



ANNUAL INFORMATION FORM

("AIF")

of

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(the "Company" or "Pretivm")
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For the Year Ended December 31, 2016

Dated: March 30, 2017

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PRELIMINARY NOTES

Effective Date of Information

This AIF is dated March 30, 2017, and unless otherwise indicated, the information contained herein is current as of such date, other than certain financial information which is current as of December 31, 2016, being the date of the Company's most recently audited financial year end.

References to the "Company", "we" and "our" refer to Pretium Resources Inc.

Currency

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

Note Regarding Forward Looking Information and Forward Looking Statements

This AIF contains "forward-looking information" and "forward looking statements" within the meaning of applicable Canadian and United States securities legislation (collectively herein referred to as "forward-looking statements"), including the "safe harbour" provisions of provincial securities legislation and the U.S. Private Securities Litigation Reform Act of 1995, Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"). Forward-looking statements may include, but are not limited to, information with respect to: the future price of silver and gold; the development and construction of a mine at the Brucejack Project (as defined below); our planned exploration and development activities; the adequacy of our financial resources; the estimation of mineral resources and reserves; realization of mineral resource and reserve estimates; the timeline for commercial production and commissioning at the Brucejack Project; costs and timing of future exploration and development; results of future development, exploration and drilling programs; production and processing estimates, including the 2017 Project Economics Update; capital and operating cost estimates, including the February 2017 Capital Cost Forecast; statements relating to the economic viability of the Brucejack Project, including mine life, total tonnes mined and processed and mining operations, as well as the 2017 Project Economics Update; approvals, consents and permits under applicable legislation; our relationship with community stakeholders; our executive compensation approach and practice; litigation risks; currency fluctuations; and environmental risks. Wherever possible, words such as "plans", "expects", "projects", "assumes", "budgeted", "strategy", "scheduled", "estimates", "forecasts", "anticipates", "believes", "intends" "modeled" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative forms of any of these terms and similar expressions, have been used to identify forward-looking statements.

Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be forward-looking

statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation, risks related to:

- uncertainty as to the outcome of legal proceedings including certain class action proceedings in the U.S. and Canada;
- our ability to repay indebtedness;
- the effect of indebtedness on cash flow and business operations;
- our ability to satisfy commitments under the Stream and Offtake agreements and the effect of restrictive covenants in such agreements and in our Credit Agreement;
- assumptions regarding expected operating costs and expenditures, production schedules, economic returns and other projections, including the February 2017 Capital Cost Forecast (as defined herein) and the 2017 Project Economics Update (as defined herein);
- our production estimates, including the accuracy thereof;
- our ability to raise enough capital to fully fund the capital costs required to complete construction at the Brucejack Project;
- dependency on the Brucejack Project for our future operating revenue;
- the accuracy of our resource and reserve estimates (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which they are based;
- our mineral resource estimates, including accuracy thereof and our ability to upgrade such mineral resource estimates to mineral reserve estimates;
- uncertainties relating to the interpretation of drill results and the geology, grade and continuity of our mineral resources;
- the fact that we have no mineral properties in production and no history of production or revenue;
- the exploration, development and operation of a mine or mine property, including the potential for undisclosed liabilities on our mineral projects;
- our ability to obtain adequate financing for our planned exploration and development activities and to complete further exploration programs;
- our ability to complete commissioning and achieve commercial production at the Brucejack Project in the timeline we anticipate;
- the operation and economic viability of the development of the Brucejack Project;
- our history of negative operating cash flow, incurred losses and accumulated deficit;
- commodity price fluctuations, including gold price volatility;
- failure of counterparties to perform their contractual obligations;

