

# Generation Mining Announces C\$8 Million Bought Deal Private Placement

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TORONTO, May 06, 2019 - [Generation Mining Ltd.](#) (CSE:GENM) ("Gen Mining" or the "Company") is pleased to announce that it has entered into an agreement with Haywood Securities Inc. ("Haywood"), as lead underwriter on behalf of a syndicate of underwriters including Canaccord Genuity Corp., PowerOne Capital Markets Limited and PI Financial Corp. (together with Haywood, the "Underwriters"), pursuant to which the Underwriters have agreed to purchase, on a "bought deal" private placement basis, 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").

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 Company has agreed to grant to the Underwriters an option to sell up to an additional 4,285,800 Subscription Receipts on the same terms and conditions as the Offering, exercisable by Haywood in whole or in part at any time up to 48 hours prior to the Closing Date.

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 to complete the Transaction, for exploration and development of the Marathon PGM Property, and for working capital and general corporate purposes.

The Offering is scheduled to close on or about June 5, 2019 (the "Closing Date"), and is subject to certain customary conditions including, but not limited to, satisfactory due diligence review and investigations by the Underwriters and the receipt of all necessary regulatory and other approvals, including the approval of the Canadian Securities Exchange.

The Subscription Receipts, the Common Shares, the Warrants and the Warrant Shares will be subject to a hold period under applicable Canadian securities laws expiring four months and a day after the Closing Date.

In connection with the Offering, Gen Mining has agreed to pay the Underwriters a cash commission equal to 7.0% of the gross proceeds of the Offering (including in respect of the exercise of the Underwriters' option) and to issue to the Underwriters compensation Subscription Receipts 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.

#### About the Property

The Property was developed from 1985 to 2010 by various companies and was eventually owned by [Marathon PGM Corp.](#) [Stillwater Mining Company](#) (&ldquo;Stillwater&rdquo;) acquired [Marathon PGM Corp.](#) 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&rsquo;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 Ltd.](#) 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 &ldquo;forward-looking information&rdquo; 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.

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