materially adversely affect the Corporation's business, results of operations and financial condition.

Dependence on Third Parties

Premier relies significantly on strategic relationships with other entities and also on good relationships with regulatory and governmental departments. Premier also relies upon third-parties to provide essential contracting services. In some cases, Premier holds its interest in its properties through joint ventures. In certain of those cases, including the South Arturo Mine and the Rahill-Bonanza Project, Premier is not the manager of the joint venture. In these situations the joint venture decision may not accord with Premier's stated or desired plan. There can be no assurance that Premier's existing relationships will continue to be maintained or that new ones will be successfully formed and Premier could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance which causes the early termination or non-renewal of one or more of these key business alliances or contracts could adversely impact Premier, its business, operating results and prospects.

Use of and Reliance on Experts Outside Canada

Premier uses and relies upon a number of legal, financial, technical and industry experts outside of Canada as required. Some of these experts may not be subject to equivalent educational requirements, regulations and rules of professional conduct or standards of care as they would be in Canada. The Corporation manages this risk through the use of reputable experts, assessment of credentials and review of past performance where possible.

Joint Ventures

Several of Premier's mineral projects are held as part of a joint venture or limited partnership; specifically, the Greenstone Gold Property, the South Arturo Mine and the Rahill-Bonanza Project (collectively, the "**Joint Ventures**"). The Joint Ventures are subject to the risks normally associated with the conduct of joint ventures. These risks may include, but are not limited to: (i) disagreements between joint venture partners on how to develop and operate mines efficiently; (ii) that joint venture partners may at any time have economic or business interests or goals that are, or become, inconsistent with another joint venture partner's business interests or goals; (iii) an inability of joint venture partners to meet their obligations to the joint venture or third parties; (iv) the possibility that a joint venture partner might become bankrupt; (v) the possibility that a joint venture partner may not be able to sell its interest in the joint venture; or (vi) litigation arising between joint venture partners regarding joint venture matters. The existence or occurrence of one or more of the foregoing circumstances and events could have a material adverse impact on Premier's profitability, future cash flows, earnings, results of operations and financial condition.

Accounting Policies and Internal Controls

The Corporation prepares its financial reports in accordance with IFRS. In preparation of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Corporation. Significant accounting policies are described in more detail in the Corporation's audited financial statements. Management has implemented and maintains accounting systems and internal controls to provide a reasonable level of assurance that transactions are properly authorized, assets are properly safeguarded and transactions are properly recorded and reported. Although the Corporation believes its financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, the Corporation cannot provide absolute assurance.

Failure or Breach of Network Systems

Major equipment failures, natural disasters including severe weather, terrorist acts, acts of war, cyber-attacks or other breaches of network systems or security that affect computer systems within the Corporation's network could disrupt Corporation's business functions, including the Corporation's exploration and production activities. The mining industry has become increasingly dependent on digital technologies. Mines and mills are automated and networked, and the Corporation rely on digital technologies to conduct certain exploration, development, production, processing and other activities. The mining industry faces various security threats, including cyber-security threats. Such attacks are increasing and include malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential information and corruption of data. A cyber-attack could negatively impact the Corporation's operations. A corruption of Premier's financial or operational data or an operational disruption of the Corporation's production infrastructure could, among other potential impacts, result in: (i) loss of production or accidental discharge; (ii) expensive remediation efforts; (iii) distraction of management; (iv) damage to the Corporation's reputation or its relationship with customers, vendors employees and joint venture partners; or (v) events of noncompliance, which events could lead to regulatory fines or penalties. Any of the foregoing could have a material adverse impact on Premier's profitability, future cash flows, earnings, results of operations and financial condition.

No Assurance of Title

The acquisition of title to mineral projects is a very detailed and time consuming process. Although Premier has taken precautions to ensure that legal title to its property interests is properly recorded in the name of Premier where possible, including completing extensive legal and technical due diligence when acquiring any property interest, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interests of Premier in any of its properties may not be challenged or impugned. Title insurance is generally not available for mineral properties and Premier has a limited ability to ensure that it has obtained

secure claim to individual mineral claims. While Premier intends to take all reasonable steps to maintain title to its mineral properties, there can be no assurance that Premier will be successful in extending or renewing mineral rights on or prior to expiration of their term or that the title to any such properties will not be affected by an unknown title defect.

Aboriginal Claims and Consultation Issues

Aboriginal interests and rights as well as related consultation issues may impact Premier's ability to pursue exploration, development and mining at its Canadian properties. Premier has entered and intends to enter into agreements with First Nations and other Aboriginal communities in order to manage its relationship with those groups but there is no assurance that claims or other assertions of rights by Aboriginal communities or consultation issues will not arise on or with respect to Premier's properties or activities. These could result in significant costs and delays or materially restrict Premier's activities.

Premier's Activities are Subject to Extensive Governmental Regulation

Exploration, development and mining of minerals are subject to extensive federal, provincial, state and local laws and regulations governing acquisition of the mining interests, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, water use, land use, land claims that may be brought by First Nations and other Aboriginal groups, environmental protection and remediation, endangered and protected species, mine safety and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied or amended in a manner that could have a material adverse effect on the business, financial condition and results of operations of Premier.

The costs and delays associated with obtaining necessary licences and permits and complying with these licences and permits and applicable laws and regulations could stop or materially delay or restrict the Corporation from proceeding with the development of an exploration project. Any failure to comply with applicable laws and regulations or licences and permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities. Premier may be required to compensate those suffering loss or damage by reason of its mining operations and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, railways, power sources and water supply are important determinants affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Corporation's operations, financial condition and results of operations.

Construction and Start-up of New Mines

The success of construction projects and the start-up of new mines by Premier is subject to a number of factors including the availability and performance of engineering and construction contractors, mining contractors, suppliers and consultants, the receipt of required governmental approvals and permits in connection with the construction of mining facilities and the conduct of mining operations (including environmental permits) and the successful completion and operation of ore passes, the adsorption/desorption/recovery plants and conveyors to move ore, among other operational elements. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Corporation is dependent in connection with its construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements in connection with new mines could delay or prevent the construction

and start-up of new mines as planned. There can be no assurance that current or future construction and start-up plans implemented by the Corporation will be successful, that the Corporation will be able to obtain sufficient funds to finance construction and start-up activities, that personnel and equipment will be available in a timely manner or on reasonable terms to successfully complete construction projects, that the Corporation will be able to obtain all necessary governmental approvals and permits or that the completion of the construction, the start-up costs and the ongoing operating costs associated with the development of new mines will not be significantly higher than anticipated by the Corporation. Any of the foregoing factors could adversely impact the operations and financial condition of the Corporation.

Safety and Security

As noted previously, the Mercedes Mine is located in the Sonora State, Mexico. Criminal activities in the region, or the perception that activities are likely, may disrupt the Corporation's operations, hamper the Corporation's ability to hire and keep qualified personnel and impair the Corporation's access to sources of capital. Risks associated with conducting business in the region include risks related to personnel safety and asset security. Risks may include, but are not limited to: kidnappings of employees and contractors; exposure of employees and contractors to local crime related activity and disturbances; exposure of employees and contractors to drug trade activity; and damage or theft of Corporation or personal assets including the Corporation's future gold shipments. These risks may result in serious adverse consequences including personal injuries or death, property damage or theft, limiting or disrupting operations, restricting the movement of funds, impairing contractual rights and causing the Corporation to shut down operations, all of which may expose the Corporation to costs as well as potential liability. Such events could have a material adverse effect on the Corporation's cash flows, earnings, results of operations and financial condition and make it more difficult for the Corporation to obtain financing, if needed. Although the Corporation has developed procedures regarding these risks, due to the unpredictable nature of criminal activities, there is no assurance that the Corporation's efforts are able to effectively mitigate risks and safeguard personnel and Corporation property effectively.

Health Epidemics and Outbreaks of Communicable Diseases

Premier's business could be adversely impacted by the effects of the novel coronavirus or other health epidemics and/or outbreaks of communicable diseases, which could significantly disrupt the Corporation's operations and may have a material adverse effect on Corporation's business and financial condition. In December 2019, a novel strain of the coronavirus (COVID-19) emerged in Wuhan, China. The virus has now spread to several other countries, including Canada, the United States and Mexico and was declared a global pandemic by the World Health Organization in March 2020. Global travel and workplace restrictions have been implemented as a result.

