

GENERATION MINING

GENERATION MINING TO BEGIN FEASIBILITY STUDY IN Q2

Toronto, Ontario – April 7, 2020 – Generation Mining Limited (CSE:GENM) (“Gen Mining”, “Generation”, or the “Company”) is pleased to announce that it has begun the process of interviewing consultants to undertake a Feasibility Study on the Marathon Palladium Project located in Northwestern Ontario. At the same time the Company has been undertaking a number of short-term trade-off studies as part of the preparatory phase of the study. It is expected that the full DFS will be underway in the current quarter and is expected to take about 7-9 months to complete. This work began immediately upon the appointment of Drew Anywll, P.Eng. as Chief Operating Officer last month.

“Fortunately for Generation Mining, the current phases of work involve no field work and we are able to continue full speed ahead despite the lockdown due to the coronavirus. All of the things we are doing now are deskwork,” said Jamie Levy, adding that “the only special measures we have taken during the lockdown is to close our head office and site office and have everyone work from home.”

The process to begin the DFS involves selecting firms for the various segments of the study, including Mineral Resources, Mining & Reserves, Plant Design, Metallurgy, Infrastructure, Geotechnical, Water Balance, Environmental, Capital and Operating Costs and Economic Analysis. Generation Mining has opted to undertake the DFS rather than prepare a Preliminary Feasibility Study as there have been two previous Feasibility Studies which were undertaken in 2010 and 2014 at significantly lower palladium prices. Accordingly, the technical and financial aspects of most of the various components of these studies either stand, or need only to be supplemented and/or updated rather than redone.

Generation is well-funded for the next phases of work, including the DFS and the restart of the permitting process, with approximately \$14 million in working capital.

In January 2020, the Company released the results of a Preliminary Economic Assessment on the Marathon Project, with the following highlights:

- *The Project would produce an average of 194,000 palladium equivalent ounces per year over a 14-year mine life (including credits for copper, platinum, gold and silver). Constituent metals that make up 194,000 palladium equivalent ounces per year are 8,680 ounces (oz) gold (Au), 151,220 oz silver (Ag), 24,400 oz platinum (Pt), 105,740 oz*

palladium (Pd) and 25.59 million pounds (lb) of copper (Cu) per year, respectively. Net smelter revenue (NSR) is calculated in CAD using a CAD:USD exchange rate of 1.32 and based on an average two-year trailing palladium price of USD 1,275 per ounce. Process plant recoveries are estimated at Au:73.2%; Ag:71.5%; Pt:74.5%; Pd:82.9% and for Cu:92% during the first five years falling to 90 per cent thereafter.

- *The Project generates an after-tax internal rate of return (IRR) of 30.0% and an after-tax net present value (NPV) of \$871million at a 5% discount rate at Nov. 30, 2019, two-year trailing average metal prices (base case), including a palladium price of USD 1,275 per ounce.*
- *The Project generates an after-tax net present value of \$1,541-million and an internal rate of return of 45.8% at a 5% discount rate at recent spot metal prices (final LBMA London price fix for precious metals; final LME bid price for copper, Dec. 31, 2019).*
- *The Project would generate base case after-tax cash flows of \$520 million in years 1 to 3, resulting in a 2.5-year payback period.*
- *Actual palladium production will average 107,000 ounces annually over the mine life, at a Cash Cost per Ounce of USD 504 and an all-in sustaining cost (AISC) of USD 586 per ounce, net of by-product credits.*
- *The PEA used Measured and Indicated Mineral Resources as well as a very minor amount of Inferred Mineral; Resources in the Marathon Deposit in its calculations and did not include the Geordie and Sally Deposits, which are located on the same property (see news release dated Dec. 2, 2019). The Marathon Deposit has no outstanding royalties or financing streams registered against it.*

For more information, please refer to the full PEA and Generation Mining's press release dated Jan. 6, 2020, both of which are available under Generation Mining's profile on SEDAR.

The PEA is preliminary in nature and its production plan includes Inferred Mineral Resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA will be realized. Inferred Mineral Resources have a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration. However, it should be noted that Inferred Mineral Resources in the PEA process plant feed tonnage is 51 k tonnes, which is 0.06% of the total LOM feed of the planned production that is Measured and Indicated Mineral Resources.

About the Marathon Palladium Project

The Marathon Deposit is the largest undeveloped platinum group metal Mineral Resource in North America. The Marathon Property covers a land package of approximately 22,000 hectares, or 220 square kilometres. Generation Mining acquired a 51% interest in the Marathon Property from Sibanye Stillwater on July 10, 2019 and can increase its interest to 80 per cent by spending

\$10 million over a period of four years. As of Q1, 2020, approximately \$4 million of the \$10 million has already been spent. Sibanye Stillwater has certain back-in rights that can bring its interest in the Property back to 51 per cent after such time as Generation Mining has earned its 80-per-cent interest (see the company's press release of July 11, 2019, for more details).

Qualified Persons

Rod Thomas, P.Geo. Company Vice President Exploration and a Director, and Eugene Puritch, P.Eng. FEC, CET President of P&E Mining Consultants Inc., have reviewed and approved the scientific and technical information contained in this news release. Messrs. Thomas and Puritch are Qualified Persons for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

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Forward-Looking Information

This news release includes certain information that may be deemed “forward-looking information” under applicable securities laws. All statements in this release, other than statements of historical facts, that address acquisition of the Property and future work thereon, Mineral Resource and Reserve potential, exploration activities and events or developments that the Company expects is forward-looking information. Although the Company believes 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 the results of the Company’s due diligence investigations, market prices, exploration successes, continued availability of capital and financing, and general economic, market or business conditions.

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