

Goldletter INTERNATIONAL

the international independent information and advice bulletin for gold and related investments

April 2020



Canada, the only major gold-producing country to continue significant production increases to 5 years

Although global production is expected to start decreasing, not all jurisdictions will have shrinking production. Of the 99 countries with gold production in 2018 of that will have production in 2024, 49 are expected to produce less, 27 to produce more and 23 are expected to maintain production.

Among the countries expected to increase production, **Canada** is expected to have four times the production increase, of second-closest **Ecuador**. Canada's still growing gold sector is showing no signs of abating 5 years in the future. Very few of the country's gold mines are facing depletion and new ones continue to commission such as **Elenore** in 2015, **Brucejack** in 2012, **Rainy River** in 2017 and **Hope Bay** in 2017; still more are expected, with new mines to push Canadian output to 215 tonnes (7.6 million ounces) by 2023, compared to 193 million tonnes in 2018.

New mines include: **Agnico Eagle's Melladine mine** in **Nunavut**, **Victoria Gold's Eagle deposit** in **Yukon** and **Eldorado Gold's Lamaque mine** in the **Triangle gold camp** in **Quebec** located 2 km south of the historical world-class **Lamaque** and **Sigma mines**.

These projects will be responsible for increased output through 2019.

New Gold has its eye on a 2021 start-up for the **Blackwater Project**, **Taseko Mines** is planning a 2022 start for its **New Prosperity mine**, both located in **British Columbia**.

Goldcorp's Coffee project in **Yukon** is prepared for 2021.

Together, these mines have a potential output of over 22 million ounces of gold annually. The production will offset several closures – the **Minto** and **Taylor mines** in 2021 and in 2022 the **Croinor** and **Touqoy mines**.

► **Significant price increase of gold in second half of 2019, which more than doubled production margins, gave a boost to merger and acquisition activities of Tier 1 producer and advanced development companies**

Since the unrivaled scale expansion of Tier 1 gold producers, **Barrick Gold** and **Newmont Gold** in early 2019 through the \$ 6 billion takeover of **Randgold Resources** and \$ 10 billion acquisition of **Goldcorp**, respectively, the strong performance of the gold price in the second half of 2019 from \$ 1,270 in early May to a high of \$ 1,546 in September, corresponding with an increase of the production margin of \$ 276 and as such offers attractive hedging opportunities, has resulted in a string of remarkable M&A transactions, including:

- the \$ 1.4 billion in cash acquisition of **Continental Gold**, owing one of the largest and highest-grade gold projects in the world located in Colombia by **Zijin Mining** of China;
- the \$ 4.9 billion acquisition of **Detour Gold** and its open-pit mine in northwestern Ontario, Canada by **Kirkland Lake Gold**, which will add 15.4 million ounces of gold or 8 years to Kirkland Lake's mineral reserve base, and lift the Company's annual gold production to .5 million ounces;
- **Newmont Goldcorp** to sell its **Red Lake complex** in Ontario, Canada to **Evolution Mining** for US\$ 375 million in cash and contingent payments of up to another US\$ 100 million tied to resource discoveries.
- Canadian gold miner **Equinox Gold** to buy **Lea Gold Mining** for US\$ 578 million to add four gold mines in Mexico and Brazil.

► **Canada** gold production by region 2018

Ranking	Province/Territory	2017A (grams '000)	2018P (grams '000)	Oz (troy)	Percentage of total
1	Ontario	76,224	77,681	2,498	42.4%
2	Quebec	56,944	61,694	1,984	33.7%
3	British Columbia	13,420	20,135	647	11.0%
4	Nunavut	11,034	11,359	365	6.2%
5	Manitoba	3,962	3,808	122	2.1%
6	Saskatchewan	2,923	2,710	87	1.5%
7	Yukon	2,860	2,500	80	1.4%
8	Nova Scotia		2,392	77	1.3%
9	Newfoundland	629	727	23	0.4%
10	Alberta	22	42	1	0.0%
11	New Brunswick	53	–	–	0.0%
	Grand Total	168,072	183,047	5,885	100.0%

► **Other gold** producing countries

Australia's production is expected to fall the most according to S & P Global Market Intelligence. The current second-largest gold producing nation behind China is expected to fall to fourth place globally in 2024. The underlying reason for Australia's fall is accounted for the depletion of several long-lived assets such as **St. Ives, Paddington, Telfer, Edna May, Southern Cross, Agnew/Lawlers**.