- general economic conditions;
- the inherent risk in the mining industry;
- the commercial viability of our current and any acquired mineral rights;
- availability of suitable infrastructure or damage to existing infrastructure;
- governmental regulations, including environmental regulations;
- non-compliance with permits that are obtained or delay in obtaining or failure to obtain permits required in the future;
- increased costs and restrictions on operations due to compliance with environmental laws and regulations;
- compliance with emerging climate change regulation;
- uncertainties relating to additional claims and legal proceedings;
- adequate internal control over financial reporting;
- potential opposition from non-governmental organizations;
- uncertainty regarding unsettled First Nations rights and title in British Columbia;
- uncertainties related to title to our mineral properties and surface rights;
- land reclamation requirements;
- our ability to identify and successfully integrate any material properties we acquire;
- currency fluctuations;
- competition in the mining industry for properties, qualified personnel and management;
- our ability to attract and retain qualified management;
- some of our directors' and officers' involvement with other natural resource companies;
- potential inability to attract development partners or our ability to identify attractive acquisitions;
- compliance with foreign corrupt practices regulations and anti-bribery laws;
- changes to relevant legislation, accounting practices or increasing insurance costs;
- our anti-takeover provisions could discourage potentially beneficial third party takeover offers;
- significant growth could place a strain on our management systems;
- share ownership by our significant shareholders and their ability to influence our governance;
- certain actions under U.S. federal securities laws may be unenforceable;
- the trading price of our Common Shares (as defined below) is subject to volatility due to

market conditions;

- future sales or issuances of our debt or equity securities;
- we do not intend to pay dividends in the near future;
- our being treated as a passive foreign investment company for U.S. federal income tax purposes;
- certain terms of the Notes (as defined below); and
- risks related to ensuring the security and safety of information systems, including cyber security risks.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information.

Forward-looking statements involve statements about the future and are inherently uncertain, and our actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this AIF under the heading “Risk Factors” and elsewhere in this AIF.

Our forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made. In connection with the forward-looking statements contained in this AIF, we have made certain assumptions about our business, including about our planned exploration, development and production activities; the accuracy of our mineral resource estimates; capital and operating cost estimates; production and processing estimates; the results, costs and timing of future exploration and drilling; timelines and similar statements relating to the economic viability of the Brucejack Project; timing and receipt of approvals, consents and permits under applicable legislation; and the adequacy of our financial resources. We have also assumed that no significant events will occur outside of our normal course of business. Although we believe that the assumptions inherent in the forward-looking statements are reasonable as of the date of this AIF, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to the inherent uncertainty therein. We do not assume any obligation to update forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law. For the reasons set forth above, prospective investors should not place undue reliance on forward-looking statements.

Scientific and Technical Disclosure

Certain scientific and technical information relating to the Brucejack Project contained in this AIF is derived from, and in some instances is an extract from, the report entitled “Feasibility Study and Technical Report Update on the Brucejack Project, Stewart, BC” with an effective

date of June 19, 2014 prepared for us by Tetra Tech and co-authored by Snowden Mining Industry Consultants Inc. ("**Snowden**"), AMC Mining Consultants (Canada) Ltd. ("**AMC**", ERM Rescan, BGC Engineering Inc. ("**BGC**"), Alpine Solutions Avalanche Services ("**Alpine Solutions**") and Valard Construction ("**Valard**") (the "**Brucejack Report**") in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

The Brucejack Report is the only current NI 43-101 compliant technical report with respect to the Brucejack Project and supersedes all previous technical reports.

Each co-author of the Brucejack Report listed in the section entitled "Interest of Experts" is a "qualified person" as defined in NI 43-101 and has reviewed, approved and verified certain scientific and technical information in this AIF that is derived from the Brucejack Report.

Scientific and technical information in this AIF not contained in the Brucejack Report has been reviewed, approved and verified by Mr. Kenneth C. McNaughton, M.A.Sc., P.Eng., our Vice President Exploration, Lyle Morgenthaler, B.A.Sc., P.Eng., our Chief Mine Engineer, Russell Pennell, B.A.Sc., P.Eng., our Senior Mine Planning Engineer and Ivor W.O. Jones, M.Sc., FAusIMM, CPGeo who is independent of the Company, each of whom is a "qualified person" as defined in NI 43-101.

Reference should be made to the full text of the Brucejack Report, which has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Company's profile on SEDAR at www.sedar.com. Alternatively, copies of the Brucejack Report may be inspected during normal business hours at the Company's head office.

National Instrument 43-101 Definitions

Canadian reporting requirements for disclosure of mineral properties are governed by NI 43-101. The definitions given in NI 43-101 are adopted from those given by the Canadian Institute of Mining Metallurgy and Petroleum.

Qualified Person

The term "Qualified Person" refers to an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development, production activities and project assessment, or any combination thereof, including experience relevant to the subject matter of the project or report and is a member in good standing of a self-regulating organization.

Mineral Resource

The term “Mineral Resource” is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade or quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

Inferred Mineral Resource

The term “inferred mineral resource” refers to that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Minerals Resources with continued exploration.

