

July 2020

with Jamie Levy

Question:

What are you most excited about in the next few months?

We are currently running a geophysical program and we hope to find extensions to palladium-enriched zones. This program has been very successful in delineating platinum group elements and massive sulphide mineralization at various prospects in northwestern Ontario and around the world. We are hopeful the survey will give us some new targets to drill. We plan to follow up the survey with a minimum of 5,000 metres of drilling, which could potentially be expanded depending upon results.

Question:

What is the price of Palladium forecast to be in the future, are there any other Palladium mines coming online?

We have not quite decided on what price we are going to use for the Feasibility Study, we will probably use a 2- year trailing average. The price of palladium: the biggest research guys out there are Johnson Matthey, and they have stopped their forecast due to COVID. From Metals Focus to Johnson Matthey, they have mentioned that



Jamie Levy – CEO and Director

palladium will be in a deficit this year - it just comes down to demand for cars right now since that is the main usage of palladium.

I do not want to put a number out there, but I would say somewhere in the \$1,500 - \$2,500 range. I know it is a big range, but it comes down to how well the demand is going to come for cars, how fast we can find a cure to COVID and how fast the South African mines ramp back up. Again, I know this is a big range, but I am comfortable with this range.



Question:

Why is the market cap only \$50 million for a deposit so large? Do you agree that the market is giving GENM no love?

I cannot answer this 100%, we just have to continue marketing and telling the story. One of the things I have noticed though is that us and the other palladium companies have not responded like the gold companies have to the rise in price. This is despite the fact that palladium has outperformed gold significantly over the last few years. That said, it is a precious metal, and its time will come. There is a lot of activity in our sector, and as more discoveries are made and there is M&A activity, I think there will be a situation where the sector starts to shine. This has not happened yet, even though the sector has had its moments - for example in January when the price almost doubled in a month, but then it came back down with COVID.

Question:

Timeline for Feasibility Study and production?

We hope the Feasibility Study results will be complete by Q1, 2021. We have an aggressive timeline for production. If we have all our ducks in order and the support of the government and First Nations, we would hope that the permitting could be a bit shorter than normal. The government is looking for shovel-ready projects that will bring economics to the area: direct jobs, construction jobs. The town needs jobs, northwestern Ontario needs jobs, the government wants to make tax revenue. So, it is a win-win-win for everyone. A bunch of work has been done in the past for permitting - we are not looking to take any shortcuts, we just want to get it over the line. We are hopeful by the end of 2023 we can have commercial production.

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Question:

How advanced are the environmental and hydrogeology studies?

Tabatha LeBlanc, our Environmental Manager, is running our Environmental Assessment (EA) process. Extensive work was done back in the Stillwater days to get up to an EA ready for approval. They have continued to do the monitoring over the years, and the transition to Generation. We are continuing to do that work, and we are well-advanced.

Question:

What area will be the main focus for future drilling?

The 5,000 metres minimum we are planning to drill this year is around those high-grade, downdip mineralization at the W-Horizon and the Main Zone feeder conduit focusing on targets and high-grade. And then depending on the MT survey, hopefully drilling something at Sally but that is to be determined.

Question:

Could you differentiate what you will achieve from MT that you did not with EM?

We have airborne EM surveys that are regional scale, they pick up the Eastern Gabbro and give us some targets. They also pick up a lot of Archean mineralization, pyrrhotite zones, pyrite zones that are not mineralized. Ground-based EM is very

difficult to do because of the terrain, forest, without cutting lines which is expensive and timely.

The MT survey gives us a 3-D model which we can integrate into our seismic models and our magnetic models. MT has great depth penetration beyond 1,500 metres, which we do not get with traditional EM.

Question:

Are you going to a downhill EM survey?

Any drill hole we drill, we always do bore hole EM on it.

Question:

Is the Marathon deposit's genesis similar to Sudbury in Canada or Norilsk?

Sudbury is unique to the world - a one in a billion-year event, a crater impact from a meteor that melted everything. Marathon is closer to the Norilsk model: there is a spectrum of deposits that go from small, high-grade deposits to massive sulphide deposits. So, there is opportunity to move it both directions as we go down dip.

Question:

Do you have plans this year to do more work at Geordie Lake and/or incorporate the Geordie Lake deposit into the future mine plan?

The Geordie deposit has a more copper-dominant mineralization. We are focusing on PGMs right now. We have a lot of targets to go after, we cannot focus on all of them in one year. So, we are focusing on the Main Zone and W Horizon deposits and then the potential we see to advance the Sally. The Geordie is there, it is just taking a backseat this year. To move forward, we will look at the economics and see if it is viable to move into a Reserve.

Question:

What has the response been with local communities and are there any First Nations involved with the project?