The expected commissioning of Mt Todd and reactivation of United Reefs Operations Centre will partly mitigate the loss from the aforementioned closures.

Although **Indonesia's** gold production appears to fall substantially by 2024, 2018 production was anomalously high, primarily due to the previously mentioned increase at Grasberg, where gold production in 2024 is expected to be comparable to most other years; therefore in Indonesia production at large is expected to be only slightly lower than previous years.

Peru's gold production, meanwhile, is clearly trending downward, with the **Orcopampa, La Zanja** and **Tambomayo** all facing depletion before 2024. With closure only a few years further out, **Lagunas Norte** and **Yanacocha** will also be producing less gold in 2024 than they have historically.

Ecuador's projected gold increases come from a handful of new projects. The largest of them is **Lundin Gold's Fruta del Norte project**, expected in 2020, while **INV Metal's Loma Large** could be producing by 2021-22.

Turkey expects increasing production to come from projects owned by or involving major production partners. New production is expected from **Oksut** in 2020, **Agi Dagi, Kirazli** and **Yenipazor** in 2021; **Hod Maden** in 2022; and **Gediktepe** in 2023.

► BC's GOLDEN TRIANGLE region leads Canada's new gold rush



Pretivm Resources ("Pretivm") (TSX – PVG) fully owns the **Brucejack Project** and the **Snowfield Project**, both of which are located in the **Golden Triangle Region** of northwestern British Columbia, Canada.

The flagship **Brucejack Mine** is comprised of 4 mining leases and 6 claims totalling 3,304 hectares in area and forms part of the Company's contiguous claims package that comprises over 122,000 hectares.

The Mine is a low-cost high-grade underground mine that started commercial production in July 2017 and achieved steady state production in the second quarter of 2018.

Amended permits were received in December 2018 to increase throughput 40% to an annual average of 1,387 million tonnes (3,800 tonnes per day) from 0.99 million tonnes (2,700 tonnes per day). This target was achieved by December 31, 2019.

The increased development should provide sufficient access to build the stope inventory required to allow mining operations to optimize stope blending and provide alternative stopes for mining if required.

Pretivm expects to disclose a full technical update for the updated Life of Mine plan, which includes the Veley of the Kings by March 31, 2020.

Gold production totaled 354,405 ounces in 2019 compared to 376,012 ounces in 2018. Process plant throughput averaged \$ 452,253 of revenue at an average realized price of \$ 1,277 per ounce. Process plant throughput averaged 3,570 tonnes per day for a total of 1.3 million tonnes of ore compared to 2,755 tonnes per day for a total of 1.0 million tonnes of ore in 2018.

The sale of 351,348 ounces of gold contributed \$ 471,419 of revenue at an average realized price of \$ 1,405 per ounce. In 2018, the sale of 367,428 ounces of gold contributed \$ 452,253 of revenue at an average realized price of \$ 1,277 per ounce.

Total cash cost was \$ 680 per ounce of gold sold in 2018, resulting in an average cash margin of \$ 662 per ounce of gold sold compared to \$ 623 per ounce of gold sold, resulting in an average realized cash margin of \$ 608 per ounce of gold sold.

The all-in **AISC** was \$ 888 per ounce of gold sold compared to \$ 764 per ounce in 2018.

► 2020 production and financial guidance

Production at the Bruce Jack Mine for 2020 is expected in the range of **325,000 to 365,000 ounces** at an expected production rate of 3,800 tonnes per day with average annual gold grade ranging between 7.6 grams per tonne to 8.5 grams per tonne and targeting a gold recovery of 97%.

The midpoint of 2020 gold production guidance is slightly below 2019 achieved production.