The extent to which the coronavirus impacts the Corporation's business, including the Corporation's operations and the market for the Corporation's securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, including the duration, severity and scope of the coronavirus outbreak and the actions taken to contain or treat the outbreak. In particular, the continued or perceived spread of the coronavirus globally could materially and adversely impact the Corporation's business including, without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, stoppage or suspension of its mining operations including the Mercedes Mine and South Arturo Mine, restrictions to its drilling, development and exploration programs and/or the timing to process drill and other metallurgical testing and other factors that will depend on future developments beyond the Corporation's control, which may have a material adverse effect on the Corporation's business, financial condition and results of operations. Moreover, the actual and threatened spread of COVID-19 globally could also have a material adverse effect on the regional economies in which the Corporation operates, could continue to negatively impact stock markets, including the trading price of the Premier Common Shares, could adversely impact the Corporation's ability to raise capital, could cause continued interest rate volatility and movements that could make obtaining financing more challenging or more expensive, could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals and Premier's future prospects and could result in any

operations affected by COVID-19 becoming subject to quarantine. Any of these developments, and others, could have a material adverse effect on the Corporation's business and results of operations. There can also be no assurance that Premier's personnel will not be impacted by these pandemic diseases and ultimately see all or a portion of its mining operations suspended, workforce productivity reduced or incur increased medical costs and/or insurance premiums as a result of these health risks.

Tax Matters

The Corporation's taxes are affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Corporation's filing position, application of tax incentives or similar 'holidays' or benefits were to be challenged for whatever reason, this could have a material adverse effect on the Corporation's business, results of operations and financial condition.

The Corporation is subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively affect the Corporation's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Corporation's business. There is no assurance that the Corporation's current financial condition will not be materially adversely affected in the future due to such changes.

Recovery of Value Added Taxes

The Corporation is exposed to liquidity and credit risk with respect to its VAT receivables if the Mexican tax authorities are unable or unwilling to make payments in a timely manner in accordance with Corporation's monthly filings. Timing of collection on VAT receivables is uncertain as VAT receivable procedures require a significant amount of information and follow-up. The Corporation's approach to managing liquidity risk with respect to its VAT receivables is to file its refund requests on a timely basis, monitor actual and projected collections of its VAT receivables, cooperate with the Mexican tax authorities in providing information as required, and if necessary, pursue any legal remedies it may have under applicable laws, including administrative appeals and litigation. There can be no assurance that the Corporation will receive the full amount of the VAT receivables.

Information Technology

The Corporation is reliant on the continuous and uninterrupted operations of its Information Technology ("IT") systems. User access and security of all IT systems are critical elements to the operations of the Corporation. Protection against cyber security incidents and cloud security, and security of all of the Corporation's IT systems are critical to the operations of the Corporation. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect the reputation, operations or financial performance of the Corporation.

The Corporation's IT systems could be compromised by unauthorized parties attempting to extract business sensitive, confidential or personal information, corrupting information or disrupting business processes or by inadvertent or intentional actions by the Corporation's employees or vendors. A cyber security incident resulting in a security breach, or failure to identify a security threat, could disrupt business and could result in the loss of business sensitive, confidential or personal information or other assets, as well as litigation, regulatory enforcement, violation of privacy and security laws and regulations and remediation costs.

Labour Difficulties

Factors such as work slowdowns or stoppages caused by, among other things, the attempted unionization of operations and difficulties in recruiting qualified miners and hiring and training new miners could materially

adversely affect the Corporation's business. This would have a negative effect on the Corporation's business and results of operations, which might result in the Corporation not meeting its business objectives.

Permits and Licenses

The Corporation is required to maintain in good standing a number of permits and licenses from various levels of governmental authorities in connection with the development and operations at its mineral properties.

Although the Corporation has all required permits for its current operations, there is no assurance that delays will not occur in the renewal of certain permits and there is no assurance the Corporation will be able to obtain additional permits for any possible future changes to operations or additional permits associated with new legislation. There is also no assurance that the Corporation can obtain or that there will not be delays in obtaining the environmental approvals or permits necessary to develop any future projects.

To the extent such approvals or consents are required and are delayed or not obtained, Premier may be curtailed or prohibited from continuing its operations or proceeding with any further development. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration, development or exploitation of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing the operations and activities of mining and exploration companies or more stringent implementation thereof could have a material adverse impact on the Corporation and cause increases in exploration expenses and/or capital and operating expenditures or require abandonment or delays in development or exploitation of mining properties.

Environmental Regulations and Potential Liabilities

The operations of Premier are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental hazards may exist on the properties on which Premier holds interests which are unknown to Premier at present and which have been caused by previous or existing owners or operators of the properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration or mining operations may be required to compensate those suffering loss or damage by reason of the exploration or mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Premier and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties or abandonment or delays in the development of new mining properties. The potential financial exposure may be significant.

The Corporation's operations are subject to environmental regulation primarily by the MOE (Ontario) and the Nevada Division of Environmental Protection (Nevada). The Department of Fisheries & Oceans (Canada) and the Department of the Environment (Canada) have an enforcement role in the event of environmental incidents. Premier is also subject to environmental regulation in Mexico, primarily by the SERMARNAT (Federal Ministry of the Environment and Natural Resources) and its agencies.

Insurance and Uninsured Risks

The Corporation's business is subject to production and operational risks that could have a material adverse effect on the financial condition, results of operations or cash flows of the Corporation and the Corporation's insurance may not cover these risks and hazards adequately or at all.

Mining and metals processing involve significant production and operational risks normally encountered in the exploration, development and production of gold and other base or precious metals, some of which are outside of the Corporation's control, including, without limitation, the following: unanticipated ground and water conditions; adverse claims to water rights and shortages of water to which the Corporation has rights; adjacent or adverse land or mineral ownership that results in constraints on current or future mine operations; geological problems, including seismic activity, earthquakes and other natural disasters; metallurgical and other processing problems; unusual or unexpected mineralogy or rock formations; ground or slope failures; tailings design or operational issues, including dam breaches or failures; structural cave-ins, wall failures or rock-slides; flooding or fires; equipment failures; periodic interruptions due to inclement or hazardous weather conditions or operating conditions and other force majeure events; lower than expected ore grades or recovery rates; accidents; delays in the receipt of or failure to receive necessary government permits; delays in transportation; the results of litigation, including appeals of agency decisions; interruption of energy supply; labour disputes; inability to obtain satisfactory insurance coverage; the availability of drilling and related equipment in the area where mining operations will be conducted; and the failure of equipment/processes to operate in accordance with specifications or expectations.

These risks could result in damage to, or destruction of, the Corporation's mines and milling facilities, resulting in partial or complete shutdowns, personal injury or death, environmental or other damage to properties of the Corporation or others, delays in mining, reduced production, monetary losses and potential legal liability. Milling operations are subject to hazards, such as equipment failure or failure of retaining dams around tailings disposal areas that may result in personal injury or death, environmental pollution and consequential liabilities. In addition, the Corporation relies on a few key vendors for its operations. A breach of the applicable contract by any of these vendors, a significant dispute with any of these vendors, a force majeure event or other operational or financial issues affecting one or more of these vendors, including labor strikes or work stoppages, or any other event that would significantly impede the ability of these vendors to perform their contractual obligations to the Corporation or that would have a significant negative impact on the Corporation's contractual relationship with them would adversely affect the ability of the Corporation to produce its primary products, which could have a material impact on the Corporation's financial condition and results of operations.

Although the Corporation may maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance obtained may contain exclusions and limitations on coverage. In addition, although certain risks are insurable, the Corporation may be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or, if available, may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development and production is not generally available to the Corporation or to other companies in the mining industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which it may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Corporation to incur significant costs that could have a material adverse effect upon its business, consolidated financial condition and results of operations.

Competition

There is significant competition in the precious metals mining industry for mineral rich properties that can be developed and produced economically, the technical expertise to find, develop and operate such properties, the labour to operate the properties and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a global basis. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than Premier, Premier may be unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its projects. Existing or future competition in the mining industry could materially adversely affect Premier's prospects for mineral exploration and success in the future. Increased competition can result in increased costs and lower prices for metal and minerals produced and reduced profitability. Consequently, the revenues of Premier, its operations and financial condition could be materially adversely affected.

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not Premier will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which Premier may be exposed and its financial position at that time.

Conflicts of Interest

The directors and officers of Premier may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of Premier. In the event that such a conflict of interest arises at a meeting of the directors of Premier, a director is required by the OBCA to disclose the conflict of interest and to abstain from voting on the matter.

Foreign Operations and Political and Country Risks

One of the Corporation's principal assets, the Mercedes Mine, is located in Mexico. The Corporation's operations are therefore subject to Mexican federal and state laws and regulations. The risks normally associated with the conduct of business in foreign countries include various levels of political, regulatory, economic, social and other risks and uncertainties. Such risks may include, but are not limited to: local economic instability; high rates of inflation; emerging resource nationalism; restrictions on foreign ownership and activities; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; limitations on repatriation of earnings or other currency controls; limitations on gold exports; labour or political unrest; invalidation of governmental orders, permits or property rights; corruption; sovereign risk, war or civil unrest (including between neighbouring states); military repression; civil disturbances; terrorist activity, piracy and other criminal acts; hostage taking, kidnapping, extortion and gang violence; unanticipated changes in laws or policies; changes in monetary or taxation policies; regime change; the failure of foreign parties to honour contractual relations; foreign taxation; the timing of Premier's receipt of anticipated funds in respect of its VAT receivables; any delays or inability to obtain necessary governmental permits; and opposition to mining from environmental or other non-governmental organizations.