The times I have been up to site, and I am sure the team can speak to this, I have found the town 100% supportive of the mine getting built. There was a pulp and paper mill that closed down four or five years ago, Hemlo was a big employer that is starting to slow down. The town is doing well right now because they are the home construction site for a new power line that is going through our property.

The relationships with the First Nations: the team has been in constant contact with them. We believe there are good relationships with them. I think these are relationships were built over years before Generation, and Generation has done a wonderful



job in maintaining these relationships. Our negotiations will continue.

Question:

What is the exploration budget for 2020, what is the cost associated with the Feasibility Study, and are you contemplating raising cash in the next six months?

The exploration budget right now is somewhere in the \$1.5 - 2 million range. It is a small budget for right now, about 5,000 metres of drilling with some MMI and some magnetotellurics work.

The budget is getting devoted to the Feasibility Study, and those numbers will be released soon. We anticipate that will be in the \$3 - 5 million range.

We have \$14 million in the bank right now, so we are fine. If we had a higher share price we would think about raising money to expand the exploration

program, but we have more than enough cash to get us through to the end of 2021 - almost 18 months.

Question:

What is the monthly burn and time horizon for future exploration?

As of today we have around \$14 million in the bank, this has been budgeted to take us through to the end of 2021.

We have a budget of \$1.5 - 2 million for 5,000 metres of drilling and MMI and magnetotellurics work. Things can change as our MT targets come back, and if something looks like it needs to be drilled, we may allocate different funds to that. Right now however, we have certain drill targets that we are aiming at - but again things can change, we can pivot very quickly. It is nice to have that nest egg of cash in our bank account.

Question:

What are your expectations for mine financing?

There are no streams or royalties on the main deposit. We have not looked at that angle but we know that is something we can look at. Now, we have not actively looked at the project financing - we are waiting to get the economics. And once we have the Feasibility Study out, the economics will dictate the best way to get this financing.

As we know from the PEA, the numbers were quite fabulous, so we do not think financing will be an issue. I think the best way to do it is the way that is least dilutive for our shareholders. But first, we

want to look at the sequencing of the mining - obviously there are a lot of variables here, but it is something we will look at when we have a better idea of where we are at for the Feasibility Study. It is probably something we will look at right after we have a production decision, which is right after the Feasibility Study - hopefully all in the next 7 - 8 months.

Question:

How have you adapted to COVID?

Kerry, myself and everyone on the team has been doing many webinars, Zoom meetings, etc. to stay safe but to remain in constant contact with investors, employees, consultants and the teams involved with the Feasibility Study. Kerry and I had some plans to go to Europe to market, but obviously that got cancelled. The Beaver Creek Conference that has a large following has also gone online in September. So, even though it is not good for the Air Miles, it looks like we are all stuck with Zoom and phone calls for marketing these days. John McBride is taking care of the field work side. He also takes safety very seriously - he has a COVID policy for anyone that comes to site, all the contractors and so on.

We are following our COVID policy very strictly and are working with the town of Marathon. There are no COVID cases in Marathon, I think there are only four active cases in northwestern Ontario. We are in Phase 3 now, so the majority of businesses are open. We are working with everyone to go to the field - we are starting with the MT survey, we are working with companies that take COVID very seriously. Quantec, who is on site right now and has a very good safety record, is doing a great job to minimize interactions with the town and respect the COVID issue.

Question:

Is your goal to have the discovery brought into production by you, or to be bought out?

Our plan is to build it, that is why we hired Drew. Drew has built mines before, some a lot more complicated than this. We are ready to build. If someone wants to take us out along the way because the economics are fabulous, so be it. But as of now we are partners with Sibanye and we are planning to put the Marathon Palladium Project into production.

Question:

Who are your institutional investors?

Sibanye - a corporate. An \$8 billion company. Eric Sprott is not an institutional but he should be, he is

a large shareholder. Another issuer, Osisko Mining, has a big share holding. Lucas Lundin, through his family trust Zebra - again not an institution but bigger than most institutions. And then we have some others like RBC and Dundee, some other funds that are not reported because they are not over 10%. Getting institutional names is part of what we are trying to do, that is why we are doing all this marketing.

Question:

Can you give us your best guess as to what Sibanye will choose to do once you choose to release the Definitive Feasibility Report?

For those of you who do not know Sibanye-Stillwater: they are, I believe, the largest platinum producer in the world. They are the second largest palladium producer after Norilsk in Russia, they produce almost 4 million ounces of PGM plus gold



a year. They are a major company, their market cap is hard to find out but I think it is around the US\$8 - 10 billion range. They have the right to back in to bring their holdings to 51% by paying 31% of capex.

This project, depending on the Feasibility numbers, would probably be around 200,000 to 300,000 ounces of palladium equivalent a year. For them to earn back in, we believe the terms are expensive for them. I believe they will either walk away or buy us out - those would be my top two.

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