The all-in AISC production cost for 2020 is expected to range from \$ 910 to \$ 1,060 per ounce gold sold, with cash costs expected to range from \$ 750 to \$ 830 per ounce of gold sold.

Free cash flow for 2020 is expected in the range of \$ 100,000 to \$ 170,000 at a gold price of \$ 1,450 per ounce. The Company is targeting debt reduction in the range of \$ 80,000 to \$ 150,000 for 2020.

On April 4, 2019, **Pretivm** announced the economics of the **Brucejack Mine** based on a **14-year Mine Plan** and updated **Mineral Reserve**.

Brucejack expects to produce an average of over 525,000 ounces of gold annually over the first 10 years and over 440,000 ounces of gold over the 14-year mine life at all-in sustaining cost of \$ 535 per ounce.

Brucejack 2019 Proven and Probable Mineral Reserve estimate is 6.4 million ounces of gold (16.0 million tonnes grading 12.6 grams of gold per tonne).



Skeena Resources (“Skeena”) (TSX.V – SKE) is exploring and developing mineral properties in the **Golden Triangle** of northwest British Columbia, Canada. The Company owns or controls several exploration-stage properties including the past-producing **Snip Gold Mine**, and an option to acquire a 100% interest in the past-producing **Eskey Creek Gold Mine**.

Skeena also announced the results of a Preliminary Economic Assessment (PEA) for the **Spectrum – GJ Copper – Gold Project**, for which the Company holds a 100% interest in the **Spectrum Property** and an option to acquire a 100% interest in the adjoining **GJ Property**.

On July 31, 2017, **Skeena** acquired a 100% interest in the **Snip past-producing gold mine** from **Barrick Gold**. Subject to **Skeena** exploring in excess of 2 million ounces of gold, Barrick may exercise a back-in right to purchase a 51% interest in the Property in return for payment of 3 times Skeena’s cumulative exploration expenditures on the Property, following which the parties will form a joint venture and Barrick would relinquish its 1% NSR.

On October 16, 2018, **Skeena** closed an agreement with **Hochschild Mining Holdings**. The agreement included an option to acquire a portion of Skeena’s Snip Property, the opportunity to have a representative on the Board of Directors, as well as a private placement financing.

Under the property option agreement **Skeena** granted **Hochschild** an option to earn a 60% undivided interest in **Snip** with Hochschild to have 3 years to provide notice to **Skeena** that it wishes to exercise the option.

After completion of a minimum spending of \$ 22.5 million, **Hochschild** may extend the option period by a further period of 12 months by making a cash payment to **Skeena** of \$ 1.0 million.

The **Snip Mine** produced approximately 1.1 million ounces of gold from 1991 to 1999 at an average grade of 27.5 g/t.

Skeena initially reviewed and modelled over 280,000 metres of historical drill data and completed an initial 7,200 metre surface drill program in 2016 with encouraging results.