The activities of the Corporation are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, mine safety, toxic substances, land use, water use, land claims of local people, permits, opposition to mining from environmental and other non-governmental organizations, ownership of assets, repatriation of income and return of capital and other matters. Although the operation and exploration activities of the Corporation are currently

carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, production or development. Amendments to current laws and regulations governing operations and activities of mineral exploration, mining and milling, or more stringent implementation thereof, could have a material adverse impact on the Corporation. The effect of these factors cannot be accurately predicted, but, should they materialize, could create a situation adverse to the Corporation or which could undermine the ability of mining companies to operate successfully in Mexico.

Mexico's legal and regulatory requirements in connection with companies conducting mineral exploration and mining activities, banking system and controls as well as local business culture and practices are, in particular, different from those in Canada. While Premier believes its exploration, development and exploitation activities are currently carried out in material compliance with all applicable rules and regulations, the officers and directors of the Corporation must rely, to a great extent, on the Corporation's Mexican legal counsel and local consultants retained by the Corporation in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Corporation's business operations and to assist the Corporation with its governmental relations. Premier also must rely, to some extent, on those members of management and the board of directors of the Corporation who have previous experience working and conducting business in Mexico in order to enhance its understanding of, and appreciation for, the local business culture and practices in Mexico. The Corporation also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing and tax matters in Mexico. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices in Mexico are beyond the control of the Corporation and may adversely affect its business.

Tax regimes in Mexico may be subject to differing interpretations and are subject to change without notice. Based on the current political climate in North America, it is possible that there may be significant changes to regulatory, tax or legal regimes in Canada, the United States and/or Mexico. Such changes may have a material adverse effect on the Corporation's business or results of operations. In addition, the Corporation's interpretation of taxation law as applied to its transactions and activities may not coincide with that of the tax authorities. As a result, transactions may be challenged or revised by tax authorities and the Corporation's operations may be assessed, which could result in significant additional taxes, penalties and interest. There is also a risk that restrictions on the repatriation of earnings from Mexico to foreign entities will be imposed in the future and the Corporation has no control over withholding tax rates.

Mexico recently elected a new federal government that controls the Mexican house of representatives and the senate. New mining laws and regulations are likely to be issued, or modifications to the current laws and regulations put into effect. These new laws or regulations have the potential to negatively affect the Corporation's operations in Mexico. Furthermore, elected members of the current government are actively promoting strengthening unions in Mexico, which could in turn lead to labour unrest in certain industries. This has the potential to impact the Corporation's operations and adversely affect its business.

These risks may limit or disrupt the Corporation's consolidated operations, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation. In the event of a dispute arising from such activities, the Corporation may be subject to the exclusive jurisdictions of courts outside Canada or may not be successful in subjecting persons to the jurisdiction of the courts in Canada, which could adversely affect the outcome of a dispute.

The Corporation's operations and investments could also be negatively affected by changes in Canadian laws and regulations relating to foreign trade, investment and taxation. The Corporation currently does not have political risk insurance.

Compliance with Anti-Corruption Laws and ESTMA

The Corporation is subject to various anti-corruption laws and regulations such as the *Canadian Corruption of Foreign Public Officials Act*. In general, these laws prohibit a Corporation and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. The Mercedes Mine is located in Mexico and, according to Transparency International, Mexico is perceived as having fairly high levels of corruption relative to Canada. The Corporation cannot predict the nature, scope or effect of future regulatory requirements to which the Corporation's operations might be subject or the manner in which existing laws might be administered or interpreted.

Failure to comply with the applicable legislation and other similar foreign laws could expose the Corporation and its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect the Corporation's business, financial condition and results of operations. Likewise, any investigation of any alleged violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Corporation's business, financial condition and results of operations.

In addition, the *Canadian Extractive Sector Transparency Measures Act* ("ESTMA"), which became effective June 1, 2015, requires public disclosure of payments to governments by mining and oil and gas companies engaged in the commercial development of oil, gas and minerals who are either publicly listed in Canada or with business or assets in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments. ESTMA requires reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure improvement payments and any other prescribed payment over \$100,000. Failure to report, false reporting or structuring payments to avoid reporting may result in fines of up to \$250,000 (which may be concurrent). The Corporation was required to commence reporting under ESTMA in 2017. If the Corporation becomes subject to an enforcement action or is in violation of ESTMA, this may result in significant penalties, fines and/or sanctions, which may have a material adverse effect on the Corporation's reputation.

Community Relations and Public Opposition to Mining Activities

The Corporation's relationships with the communities in which it operates are critical to the future success of its existing operations and the construction and development of its projects. In recent years, there has been ongoing and potentially increasing public concern relating to the effects of resource extraction on the natural landscape, communities and the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose globalization and resource development can be vocal critics of the mining industry and its practices, including the use of cyanide and other hazardous substances in processing activities. In addition, there have been many instances in which local community groups have opposed resource extraction activities, resulting in disruption and delays to the relevant operations. Adverse publicity generated by such NGOs or others related to the mining industry or to extractive industries generally, could have an adverse effect on the Corporation's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Corporation seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, there is no guarantee that its efforts in this respect will mitigate this potential risk. NGOs or local community groups could direct adverse publicity against and/or disrupt the operations of the Corporation in respect of one or more of its properties, despite the Corporation's successful compliance with social and environmental best practices. Any such actions and the resulting media coverage could have adverse effects on the reputation and financial condition of the Corporation or its relationships with the communities in which it operates, which could have a material adverse effect on the business, financial condition, results of operations, cash flows or prospects of the Corporation.

Premier's ability to successfully obtain key permits and approvals to explore for, develop and operate mines and to successfully operate in communities around the world will likely depend on its ability to develop, operate and close mines in a manner that is consistent with the creation of social and economic benefits in the surrounding

communities, which may or may not be required by law. Mining operations should be designed to minimize the negative impact on such communities and the environment, for example, by modifying mining plans and operations or by relocating those affected to an agreed location. The cost of these measures could increase capital and operating costs and therefore could have an adverse impact upon the Corporation's financial condition and operations. The Corporation seeks to promote improvements in health and safety, human rights, environmental performance and community relations. However, Premier's ability to operate could be adversely impacted by accidents or events detrimental (or perceived to be detrimental) to the health, safety and well-being of Premier's employees, human rights, the environment or the communities in which the Premier operates.

Litigation Risks

The Corporation may become involved in disputes with third parties in the future that may result in litigation. The results of litigation cannot be predicted with certainty and defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. If the Corporation is unable to resolve these disputes favourably, or if the cost of the resolution is substantial, such events may have a material adverse impact on the Corporation's business, rights, financial condition, results of operations, cash flows or prospects. See "*General Development of the Business – Three Year History – Centerra Litigation*" above.

Reputational Risks

Damage to Premier's reputation can be the result of the actual or perceived occurrence of any number of events and could include any negative publicity, whether true or not. Although the Corporation places a great emphasis on protecting its image and reputation, it does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations and decreased investor confidence and may act as an impediment to the Corporation's overall ability to advance its projects, thereby having a material adverse impact on financial performance, cash flows and growth prospects.

Unexpected Disruption in Services Provided by Smelters or Refiners

The Corporation relies on refiners and smelters to refine and process and, in some cases, purchase, the gold and silver doré and gold and silver concentrate produced by the Corporation's mines. Access to refiners and smelters on economical terms is critical to the Corporation's ability to sell its products to buyers and generate revenues. The Corporation periodically enters into agreements with refiners and smelters, some of which operate their refining or smelting facilities outside of Canada, and the Corporation believes it currently has contractual arrangements with a sufficient number of refiners and smelters so that the loss of any one refiner or smelter would not significantly or materially impact the Corporation's operations or its ability to generate revenues. Nevertheless, services provided by a refiner or smelter may be disrupted by new or increased tariffs, duties or other cross-border trade barriers, the bankruptcy or insolvency of one or more refiners or smelters or the inability to agree on acceptable commercial or legal terms with a refiner or smelter. Such an event or events may disrupt an existing relationship with a refiner or smelter or result in the inability to create a contractual relationship with a refiner or smelter, which may leave the Corporation with limited, uneconomical or no access to refining or smelting services for short or long periods of time. Any such delay or loss of access may significantly impact the Corporation's ability to sell its products.

