

# GENERATION MINING

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## **Generation Mining Completes C\$8,000,160 Bought Deal Private Placement**

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Toronto, Ontario – June 5, 2019: Generation Mining Limited (CSE:GENM) (“Gen Mining” or the “Company”) is pleased to announce that it has completed its previously announced bought deal private placement of 28,572,000 subscription receipts (the “Subscription Receipts”) at a price of C\$0.28 per Subscription Receipt (the “Issue Price”) for aggregate gross proceeds of C\$8,000,160 (the “Offering”).

The Offering was led by Haywood Securities Inc., on behalf of a syndicate of underwriters including Canaccord Genuity Corp., PowerOne Capital Markets Limited and PI Financial Corp. (together with Haywood, the “Underwriters”).

Each Subscription Receipt will be automatically converted, without payment of additional consideration, into one unit of the Company (a “Unit”) in connection with Gen Mining’s previously announced binding letter of intent with Sibanye Gold Limited to earn an initial 51% interest (and potentially up to an 80% interest) in the Marathon PGM Property located near Marathon, Ontario (the “Transaction”). The gross proceeds of the Offering, less 50% of the Underwriters’ fees and all of the expenses of the Offering, will be held in escrow pending satisfaction of certain escrow release conditions, including the satisfaction of conditions precedent to the completion of the Transaction. In the event that the escrow release conditions are not satisfied within 90 days of the Closing Date (as defined below), the gross proceeds of the Offering will be returned to the holders of the Subscription Receipts and the Subscription Receipts shall be cancelled.

Each Unit shall be comprised of one common share in the capital of the Company (a “Common Share”) and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a “Warrant”) of the Company. Each Warrant shall entitle the holder thereof to acquire one Common Share (a “Warrant Share”) for an exercise price of C\$0.45 per Warrant Share for a period of 24 months from the date on which the escrow release conditions are satisfied.

The net proceeds of the Offering will be used by Gen Mining to satisfy the remaining C\$2,900,000 cash portion of the purchase price payable to Sibanye Gold Limited to complete the Transaction, for exploration and development of the Marathon PGM Property, and for working capital and general corporate purposes.

In connection with the Offering, Gen Mining has paid the Underwriters a cash commission equal to 7.0% of the gross proceeds of the Offering and issued to the Underwriters compensation options which, upon satisfaction of the release conditions, will be automatically converted into compensation options to purchase that number of Units that is equal to 7.0% of the aggregate number of Subscription Receipts issued by the Company under the Offering at an exercise price that is equal to the Issue Price for a period of 24 months.

The Subscription Receipts, the Common Shares, the Warrants and the Warrant Shares are subject to a hold period under applicable Canadian securities laws which will expire October 6, 2019.

The Offering constituted a related party transaction within the meaning of Multilateral Instrument 61-101 (“**MI 61-101**”) as insiders of the Company subscribed for an aggregate of 4,816,129 Subscription Receipts. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Offering by insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The participants in the Offering and the extent of such participation were not finalized until shortly prior to the completion of the Offering. Accordingly, it was not possible to publicly disclose details of the nature and extent of related party participation in the Offering pursuant to a material change report filed at least 21 days prior to the completion of the Offering.

This news release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

### **About the Marathon PGM Property**

The Property was developed from 1985 to 2010 by various companies and was eventually owned by Marathon PGM Corporation. Stillwater Mining Company (“Stillwater”) acquired Marathon PGM Corporation in 2010 for US\$118 million. In 2017, the Property was acquired by Sibanye-Stillwater when it purchased Stillwater.

The Property is located in north-western Ontario approximately 215 km east of Thunder Bay and 10 km north of Marathon, Ontario, on the eastern margin of the Coldwell Complex, a Proterozoic layered intrusion. The palladium, platinum and copper mineralisation in the Property occurs principally in the Two Duck Lake gabbro. The known zones of significant mineralisation have a total north-south strike length of approximately 3km. The mineralisation has a true thickness ranging from 4m to 183m.

More than 146,000 metres of drilling in 790 holes have been drilled to date on the Property, which has been the subject of feasibility studies and numerous mineral resource estimates. The portion of the Property that hosts the Marathon deposit has no outstanding royalties.

For further information on the Transaction and the Marathon PGM Property, see [the Company's press release dated April 17, 2019](#).

## **Qualified Person**

Rod Thomas, P.Geo., is a qualified person for the purposes of National Instrument 43-101, Standards of Disclosure for Mineral Projects, and the Company's Vice-President, Exploration, and a Director. He has prepared or reviewed and approved the scientific and technical information contained in this news release.

## **About Generation Mining Limited**

Generation Mining Limited is a base metal exploration and development company with various property interests throughout Canada. Its primary business objective is to explore and further develop these properties, and to continue to increase its portfolio of base and precious metal property assets through acquisition.

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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 the closing of the Offering, the conversion of the Subscription Receipts for Units, the receipt of regulatory and other approvals, the Transaction, the acquisition of the Marathon PGM Property and future work thereon, 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. 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 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.