GOLDEN TRIANGLE - BRITISH COLUMBIA, CANADA

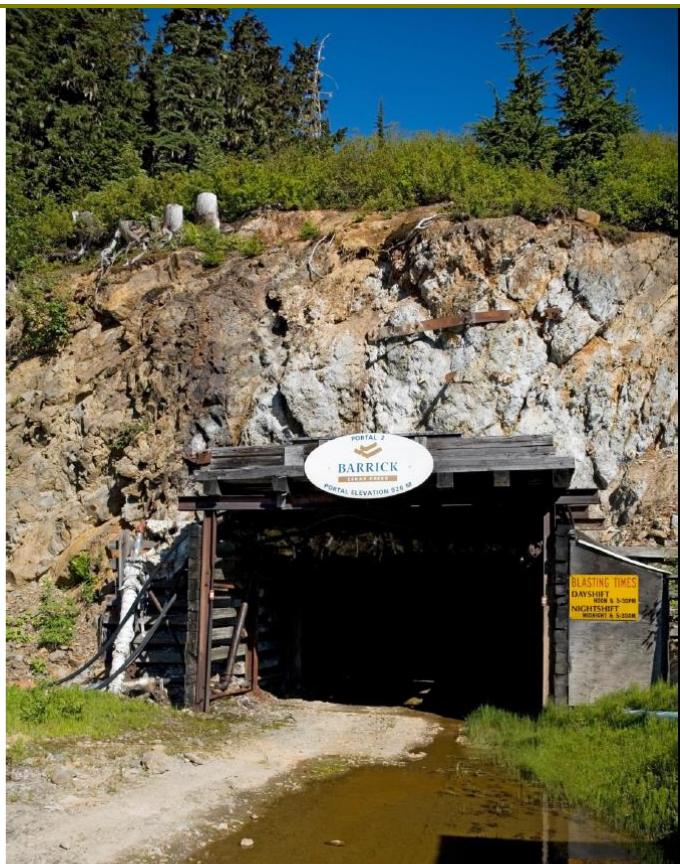
<i>April 3, 2020</i>		<i>Trading symbol</i>		<i>Share price</i>		<i>Change</i>	<i>High</i>	<i>Low</i>	<i>Shares issued</i>	<i>Market capitalization</i>	
				<i>April 3</i>	<i>Year-end</i>	<i>in %</i>	<i>12 month</i>				
				<i>2020</i>	<i>2019</i>			<i>million</i>	<i>million</i>		
				<i>Cdn\$</i>	<i>Cdn\$</i>			<i>Cdn\$</i>	<i>Cdn\$</i>	<i>Cdn\$</i>	<i>US\$</i>
Producer:											
Pretivm Gold	PVG	TSX	8.85	14.45	-39	18.30	6.25	185.5	1,641.7	1,214.8	
Top 10 exploration/development companies by market valuation											
Ascot Resources	AOT	TSX	0.57	0.89	-36	0.99	0.38	245.8	140.1	98.1	
Auryn Resources	AUG	TSX.V	1.32	1.88	-30	2.46	1.00	104.7	138.2	96.7	
GT Gold	GTT	TSX.V	1.08	1.06	2	1.49	0.67	122.9	132.7	92.9	
Skeena Resources	SKE	TSX.V	0.87	0.68	28	1.21	0.35	147.8	128.6	90.0	
Tudor Gold	TUD	TSX.V	0.48	0.79	-40	1.08	0.26	143.2	68.0	47.6	
Garibaldi Resources	GGI	TSX.V	0.45	0.98	-54	2.25	0.38	115.9	52.2	36.5	
Copper Fox Metals	CUU	TSX.V	0.06	0.09	-33	0.11	0.01	486.0	29.2	20.4	
Benchmark Metals	BNCH	TSX.V	0.26	0.38	-33	0.48	0.18	110.1	28.1	19.7	
Evrin Resources	EVM	TSX.V	0.24	0.32	-27	0.41	0.19	84.8	19.9	13.9	
Brixton Metals	BBB	TSX.V	0.13	0.23	-44	0.44	0.08	144.1	18.0	12.6	
American Creek Resources	AMK	TSX.V	0.05	0.09	-44	0.11	0.03	342.7	17.1	12.0	

PROPERTY LOCATIONS – BC'S GOLDEN TRIANGLE



ESKAY CREEK HISTORY

- Produced **3.3 million ounces of gold & 160 million ounces of silver** at average grades of **45 g/t Au & 2,224 g/t Ag** from 1994 to 2008
- 2.2 million tonnes of ore mined with cut-off grades of 15 g/t AuEq for mill ore and 30 g/t AuEq for direct shipping ore
- Historical database containing 7,881 drill holes totaling 706,904 metres (surface & underground)
- Highest grade gold producer in the world when in production