The Corporation cannot ensure that alternative refiners or smelters would be available or offer comparable terms if the need for them were to arise or that it would not experience delays or disruptions in sales that would materially and adversely affect results of operations. The bankruptcy or insolvency of a refiner or smelter may also result in the inability to recover all of the gold or silver delivered to it for processing which could negatively impact results of operations. In November 2018, one of the refiners of the Corporation's gold, Republic Metals Corporation ("**RMC**"), filed for protection under Chapter 11 of the United States Bankruptcy Code. Approximately 34,087,650 troy ounces of the Corporation's silver and 7,734.459 troy ounces of the Corporation's gold were impacted by RMC's bankruptcy filing, having a value of approximately US\$10.5 million. Premier has commenced a claim asserting ownership of the refined metal derived from doré delivered to RMC but cannot

guarantee it will be able to recover all or a portion of the value of this material. RMC's bankruptcy case is progressing before the Bankruptcy Court for the Southern District of New York. Litigation regarding the ownership of the refined metals and the priority of claims is expected to be completed by the summer of 2020 subject to any delays due to court closures on account of the COVID-19 pandemic and subject to adjustment at the discretion of the Bankruptcy Court. There are approximately 50 customers and banks that are active in the bankruptcy case.

Weather and Climate Change Risks

The operations of the Corporation and its suppliers are subject to physical and financial risks associated with climate variations. Over the past several years, changing weather patterns and climatic conditions due to natural and man-made causes have added to the unpredictability and frequency of natural disasters such as hurricanes, earthquakes, hailstorms, wildfires, snow, ice storms, the spread of disease and insect infestations. Any of these natural disasters could also affect the Corporation's operations or cause variations in the Corporation's costs. Changes in precipitation could make wildfires more frequent or more severe and could adversely affect the Corporation's operations. The effects of global, regional, and local weather conditions and climate change could also adversely impact the Corporation's results of operations.

Risks Relating to the Premier Common Shares Generally

No Guarantee of Positive Return on Investment

There is no guarantee that an investment in the securities of Premier will earn any positive return in the short term or long term. The mineral exploration and development business is subject to numerous inherent risks and uncertainties, and any investment in the securities of Premier should be considered a speculative investment. Past successful performance provides no assurance of any future success. The purchase of securities of Premier involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. An investment in the securities of Premier is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Volatility of the Trading Price of Premier Common Shares

The Premier Common Shares are listed on the TSX. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration or development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continued fluctuations in price will not occur, which may result in losses to investors. The purchase of Premier Common Shares should be undertaken only by investors who have no need for immediate liquidity in their investment.

The trading price of the Premier Common Shares may increase or decrease in response to a number of events and factors, including, but not limited to: Premier's operating performance and the performance of competitors and other similar companies; volatility in gold and other metal prices; the public's reaction to Premier's press releases, other public announcements and Premier's filings with the various securities regulatory authorities; the failure of Premier to meet the reporting and other obligations under Canadian securities laws or imposed by the TSX; changes in recommendations by research analysts who track the Premier Common Shares or the shares of other companies in the resource sector; a reduction in coverage by such research analysts; changes in general economic and/or political conditions; the arrival or departure of key personnel; and acquisitions, strategic alliances or joint ventures involving Premier or its competitors, which, if involving the issuance of Premier Common Shares, or securities exercisable or exchangeable for or convertible into Premier Common Shares, would result in dilution to present and prospective holders of Premier Common Shares. In addition, the market price of the Premier Common Shares is affected by many variables not directly related to Premier's success and are, therefore, not within Premier's control, including other developments that affect the market for all resource

sector securities, the breadth of the public market for the Premier Common Shares and the attractiveness of alternative investments.

Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. Premier may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

In recent months, the price of the Premier Common Shares have experienced volatility which may be attributed to fears of a global economic slowdown from the COVID-19 pandemic. See "*Risk Factors – Health Epidemics and Outbreaks of Communicable Diseases*".

Dilution and Future Sales of Premier Common Shares

Premier has limited financial resources and will have further capital requirements and exploration expenditures as it proceeds to expand exploration activities at its mineral projects, develop any such projects or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it. Premier may sell additional Premier Common Shares or other securities in the future to finance its operations or may issue additional Premier Common Shares or other securities as consideration for future acquisitions. Premier cannot predict the size or nature of future sales or issuances of securities or the effect, if any, that such future sales and issuances will have on the market price of the Premier Common Shares. Sales or issuances of substantial numbers of Premier Common Shares, or the perception that such sales or issuances could occur, may adversely affect prevailing market prices of the Premier Common Shares. Premier's articles permit, among other things, the issuance of an unlimited number of Premier Common Shares for such consideration and on such terms and conditions as are established by the directors of Premier, in many cases, without the approval of shareholders. In addition, as at March 26, 2019, there were 15,580,000 Premier Common Shares issuable upon the exercise of outstanding stock options of Premier at prices ranging from \$1.37 – 4.28. With any additional sale or issuance of Premier Common Shares, investors will suffer dilution to their voting power and economic interest in the Corporation.

No History of Earnings or Dividends

Prior to 2016, the Corporation had no history of significant earnings and as such the Corporation has not paid dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future. Payment of any future dividends will be at the discretion of the board of directors of the Corporation after taking into account many factors, including operating results, financial condition and anticipated cash needs.

Issuance of Preference Shares

As of March 26, 2019, there were no Preference Shares outstanding; however, pursuant to its articles, Premier is authorized to issue an unlimited number of Preference Shares, in one or more series, with the designation of, and the rights, privileges, restrictions and conditions attached thereto, determined at the discretion of the directors of Premier, subject to the articles of Premier and the OBCA. Payment of dividends and repayment of the liquidation preference of such Preference Shares may take preference over any dividends or other payments to the holders of Premier Common Shares.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings material to Premier to which Premier or its subsidiaries is a party or to which any of Premier's property is the subject of, and no such legal proceedings are known by Premier to be contemplated, other than as disclosed herein, or as set out below. See "*General Development of the Business – Three Year History – Centerra Litigation*" and "*Risk Factors – Unexpected Disruption in Services Provided by Smelters or Refiners*" above.

Yamana has commenced a claim against Premier and certain of its affiliates in connection with the Mercedes Acquisition. The claim relates to certain post-closing adjustments, which resulted in Yamana being required to pay Premier USD\$1.26 million. Yamana alleges that Premier was unjustly enriched, but for which Premier would have been required to pay Yamana a post-closing adjustment of USD\$4.6 million. Premier has filed a Statement of Defence denying any liability, and counterclaiming against Yamana for the USD\$1.26 million post-closing adjustment that Yamana has refused to pay. The parties have exchanged documentary productions and are scheduled to complete examinations for discovery by May 15, 2020, subject to any delays due to court closures on account of the COVID-19 pandemic.

During the last financial year, there were no: (i) penalties or sanctions imposed against Premier by a court relating to securities legislation or by a securities regulatory authority; (ii) penalties or sanctions imposed against Premier by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements entered into by Premier before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no director or executive officer of the Corporation, no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the Premier Common Shares, nor any associate or affiliate of any of them, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Premier Common Shares is TSX Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1.

MATERIAL CONTRACTS

The following is a list of material contracts of the Corporation that have been entered into since the beginning of the last financial year of the Corporation or before the last financial year but are still in effect:

- the Greenstone Limited Partnership Agreement (see "*Mineral Projects – Greenstone Gold Property – Background*");
- the Investec Credit Agreement (see "*General Development of the Business – Three Year History – Investec Credit Facility and 2019 Financing Arrangements with Orion – Investec Credit Facility*");
- the Third Orion Subscription Agreement (see "*General Development of the Business – Three Year History – Investec Credit Facility and 2019 Financing Arrangements with Orion – Third Orion Subscription Agreement*");
- the Amended and Restated Silver Stream Agreement (see "*General Development of the Business – Three Year History – Investec Credit Facility and 2019 Financing Arrangements with Orion – Second Amended and Restated Offtake Agreement*");

- the Second Amended and Restated Offtake Agreement (see "*General Development of the Business – Three Year History – Public Offering, 2020 Financing Arrangements with Orion and Investec Amendment – Second Amended and Restated Offtake Agreement*");
- the Second Amended and Restated Gold Prepay Agreement (see "*General Development of the Business – Three Year History – Public Offering, 2020 Financing Arrangements with Orion and Investec Amendment – Second Amended and Restated Gold Prepay Agreement*"); and
- the Investec Amendment (see "*General Development of the Business – Three Year History – Public Offering, 2020 Financing Arrangements with Orion and Investec Amendment – Investec Amendment*").

