

# GENERATION MINING

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## Generation Mining Secures \$240 Million Stream with Wheaton Precious Metals

**Toronto, Ontario – December 22, 2021** – Generation Mining Limited (TSX: GENM; OTCQB: GENMF) (“Gen Mining” or the “Company”) is pleased to announce that it has agreed to enter into a definitive Precious Metal Purchase Agreement (the “Marathon PMPA”) with Wheaton Precious Metals Corp. (“Wheaton”) in respect to the Marathon Palladium Copper project in Northwestern Ontario (the “Marathon Project”). The Marathon PMPA becoming effective is subject to the closing of Gen Mining’s acquisition of the remaining 16.5% interest in the Marathon Project from Sibanye Stillwater Limited (see Press Release dated December 8, 2021).

Pursuant to the PMPA, Wheaton will pay Gen Mining a total upfront cash consideration of C\$240 million, C\$40 million of which will be paid on an early deposit basis prior to construction to be used for development of the Marathon Project, with the remainder payable in four staged installments during construction, subject to various customary conditions being satisfied.

“Entering into this agreement with the world’s largest precious metals streaming company validates the potential economics of the Marathon Project and is a significant milestone for the Company and our shareholders,” said Jamie Levy, Gen Mining President and CEO. “This stream represents a key cornerstone financing commitment for the ultimate project financing package. Working closely with our financial advisors, Endeavour Financial, we will now focus on sourcing the remaining key financial components of the project financing including project debt, offtake agreements and equipment financing.”

### **MARATHON PMPA TRANSACTION DETAILS**

- Under the Marathon PMPA, Wheaton will purchase 100% of the payable gold production until 150 thousand ounces (“koz”) have been delivered, thereafter dropping to 67% of payable gold production for the life of the mine; and 22% of the payable platinum production until 120 koz have been delivered, thereafter dropping to 15% for the life of mine.
- Wheaton will pay Gen Mining a total upfront cash consideration of C\$240 million, C\$40 million of which will be paid on an early deposit basis prior to construction to be used for development of the Marathon Project, with the remainder payable in four staged installments during construction, subject to various customary conditions being satisfied and pre-determined completion tests.

- Wheaton will make ongoing payments for the gold and platinum ounces delivered equal to 18% of the spot prices (“Production Payment”) until the value of gold and platinum delivered less the Production Payment is equal to the upfront consideration of C\$240 million, at which point the Production Payment will increase to 22% of the spot prices.
- Gen Mining and its subsidiary Generation PGM, which is the owner of the Marathon Project, will provide Wheaton with corporate guarantees and other security over their assets.
- The first advance of the early deposit under the Marathon PMPA is expected to occur early in 2022, subject to the closing of Gen Mining’s acquisition of the remaining 16.5% interest in the Marathon Project (see Press Release dated December 8, 2021), the completion of certain corporate matters and customary conditions.

As detailed in the Marathon Feasibility Study released on March 4, 2021, over a 13-year mine life the Marathon Project is estimated to produce 1,905,000 ounces of palladium, 467 million lbs of copper, 537,000 ounces of platinum, 151,000 ounces of gold and 2,823,000 ounces of silver.

Endeavour Financial is acting as financial advisor and Cassels as legal advisor to Generation Mining for the Marathon PMPA.

Join our webinar at 4 PM EST to learn more details about this press release and get your questions answered: [https://my.6ix.com/-5U\\_oo\\_z](https://my.6ix.com/-5U_oo_z)

### **Qualified Person**

The scientific and technical content of this news release was reviewed, verified, and approved by Drew Anwyll, P.Eng., M.Eng, Chief Operating Officer of the Company, and a Qualified Person as defined by Canadian Securities Administrators National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

### **About the Company**

Gen Mining’s focus is the development of the Marathon Project, a large undeveloped platinum group metal mineral deposit in Northwestern Ontario. The Company released the results of the Feasibility Study on March 3, 2021 and published the NI43-101 Technical Report dated March 25, 2021. The Marathon property covers a land package of approximately 22,000 hectares, or 220 square kilometres. Gen Mining has announced that it has entered into a binding arrangement to acquire the remaining 16.5% interest in the Marathon Project from Sibanye Stillwater Limited which will increase Gen Mining’s interest in the Project to 100% (see Press Release dated December 8, 2021).

The Feasibility Study in respect of the Marathon Project estimated that at US\$1725/oz palladium, and US\$3.20/lb copper, Marathon’s Net Present Value (at 6% discount rate) is approximately C\$1.07 billion with a payback of 2.3 years and an Internal Rate of Return of 30%. Up front capital costs were estimated at C\$665 million. The mine would produce an estimated 245,000 palladium equivalent ounces per year over a 13-year mine life at an All-In Sustaining Cost of US\$809 per palladium-equivalent ounce. For more information, please review the detailed Feasibility Study dated March 25, 2021, filed under the Company’s profile at SEDAR.com.

For further information please contact:

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### **Forward-Looking Information**

*This news release contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). Forward-looking statements reflect current expectations or beliefs regarding future events or the Company'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 "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "Projects", "predicts", "intends", "anticipates", "targets" 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, including statements relating to funding pursuant to the Marathon PMPA, satisfaction of the conditions precedent under the Marathon PMPA, the Company acquiring a 100% interest in the Marathon Project, or advancing the Marathon Project to bring it into production. All forward-looking statements, including those herein are qualified by this cautionary statement.*

*Although the Company believes that the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the statements. There are certain factors that could cause actual results to differ materially from those in the forward-looking information. These include commodity price volatility, continued availability of capital and financing, uncertainties involved in interpreting geological data, increases in costs, environmental compliance and changes in environmental legislation and regulation, the Company's relationships with First Nations communities, exploration successes, and general economic, market or business conditions, as well as those risk factors set out in the Company's annual information form for the year ended December 31, 2020, and in the continuous disclosure documents filed by the Company on SEDAR at [www.sedar.com](http://www.sedar.com). Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release speak only as of the date of this news release or as of the date or dates specified in such statements.*

*Forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions relating to: the availability of financing for the Company's operations; operating and capital costs; results of operations; the mine development and production schedule and related costs; the supply and demand for, and the level and volatility of commodity prices; timing of the receipt of regulatory and governmental approvals for development Projects and other operations; the accuracy of Mineral Reserve and Mineral*

*Resource Estimates, production estimates and capital and operating cost estimates; and general business and economic conditions.*

*Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking information. For more information on the Company, investors are encouraged to review the Company's public filings on SEDAR at [www.sedar.com](http://www.sedar.com). The Company disclaims any intention or obligation to update or revise any forward- looking information, whether as a result of new information, future events or otherwise, other than as required by law.*