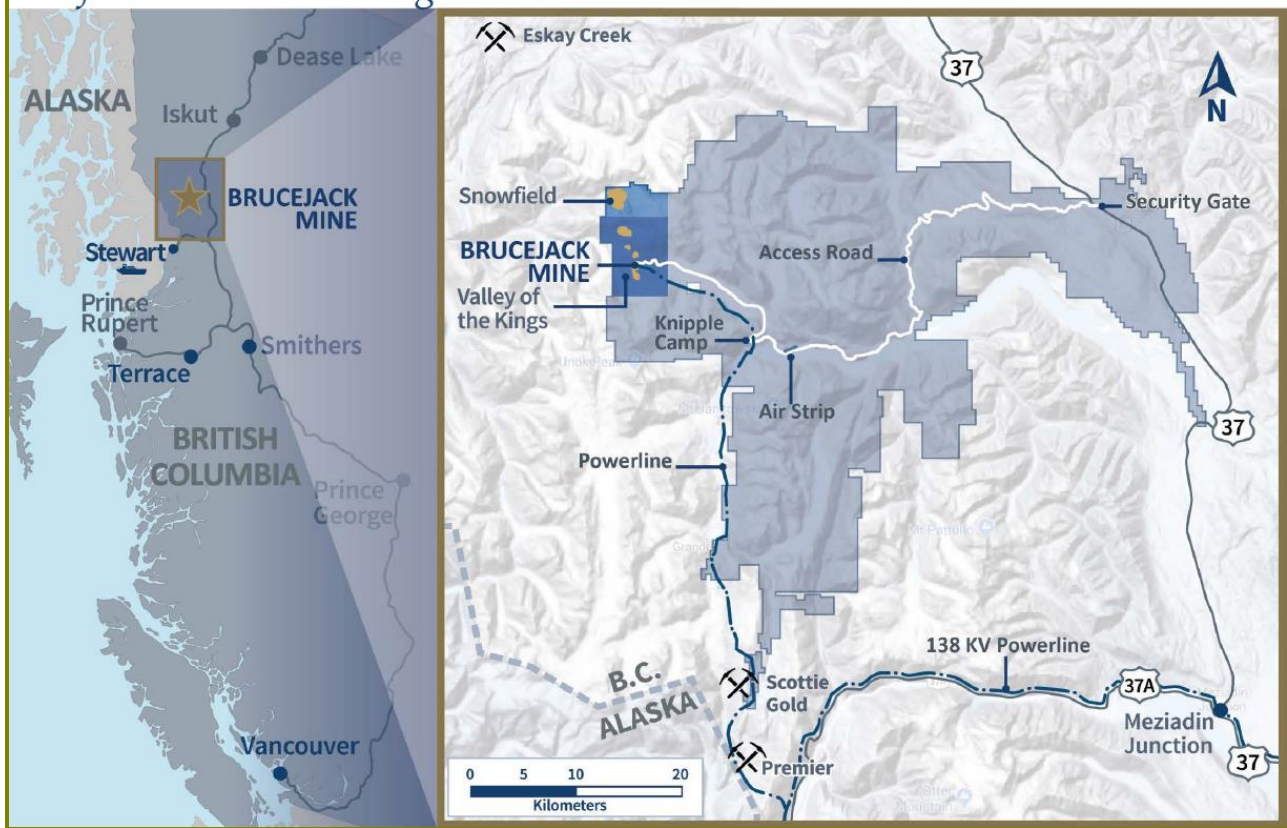
6

TSX.V: SKE / OTCQX: SKREF
www.skeenaresources.com

Brucejack Mine

Infrastructure and Logistics

PRETIVM 



► Ontario's RED LAKE DISTRICT offering prospective exploration/development opportunities



Premier Gold Mines' ('Premier') (TSX – PG) principal mining assets include: wholly-owned Mercedes Mine in Sonora, Mexico, a 40% interest in the South Arturo Mine in Nevada, USA, and a 50% interest in the Hardrock Gold Project through a partnership with Greenstone Gold Mines along the Trans-Canada highway in Ontario, Canada; and other key advanced exploration and development properties, including a 100% interest in the Core gold property located in Nevada, an earn-in agreement with Barrick Gold related to the McCoy-Core property in Nevada, a 100% interest in the Hasaga Gold Property in Red Lake, Ontario, Canada, a 44% joint venture interest with Goldcorp in the Rahill-Bonanza projects, also of Red Lake, Ontario, Canada.