INTEREST OF EXPERTS

The auditors of the Corporation are Grant Thornton LLP, Chartered Professional Accountants. Grant Thornton LLP is independent of the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

The following persons have also prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made by the Corporation under National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators during, or relating to, the financial year of the Corporation ended December 31, 2019:

- Kathleen Ann Altman, P.E., Ph.D., Roscoe Postle Associates Inc.;
- Rich Bohling, P.E., Jacobs Engineering;
- Sarah Bull, P.E., Practical Mining LLC;
- Philip A. Geusebroek, P. Geo., Roscoe Postle Associates Inc.;
- Louis-Pierre Gignac, P. Eng., G Mining Services Inc.;
- Craig Johnston, M.Sc., P.Geo., Stantec Inc.;
- Vincent Jourdain, Ph.D., P.Eng., MRB & Associates;
- Adam S. Knight, P.E., Practical Mining LLC;
- Abderrazak Ladidi, P.Geo., MRB & Associates;
- John Langton, M.Sc., P.Geo., MRB & Associates;
- Grant A. Malensek, P.Eng./P.Geo., Roscoe Postle Associates Inc.;
- Stephen McGibbon, P.Geo., Executive Vice-President, Corporate and Project Development of the Corporation;
- Martin Ménard, P.Eng., G Mining Services Inc.;
- Hugo Miranda, MBA, M.E., ChMC (RM), Roscoe Postle Associates Inc.;

- Chester M. Moore, P.Eng., Roscoe Postle Associates Inc.;
- Charley Murahwi, M.Sc., P. Geo., Micon International Ltd.;
- Mark Odell, P.E., Principal Engineer, Practical Mining LLC;
- Eric Poirier, P.Eng., WSP Canada Inc.;
- David G. Ritchie, P.Eng., Amec Foster Wheeler;
- Marc Rougier, P.Eng., Golder Associates Limited;
- Pierre Roy, M.Sc., P.Eng., Soutex Inc.;
- Glen Schlyter, P.Eng., G Mining Services Inc.;
- Brenna J.Y. Scholey, P. Eng., Roscoe Postle Associates Inc.;
- Rejean Sirois, P.Eng., G Mining Services Inc.; and
- Laura Symmes, Practical Mining LLC.

To the best knowledge of the Corporation, the persons and firms referenced above each hold less than 1% of any outstanding securities of the Corporation, or of any associate or affiliate of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of securities of the Corporation and securities authorized for issuance under equity compensation plans is contained in the management information circular of the Corporation for its most recent annual meeting of shareholders that involved the election of directors. Additional financial information is provided in the financial statements of the Corporation and related management's discussion and analysis for the most recently completed financial year of the Corporation.

SCHEDULE "A"
MANDATE OF THE AUDIT COMMITTEE

Purpose

1. The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of Premier Gold Mines Limited (the "**Corporation**") to assist the Board in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Corporation.

Composition

2. The Committee shall be composed of three or more directors as designated by the Board from time to time.
3. The Chair of the Committee shall be designated by the Board from among the members of the Committee.
4. The members of the Committee shall meet all applicable securities laws, instruments, rules and policies and regulatory requirements (collectively "**Applicable Laws**"), including those relating to independence and financial literacy. Accordingly, each member shall be independent and financially literate within the meaning of Applicable Laws.
5. Each member of the Committee shall be appointed by, and serve at the pleasure of, the Board. The Board may fill vacancies in the Committee by appointment from among the Board.

Meetings

6. The Committee shall meet at least quarterly in each financial year of the Corporation. The Committee shall meet otherwise at the discretion of the Chair or a majority of the members or as may be required by Applicable Laws.
7. A majority of the members of the Committee shall constitute a quorum.
8. At each meeting to review the interim and annual financial statements of the Corporation or when requested by a member of the Committee on an ad hoc basis, the Committee shall hold an in camera session without any senior officers present at each meeting of the Committee.
9. The time and place at which meetings of the Committee are to be held, and the procedures at such meetings, will be determined from time to time by the Chair. A meeting of the Committee may be called by notice, which may be given by written notice, telephone, facsimile, email or other communication equipment, given at least 48 hours prior to the time of the meeting, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent waive notice or otherwise signify their consent to the holding of such meeting.
10. Members may participate in a meeting of the Committee by means of conference telephone or other communication equipment.
11. The Committee shall keep minutes of all meetings which shall be available for review by the Board.
12. The Committee may appoint any individual, who need not be a member, to act as the secretary at any meeting.
13. The Committee may invite such directors, senior officers and other employees of the Corporation and

such other advisors and persons as is considered advisable to attend any meeting of the Committee.

14. Any matter to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Any action of the Committee may also be taken by an instrument or instruments in writing signed by all of the members of the Committee (including in counterparts) and any such action shall be as effective as if it had been decided by a majority of the votes cast at a meeting of the Committee called for such purpose.
15. The Committee shall report its determinations and recommendations to the Board.

Resources and Authority

16. The Committee has the authority to:
 - (a) engage, at the expense of the Corporation, independent counsel and other experts or advisors as is considered advisable;
 - (b) determine and pay the compensation for any independent counsel and other experts and advisors retained by the Committee;
 - (c) communicate directly with the independent auditor of the Corporation (the "**Independent Auditor**");
 - (d) conduct any appropriate investigation;
 - (e) request the Independent Auditor, any senior officer or other employee, or outside counsel for the Corporation, to attend any meeting of the Committee or to meet with any members of, or independent counsel or other experts or advisors to, the Committee; and
 - (f) have unrestricted access to the books and records of the Corporation.

Responsibilities

(a) *Financial Accounting, Internal Controls and Reporting Process*

17. The responsibilities of the Committee are:
 - (a) review management's report on, and assess the integrity of, the internal controls over the financial reporting of the Corporation and monitor the proper implementation of such controls;
 - (b) review and recommend for approval by the Board the quarterly unaudited financial statements, management's discussion and analysis ("**MD&A**") thereon and the other financial disclosure related thereto required to be reviewed by the Committee by Applicable Laws;
 - (c) review and report to the Board on the annual audited financial statements, the MD&A thereon and the other financial disclosure related thereto required to be reviewed by the Committee by Applicable Laws;
 - (d) monitor the conduct of the audit function;
 - (e) discuss and meet with, when considered advisable to do so and in any event no less frequently than annually, the Independent Auditor, the Chief Financial Officer (the "**CFO**") and any other senior officer or other employee which the Committee wishes to meet with, to review

accounting principles, practices, judgments of management, internal controls and such other matters as the Committee considers appropriate; and

- (f) review any post-audit or management letter containing the recommendations of the Independent Auditor and management's response thereto and monitor any subsequent follow-up to any identified financial reporting or audit related weaknesses.

(b) Public Disclosure

18. The Committee shall:

- (a) review the quarterly and annual financial statements, the related MD&A, quarterly and annual earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under Applicable Laws; and
- (b) review the procedures which are in place for the review of the public disclosure by the Corporation of financial information extracted or derived from the financial statements of the Corporation and periodically assess the adequacy of such procedures.

(c) Risk Management

19. The Committee should inquire of the senior officers and the Independent Auditor as to the significant risks or exposures, both internal and external, to which the Corporation is subject, and review the actions which the senior officers have taken to address such risks. In conjunction with the Corporate Governance Committee of the Board, the Committee should annually review the directors' and officers' third-party liability insurance of the Corporation.

(d) Corporate Conduct

20. The Committee should ensure that there is an appropriate standard of corporate conduct relating to the internal controls and financial reporting of the Corporation.

21. The Committee should establish procedures for the:

- (a) receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls and auditing matters; and
- (b) confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

(e) Independent Auditor

22. The Committee shall recommend to the Board, for appointment by shareholders, a firm of external auditors to act as the Independent Auditor and shall monitor the independence and performance of the Independent Auditor. The Committee shall arrange and attend, as considered appropriate and at least annually, a private meeting with the Independent Auditor and shall review and approve the remuneration of Independent Auditor.

23. The Committee should resolve any otherwise unresolved disagreements between the senior officers and the Independent Auditor regarding the internal controls or financial reporting of the Corporation.

24. The Committee should pre-approve all audit and non-audit services not prohibited by law (including Applicable Laws) to be provided by the Independent Auditor. The Chair of the Committee may, and is

authorized to, pre-approve non-audit services provided by the Independent Auditor up to a maximum cost of \$25,000 per engagement.

25. The Committee should review the audit plan of the Independent Auditor, including the scope, procedures and timing of the audit.
26. The Committee should review the results of the annual audit with the Independent Auditor, including matters related to the conduct of the audit.
27. The Committee should obtain timely reports from the Independent Auditor describing critical accounting policies and practices applicable to the Corporation, the alternative treatment of information within GAAP that were discussed with the CFO, the ramifications thereof, and the Independent Auditor's preferred treatment and should review any material written communications between the Corporation and the Independent Auditor.
28. The Committee should review the fees paid by the Corporation to the Independent Auditor and any other professionals in respect of audit and non-audit services on an annual basis.
29. The Committee should review and approve the Corporation's hiring policy regarding partners, employees and former partners and employees of the present and any former Independent Auditor.
30. The Committee should monitor and assess the relationship between the senior officers and the Independent Auditor and monitor the independence and objectivity of the Independent Auditor.

(f) *Other Responsibilities*

31. The Committee should review and assess the adequacy of this mandate from time to time and at least annually and submit any proposed amendments to the Board for consideration.
32. The Committee should perform any other activities consistent with this mandate and Applicable Laws as the Committee or the Board considers advisable.

Chair

33. The Chair of the Committee should:
 - (a) provide leadership to the Committee and oversee the function of the Committee;
 - (b) chair meetings of the Committee, unless not present, including in camera sessions, and report to the Board following each meeting of the Committee on the activities and any recommendations and decisions of the Committee and otherwise at such times and in such manner as the Chair considers advisable;
 - (c) ensure that the Committee meets at least four times per financial year of the Corporation and otherwise as is considered advisable;
 - (d) in consultation with the Chairman of the Board and the members, establish dates for holding meetings of the Committee;
 - (e) set the agenda for each meeting of the Committee with input from other members, the Chairman of the Board, the Lead Director, if any, and any other appropriate individuals;
 - (f) ensure that Committee materials are available to any director upon request;

- (g) act as liaison and maintain communication with the Chairman of the Board, the Lead Director, if any, and the Board to co-ordinate input from the Board and to optimize the effectiveness of the Committee;
- (h) report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board;
- (i) assist the members of the Committee to understand and comply with the responsibilities contained in this mandate;
- (j) foster ethical and responsible decision making by the Committee;
- (k) together with the Corporate Governance Committee, oversee the structure, composition and membership of, and activities delegated to, the Committee from time to time;
- (l) ensure appropriate information is provided to the Committee by the senior officers to enable the Committee to function effectively and comply with this mandate;
- (m) ensure that appropriate resources and expertise are available to the Committee;
- (n) ensure that the Committee considers whether any independent counsel or other experts or advisors retained by the Committee are appropriately qualified and independent in accordance with Applicable Laws;
- (o) facilitate effective communication between the members of the Committee and the senior officers and encourage an open and frank relationship between the Committee and the Independent Auditor;
- (p) attend, or arrange for another member of the Committee to attend, each meeting of the shareholders of the Corporation to respond to any questions from shareholders that may be asked of the Committee; and
- (q) perform such other duties as may be delegated to the Chair by the Committee or the Board from time to time.

Approved by the Board on May 11, 2016.

SCHEDULE "B" WHISTLEBLOWER POLICY

I. Purpose

The audit committee (the "**Audit Committee**") of Premier Gold Mines Limited (the "**Corporation**") has approved the following procedures for the receipt of complaints and concerns of employees of the Corporation regarding accounting and auditing matters relating to the Corporation.

II. Responsibilities of Audit Committee with Respect to Specified Complaints

1. The Audit Committee shall receive, investigate and act on complaints and concerns ("**Reports**") of employees of the Corporation regarding:
 - (a) accounting, internal accounting controls and auditing matters, including those regarding the circumvention or attempted circumvention of internal accounting controls or that would otherwise constitute a violation of the accounting policies (an "**Accounting Allegation**") of the Corporation;
 - (b) compliance with legal and regulatory requirements (a "**Legal Allegation**"); and
 - (c) retaliation against employees of the Corporation who make Accounting Allegations or Legal Allegations (a "**Retaliatory Act**").
2. In the discretion of the Audit Committee, responsibilities of the Audit Committee created by these procedures may be delegated to the chairman of the Audit Committee. Where the chairman of the Audit Committee is delegated the obligation to receive and investigate complaints and concerns pursuant to this Policy, he or she shall provide a report to the full Audit Committee at each Audit Committee meeting. Such report shall consist of a summary of complaints and concerns received and investigated since the last Audit Committee meeting including the disposition of any complaints and concerns investigated.

III. Procedures for Making and Receiving Reports

1. Any person acting in good faith and with reasonable grounds for believing an allegation of suspected improper activities may make a Report of such allegations. Knowledge or suspicion of improper activities may originate from employees in day to day work or in dealings with internal or external auditors, law enforcement officials, regulatory agencies, customers or other third parties. Employees should express any questions, concerns, suggestions or complaints they have with someone who can address them properly. Often, an individual's manager is in the best position to address a particular concern. However, an employee may also report matters according to the procedures set out in this Policy.
2. Reports are encouraged to be made in writing so as to assure a clear understanding of the issues raised but may be made orally or via email. Reports should be factual in nature and contain as much specific information as possible to allow for proper assessment and investigation of the allegations reported and may be made openly, confidentially or anonymously to the chairman of the Audit Committee as follows:

Name:	John Seaman
Email:	whistleblower@premiergoldmines.com
Tel. toll free:	1-855-244-5184
3. Any Report that is made directly to any member of the Corporation's management, whether openly, confidentially or anonymously, shall be recorded and promptly referred to the Audit Committee.

4. For the purpose of determining whether a Report warrants further investigation or review, each Report referred to the Audit Committee and each Report made directly to the Audit Committee, whether openly, confidentially or anonymously, shall be reviewed by the Audit Committee, who may, in its discretion, consult with any director, officer or employee of the Corporation who is not the subject of the allegation and who may have appropriate knowledge to assist the Audit Committee.
5. If the Audit Committee determines that further review or investigation is warranted in respect of a Report, the Audit Committee shall decide whether it will be the responsibility of the Audit Committee or of management to investigate the Report, taking into account the considerations set forth in section IV below.
 - (a) If the Audit Committee determines that management will investigate the Report, the Audit Committee will notify the Chief Executive Officer of the Corporation in writing of that determination. Management shall thereafter promptly investigate the Report and shall report the results of its investigation, in writing, to the Audit Committee. Management shall be free, in its discretion, to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.
 - (b) If the Audit Committee determines that it will investigate the Report, the Audit Committee shall promptly determine what professional assistance, if any, it needs in order to conduct the investigation. The Audit Committee shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

IV. Considerations Relative to Whether the Audit Committee or Management Should Investigate a Report

1. In determining whether it will be the responsibility of the Audit Committee or of management to investigate the Report, the Audit Committee shall consider, among any other factors that are appropriate under the circumstances, the following:
 - (a) Who is the alleged wrongdoer? If an executive officer or financial officer of the Corporation is alleged to have engaged in wrongdoing, that factor alone may support a decision by the Audit Committee to conduct an investigation.
 - (b) How serious is the alleged wrongdoing? The more serious the alleged wrongdoing, the more appropriate that the Audit Committee should undertake the investigation. If the alleged wrongdoing would constitute an offence involving the integrity of the financial statements of the Corporation, that factor alone may support a decision by the Audit Committee to conduct an investigation.
 - (c) How credible is the allegation of wrongdoing? The more credible the allegation, the more appropriate that the Audit Committee should undertake the investigation. In assessing credibility, the Audit Committee should consider all facts surrounding the allegation, including, but not limited to, whether similar allegations have been made in the press or by analysts.

V. Protection of Whistleblowers

1. The Audit Committee shall not retaliate, and shall not tolerate any retaliation by management or any other person or group, directly or indirectly, against anyone who in good faith makes an Accounting Allegation or Legal Allegation, reports a Retaliatory Act or provides assistance to the Audit Committee, management or any other person or group, including any governmental, regulatory or law enforcement body, investigating a Report. The Audit Committee shall not, unless compelled by judicial or other legal process, reveal the identity of any person who makes an Accounting Allegation or Legal Allegation or reports a Retaliatory Act and who asks that his or her identity as the person who made such Report remain confidential. The Audit

Committee shall not make any effort, or tolerate any effort made by management or any other person or group, to ascertain the identity of any person who makes a Report anonymously.

VI. Records

The Audit Committee shall retain for a period of seven years all records relating to any Accounting Allegation or Legal Allegation or report of a Retaliatory Act and to the investigation of any such Report. The types of records to be retained by the Audit Committee shall include records of all steps taken in connection with the investigation and the results of any such investigation.

VII. Notification of Others

At any time during a review and/or an investigation of a Report, the chairman of the Audit Committee may notify the Corporation's counsel or external auditors of the receipt of a Report and/or the progress or results of any review and/or investigation of the report and will provide such level of detail as may be necessary to allow for appropriate consideration by such persons of the Corporation's ongoing disclosure obligations, including with regard to any required officer certifications.