On December 12, 2019, Premier announced plans to re-establish exploration of its Red Lake projects in 2020, including a renewed focus at the Company' 100%-owned Hasaga Project. This program will continue to test the expansion of the Hasaga "C-Zone" and "D-Zone" target areas.

The last drilling delineated significant high-grade mineralization down lunge of the historic Homey and Hasaga mines that collectively produced more than 60,000 ounces of gold between 1930 and 1957.

Highlights from Premier's campaigns up to date include: 50.0 metres of 9.19 g/t gold (HMP 164) and 21 metres of 12.03 g/t gold (HMP 164 – W 31), 54.0 metres of 10.94 g/t gold (HMP 151) and 67.0 metres of 4.02 g/t gold (HMP 176 – W 3).

A new discovery located 500 metres west of the C-Zone had intercepts of 8.0 metres of 9.55 g/t gold (HMP 162) and 6.0 metres of 13.67 g/t gold (HMP 172).

Early December 2019, it was announced that **Evolution Mining** of Australia has agreed to buy **Newmont Goldcorp's Red Lake complex** for US\$ 375 million in cash and contingent payments of up to another US\$ 100 million tied to resource recoveries.

Equinox Gold's growth strategy is advancing from a single-asset developer to a mid-tier gold producer in just 2 years, and is on track to have 3 mines in production by mid-2020.

The underground **Red Lake complex** has produced over **25 million ounces at an average grade of more than 20 grams gold per tonne** since it started commercial production in 1949.

The operation is made up of the **Red Lake** and **Campbell complexes**, which each consist of underground mine and processing facilities, and the **Cochenour Mine**.

In 2019, the **Red Lake complex** was expected to produce **150,000 to 160,000 ounces of gold at an average all-in sustainable cost of US\$ 988 per ounce** compared to 276,000 ounces gold at an AISC of US\$ 988, with the drop due to Goldcorp's limited investment on development capital during the year, pending the outcome of the sale process. Also, there was a 3-month pause in the operations at the **Cochenour mine** due to water ingress mitigation.

Evolution Mining says its commitment to spend US\$ 100 million on the asset over the next 3 years "is expected to see operation recover from the temporary declined production".

The highest priority targets, **Evolution** says, are the Upper Main Zone and INCO at **Cochenour**, the Aviation complex at **Red Lake** and HG Young, which is north of **Campbell**.

Evolution, which owns 5 mines in Australia, will pay for the acquisition from a new 5-year, A\$ 600 million (US\$ 400 million) term loan from a syndicate of banks.

RED LAKE DISTRICT - ONTARIO, CANADA

April 3, 2020	Trading symbol		Share price		Change in %	High	Low	Shares issued million	Market capitalization million	
			April 3 2020	year-end 2019		12 month	C\$		US\$	
Top 10 exploration/development companies by market valuation										
			C\$	C\$		C\$	C\$		C\$	US\$
Premier Gold Mines	TSX	PG	1.38	1.97	-30	2.55	0.86	235.2	324.6	227.2
Great Bear Resources	TSX.V	GBR	5.95	8.62	-31	9.57	2.21	46.2	274.9	192.4
Pure Gold Mining	TSX.V	PGM	0.64	0.81	-21	0.88	0.38	358.5	229.4	160.6
Rubicon Minerals	TSX	RMX	0.66	1.08	-39	1.27	0.56	95.6	63.1	44.2
Pacton Gold	TSX.V	PAC	0.05	0.15	-67	0.26	0.04	228.4	11.4	8.0
BTU Metals	TSX.V	BTU	0.14	0.34	-60	0.49	0.07	67.5	9.1	6.4
West Red Lake Gold Mines	CNX	RLG	0.04	0.07	-43	0.12	0.04	160.7	6.4	4.5
Golden Goliath Resources	TSX.V	GNG	0.05	0.09	-44	0.11	0.02	107.7	5.4	3.8
Red Lake Gold	CNX	RGLD	0.19	0.26	-29	0.64	0.06	27.7	5.1	3.6
Falcon Gold	TSX.V	FG	0.04	0.04	14	0.06	0.02	60.0	2.4	1.7