Approved: May 11, 2016

SCHEDULE "C"
HARDROCK - HISTORY

Year	Company	Activity	Comments¹
1980	Long Lac Minerals Ltd.	Studies of existing underground reserves; Lithological reconnaissance	
1982	Lac Minerals Ltd. Mining Corporation of Canada	Ore reserves and ore potential in the Hard Rock and MacLeod-Mosher mines	Ore reserves of 1,300,000 tonnes at 0.140 oz/t Au (Proven and Probable ore) 80% of total ore located below Level 13 of the Mosher winze (No. 3 shaft) - Mineralization of the down-plunge of the F Zone and South Zone
1987	Lac Minerals	Line cutting ground magnetometer, very low frequency electromagnetic ("VLF EM"), and induced polarization ("IP") surveys; diamond drilling (37 DDH = 6,218.9 metres)	DDH targets were the open pit potential of the Hard Rock D and F Zones, North and South Porphyry and Homestake-Porphyry Hill - Several IP anomalies were partially tested
1988	Lac Minerals	Diamond drilling (40 DDH = 9,052.6 metres)	- DDH targets were the open pit potential of the Hard Rock D and F Zones, North and South Porphyry, and Homestake-Porphyry Hill
1992	Asarco and Lac Minerals	Agreement between Asarco and Lac Minerals	- Asarco acquired 95 patented claims and 52 licences, including the former MacLeod-Cockshutt, Mosher-Longlac and Hard Rock mines
1993	Asarco and Lac Minerals	106 reverse circulation overburden ("RCO") drill holes (1,483.2 metres); Diamond drilling (28 DDH = 5,125.2 metres); Geological resource estimate	RCO drilling program was a reconnaissance test for anomalous gold values in glacial till Diamond drilling program tested IP targets associated with iron formation and the near-surface portion of the F Zone - Pit resource: 1,920,000 tonnes at 0.079 oz/t Au with strip ratio of 4.76/1 Ramp Resource: 1,600,000 tonnes at 0.127 ounces per tonne
1994	Asarco and Lac Minerals	17 RCO drill holes (395.6 metres); 21 sonic drill holes (304.8 metres); Diamond drilling (78 DDH = 11,961.9 metres)	RCO drilling program was a reconnaissance test for anomalous gold value in glacial till Sonic drilling program tested the MacLeod-Mosher tailings Diamond drilling program consisted of infill drilling within a potential open pit zone (F Zone, North Porphyry Zone, South Porphyry Zone, and No.2 Vein) and testing of the near-surface portions of the C Zone and North Zone
1995	Asarco and Lac Minerals	Prefeasibility study; Mineral resource estimate	Pit resource: 2,900,000 tonnes at 0.086 oz/t Au Underground resource: 1,400,000 tonnes at 0.131 oz/t
1995	Lac Minerals	Diamond drilling (7 DDH = 1,024.4 metres)	Diamond drilling program to test some of the crown pillars of old stopes of the past producer mines

<u>Year</u>	<u>Company</u>	<u>Activity</u>	<u>Comments¹</u>
1996	Lac Properties Inc. and Cyprus	Project joint-venture; Diamond drilling (24 DDH = 1,024.4 metres); Metallurgic work on the previous sonic holes; Samples from tailings; Environmental assessment work	Diamond drilling program defined the previous open-pit area identified by Lac Minerals and Asarco Exploration
1997	Lac Properties Inc. and Cyprus	Diamond drilling (1 DDH = 185.0 metres) Geological resource estimate	Pit resource: 9,800,000 tonnes at 0.047 oz/t Au Tailing resource: 11,200,000 tonnes at 0.023 oz/t Au
2000	Lac Properties Inc.	Diamond drilling (1 DDH = 369.5 metres)	Diamond drilling program tested the F Zone crown pillar of old stopes at the past producer MacLeod-Cockshutt mine
2002	Lac Properties Inc.	Diamond drilling (16 DDH = 2116.8 metres)	Diamond drilling program tested some of crown pillars of old stopes of the past producer Hard Rock gold mine
2007	Lac Properties Inc.	Diamond drilling	Six diamond drill holes totaling 1,208.1 metres were drilled in crown pillars
2008	Premier	Acquisition of the Hardrock project from Lac	
2009	Premier	Diamond drilling (346 DDH = 91,802 metres); Overburden stripping with power washing, mapping and sampling	Diamond drilling program focused on the North Iron Formation Area, Porphyry Hill Area and East Pit Area Two areas were stripped (GP-Zone and TAZ Zone)
2012	Premier	Diamond drilling (125 DDH = 68,549 metres)	Diamond drilling program focused on the Fortune, HGN and P-Zones. - Updated mineral resource estimate and supporting NI 43-101 technical report
2012-2013	Premier	Diamond drilling (153 DDH = 72,776.4 metres) (from Oct. 31, 2012 to Aug. 9, 2013) (144 DDH = 66,606.7 metres) (from Aug. 10, 2013 to Dec. 31, 2013)	Updated mineral resource estimate and supporting NI 43-101 technical report
2014	Premier	Preliminary Economic Assessment	Using the consistent gold price of US\$1,250 per ounce and a currency exchange rate of C\$1.00 = US\$0.95, the Hardrock project generates a positive cash flow with a net present value (" NPV ") of \$518.70M (discounted at 5%) and an internal rate of return (" IRR ") of 23.02% before taxes and \$358.97 million (discounted at 5%) and an IRR of 19.02% after taxes.
2014	Premier	(38 DDH = 12,653.6 metres) (from Jan 1, 2014 to May. 26, 2014)	Updated mineral resource estimate and supporting NI 43-101 technical report
2015	Premier and Centerra	Formation of the Greenstone Partnership	New NI 43-101 technical report

Note:

(1) A qualified person for the purposes of NI 43-101 has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves. The Corporation is not treating the historical estimates contained herein as current.

SCHEDULE "D"
MCCOY-COVE PROPERTY - EXPLORATION HISTORY

A number of different companies have conducted exploration at the McCoy-Cove Property over the years. Below is an itemized summary of relevant historical exploration conducted at the McCoy-Cove Property:

<u>Dates</u>	<u>Company</u>	<u>Activity Details</u>
1914 to 1960s	Various	Gold was first discovered in the McCoy Mining District in 1914 by Joseph H. McCoy, and a total production through 1977 included approximately 10,000 oz of gold plus minor amounts of silver, lead, and copper. Production in these early years came from placers and from gold-quartz veins that occurred in northeast striking faults and in intersections of northeast and northwest striking faults. Most of the non-placer production, however, came from argillized and oxidized skarn at what became the McCoy open pit mine.
1960s- 1967	Bear Creek Mining Company	Modern exploration for copper and gold in the McCoy Mining District started in the 1960s by Bear Creek Mining Company and Pilot Exploration drilling in 1967.
1969- 1977	Summa Corporation ("Summa")	Summa conducted extensive exploration on the McCoy skarn deposit from 1969 to 1977. Summa also undertook regional geologic mapping of 55 square miles (including the McCoy-Cove Property area) and extensive rock and chip surveys.
1977- 1981	Houston Oil and Gas Corporation (" Houston ")	In 1977, Houston purchased the McCoy-Cove Property. Houston (which later became Houston International Minerals Corporation) explored the property in 1980, including geologic mapping, soil geochemical surveys, ground magnetic surveys, and drilling.
1981- 1984	Gold Fields Mining Corporation (" Gold Fields ")	Gold Fields conducted an extensive induced polarization (IP) program, airborne magnetic surveys, detailed rock chip sampling, as well as limited geologic mapping and drilling between 1981 and 1984.
1984 to 1986	Tenneco Minerals Company (" Tenneco ")	Tenneco undertook drilling, metallurgical testing, and engineering and feasibility studies and began mining the McCoy deposit in February 1986. Tenneco also began systematic district-wide exploration in 1985 with the collection of 500 stream sediment samples from an eight square mile area around the McCoy deposit. Evidence of what would become the Cove deposit was found in early 1986, when seven samples yielded gold values of between 15 parts per billion ("ppb") and 72 ppb with associated anomalous silver, arsenic, mercury, antimony, and thallium. Subsequent detailed geologic mapping identified jasperoid, manganeseiferous limestone, and outcrops of altered felsic dikes in the area of the anomalous samples. Surface rock chip samples of these rocks all contained significant gold mineralization. Tenneco's detailed mapping covered a large area that included both McCoy and Cove and extended to the north, west, and south. In September and October 1986, a total of 147 soil samples were collected from the B and C soil horizons over the altered area at Cove on a 100 ft by 200 ft grid.
1986- 2003	Echo Bay Mines Ltd. (" Echo Bay ")	Echo Bay continued the systematic district exploration program initiated by Tenneco that included stream sediment, soil, and rock chip sampling plus geologic mapping, exploration trenching using a bulldozer and drilling. Later soil sampling at Cove defined a gold anomaly measuring 2,800 ft long by 100 ft to 600 ft wide, with gold values ranging from 100 ppb to 2,600 ppb. Bulldozer trenching exposed ore grade rock over the entire length of this soil anomaly. Echo Bay discovered the Cove deposit with drilling in January 1987. By March 1987, Echo Bay had drilled 42 shallow exploration holes and development drilling began in late March. Echo Bay drilled 458 reverse circulation (" RC ") holes totalling 315,000 ft from January 1987 through June 1988 and 51 core holes totalling approximately 65,800 ft through 1989. In 1999, Echo Bay drilled eight surface drill holes totalling 6,700 ft on the Cove South Deep deposit. This drilling, combined with bulk sampling from an underground exploration drift, confirmed the presence of a high grade zone (0.25 ounce per short tonne ("oz/st") of Au) that could be mined by underground

Dates	Company	Activity Details
2003-2005	Newmont and Victoria	<p>methods. Detailed underground drilling of this deposit continued during 2000 as mining proceeded.</p> <p>Newmont drilled 15 vertical holes on the property from 2004 to 2005. Victoria began exploring the property in 2006 resulting in the discovery of the Carlin-style Helen zone immediately northwest of the Cove pit. The Helen zone was similar to the Cove South Deep deposit defined by Echo Bay in the late 1990s as both are refractory Carlin-type deposits hosted within the Home Station and Favret Limestone formations.</p>

SCHEDULE "E"
MCCOY-COVE PROPERTY - PRODUCTION HISTORY

The below table summarizes the annual production between 1986 and 2006 at the McCoy and Cove mines.

Year	Ore		Mill Grade								Au Ounces	Ag Ounces
	Milled Oxide Ore Tons (000)	Processed Milled Sulphide Ore Tons (000)	Heap Leach Tons (000)	Oxide Ore		Sulphide Ore		Heap Leach				
				Au oz/st	Ag oz/st	Au oz/st	Ag oz/st	Au oz/st	Ag oz/st			
1986	-	-	1,851	-	-	-	-	-	-	34,035	na	
1987	-	-	4,292	-	-	-	-	0.040	-	90,788	56,800	
1988	-	-	2,994	-	-	-	-	0.053	1.14	104,009	764,116	
1989	-	-	5,696	0.11	3.21	-	-	0.020	0.44	214,566	2,259,653	
1990	1,358	201	5,709	0.084	0.82	0.227	6.17	0.021	0.20	255,044	1,982,455	
1991	2,004	364	5,174	0.077	1.70	0.194	8.42	0.020	0.69	284,327	5,619,007	
1992	2,094	990	9,029	0.075	2.54	0.163	7.57	0.014	0.60	301,512	7,921,496	
1993	1,483	552	8,938	0.107	4.61	0.136	4.65	0.017	0.88	395,608	12,454,338	
1994	2,308	2,304	7,892	0.126	6.71	0.143	4.91	0.013	0.48	359,360	10,443,151	
1995	506	2,151	4,355	0.150	5.42	0.104	5.23	0.018	0.49	310,016	11,905,806	
1996	497	3,287	6,068	-	-	0.086	3.14	0.018	0.27	271,731	7,102,348	
1997	-	3,391	6,494	-	-	0.061	4.54	0.018	0.29	187,034	11,021,708	
1998	-	4,306	4,112	-	-	0.046	2.95	0.021	0.26	167,494	9,412,823	
1999	-	4,452	4,178	-	-	0.038	3.02	0.022	0.37	124,536	8,430,072	
2000	-	4,172	1,809	-	-	0.053	3.71	0.024	0.93	162,784	12,328,297	
2001	-	-	-	-	-	-	-	-	-	94,633	6,451,425	
2002	-	-	-	-	-	-	-	-	-	33,142	1,987,421	
2003	-	-	-	-	-	-	-	-	-	4,699	706	
2004	-	-	-	-	-	-	-	-	-	8,454	64,335	
2005	-	-	-	-	-	-	-	-	-	2,740	776	
2006	-	-	-	-	-	-	-	-	-	2,939	596	
Total	10,250	26,170	78,591	0.095	2.93	0.076	3.98	0.021	0.48	3,409,451	110,207,329	

Source: Mine Development Associates, 2008 – taken from Briggs 2001 & Nevada Bureau of Mines and Geology 2007

Note: The 1996-2000 milled sulphide ore data contained a minor amount of milled oxide ore.

Underground access at the Cove Mine was via a decline with rubber-tire machines using a room and pillar mining method. A dual purpose of the underground mining was to assist the dewatering of the open pit. From 1988 to 1993, underground mining was used to recover high grade, base metal, vein-type ore. In 1999, additional underground mining at Cove East followed high grade, base metal, vein-type ore that extended into the east wall near the bottom of the Cove pit; approximately 100,000 tons were mined from a relatively flat-lying zone ranging from 10 ft to 80 ft thick. At Cove East, open stoping methods were used. The last phase of underground mining began in the fall of 1999 and followed the Cove South Deep upper zone of high grade Carlin-type ore, a relatively flat zone averaging approximately 10 ft thick. Cove South Deep was discovered in the late 1980s and an exploration drift was driven into it from Cove East in 1999. Cove South Deep was mined by drift and fill mining methods. Underground mining was finished in July 2001 with an estimate of approximately 300,000 tons of ore extracted from the Cove South Deep deposit.

Conventional open pit mining methods were utilized at Cove open pit, with drilling and blasting of ore on 20 ft benches (double benched to 40 ft) and waste on 30 ft benches (double benched to 60 ft). The lower sulphide orebody was reached in late 1991.

Processing of low grade, run-of-mine heap leach ores from Cove began in 1992 and mining of high grade ores was completed in 1995. Open pit mining ended at Cove in October 2000. As of 1994, approximately 185,000 tons of ore and waste rock were mined each day from the Cove open pit.

An average of 8,000 tons of higher grade ore (>0.036 oz/st Au equivalent ("**AuEq**")) was mined each day to supply the mill; 15,000 tons per day of leach grade ore (>0.017 oz/st AuEq) were crushed to supply heap leach operations; an additional 2,000 tons to 4,000 tons of low grade ore (>0.009 oz/st AuEq) were also leached without crushing; and 160,000 tons of waste rock were mined each day.

In 1996, the mill facility was expanded from 7,500 short tonnes per day ("**stpd**") to 10,000 stpd, with milling of stockpiled carbonaceous ores from the Cove open pit beginning in the second half of 1997. Mill recoveries declined during the remaining life of the mine as lower grade, more refractory ores were processed. By October 2000, the mill was processing 11,369 stpd. As of that date, the gold grade was 0.055 oz/st Au and plant gold recovery was 51.8%; silver grade was 4.00 oz/st Ag and plant silver recovery was 71.5%.

Gold and silver were recovered by milling of higher grade ore and heap leaching of lower grade ore. The mill contained gravity, flotation, and cyanide leach circuits. Through 2006, a total of 3.41 million ounces of gold and 110.2 million ounces of silver were produced from Cove and McCoy, with the vast majority of both metals reportedly coming from the Cove deposit. Approximately 2.6 million ounces of gold were produced from the Cove open pit.

Numerous estimates of historical "geological resources" and "proven and probable reserves" have been reported for the McCoy and Cove deposits. The estimates listed in the below table pre-date the introduction of NI 43-101 reporting standards and do not meet the NI 43-101 criteria for resource/reserve classification as they have not been prepared in compliance with the CIM definitions for mineral resources and mineral reserves. As such, these estimates should not be relied upon. These are relevant as they indicate the potential mineralization in the area. In most instances, the estimates are for mineralization that was subsequently mined at Cove and McCoy and thus does not represent remaining "reserves" available for future production.

<u>Company</u>	<u>Date</u>	<u>Location</u>	<u>Tons</u>	<u>Au Grade (oz/st)</u>	<u>Contained Au (000 oz)</u>	<u>Comments</u>
Emmons and Coyle	1987	Cove & McCoy	50 to 70	0.065	3,000 to 5,000	Geological Resource
Kuyper et al.	1991	Cove & McCoy	53.7	0.054	2,900	Proven & Probable Reserves
		Cove	-	-	3,600	Estimated in situ pre-mining
Emmons and Eng	1995	McCoy	-	-	880	Reserves 1999 Year End
Echo Bay Minerals Co.	1999	Cove & McCoy	11.8	0.043	500	Proven & Probable Reserves
Nevada Bureau of Mines & Geology	2000	Cove & McCoy	4.7	0.034	160	Proven & Probable Reserves
Nevada Bureau of Mines & Geology	2001	Cove & McCoy	0.4	0.031	12	Proven & Probable Reserves

Notes: The estimates have not been prepared in compliance with the CIM definitions pursuant to provisions of NI 43-101 and, as such should not be relied on.