Indicated Mineral Resource

The term “indicated mineral resource” refers to that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support miner planning and evaluation of the economic viability of the deposit.

Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

Measured Mineral Resource The term “measured mineral resource” refers to that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with confidence sufficient to allow the appropriate application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation.

Modifying Factors Modifying Factors are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

Mineral Reserve A Mineral Reserve is the economically mineable part of a measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could be reasonably justified.

The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.

Probable Mineral Reserve A Probable Mineral Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

Proven Mineral Reserve A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

Cautionary Note to U.S. Investors

Technical disclosure contained or incorporated by reference in this AIF has not been prepared in accordance with the requirements of United States securities laws and uses terms that comply with reporting standards in Canada with certain estimates prepared in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all mineral reserve and mineral resource estimates contained in this AIF have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System.

Canadian standards, including NI 43-101, differ significantly from the requirements of the Securities and Exchange Commission ("SEC"), and mineral reserve and resource information contained or incorporated by reference in this AIF may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves".

Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made and volumes that are not "reserves" should not be disclosed. Among other things, all necessary permits would be required to be in hand or issuance imminent in order to classify mineralized material as reserves under the SEC standards. Accordingly, mineral reserves estimates included in this AIF may not qualify as "reserves" under SEC standards. The SEC's current disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC.

U.S. investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. Under Canadian rules, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an "inferred mineral resource" exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in-place tonnage and grade without reference to unit measures. In addition, the definitions of "proven mineral reserves" and "probable mineral reserves" under reporting standards in Canada differ in certain respects from the standards of the SEC. Accordingly, information concerning mineral deposits set forth or incorporated by reference herein may not be comparable with information made public by companies that report in accordance with U.S. standards.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the *Business Corporations Act* (British Columbia) (the "BCBCA") on October 22, 2010. Our head and registered office is located at Suite 2300, 1055 Dunsmuir Street, PO Box 49334, Vancouver, British Columbia, V7X 1L4.

Intercorporate Relationships

We have two wholly-owned subsidiaries, Pretium Exploration Inc. ("Pretium Exploration") and 0890696 B.C. Ltd. ("089"), which hold our interests in the Brucejack Project and the assets related thereto. Both subsidiaries were incorporated under the BCBCA.

Employees

As at the conclusion of the financial year ended December 31, 2016, the Company, together with its subsidiaries, had approximately 360 full time employees.

GENERAL DEVELOPMENT OF OUR BUSINESS

We are an exploration and development company that was formed for the acquisition, exploration and development of precious metal resource properties in the Americas.

Our only material mineral project for the purposes of NI 43-101 is the Brucejack Project, a development stage project located in north-western British Columbia. We also have a 100% interest in the Snowfield Project (the "Snowfield Project"), which borders the Brucejack Project to the north.

We intend to focus our exploration and development efforts on the Brucejack Project and, in particular, on the commissioning of and commercial production at the Brucejack Mine. We will also focus on advancing engineering studies on the higher grade underground opportunities at the Brucejack Project and on expanding and increasing the quality of our mineral resources.

The Snowfield Project represents a longer term gold opportunity for our shareholders. Although we do not have a development plan as yet for the Snowfield Project, we plan to continue to explore the area and have budgeted for additional environmental studies which will benefit both the Brucejack and Snowfield Projects.

The Brucejack Project

We acquired the Brucejack Project, along with the Snowfield Project and other associated assets (together, the "Project Assets"), pursuant to an acquisition agreement dated October 28, 2010, as amended, with Silver Standard Resources Inc. ("Silver Standard")(the "Acquisition Agreement"), for an aggregate acquisition price of \$450 million, consisting of a cash payment of \$233,020,000 and the issuance of a total of 36,163,333 common shares (the "Common Shares") in the capital of the Company (the "Acquisition"). We financed the cash portion of the Acquisition

with part of the proceeds from our initial public offering, which closed concurrently with the acquisition of the Project Assets in December 2010.

On June 30, 2014, we filed the Brucejack Report, which is a NI 43-101 compliant feasibility study on the Brucejack Project. The Brucejack Project's Valley of the Kings Proven and Probable Mineral Reserves as set out in the Brucejack Report are 6.9 million ounces of gold (13.6 million tonnes grading 15.7 grams of gold per tonne) and West Zone Proven and Probable Mineral Reserves are 600,000 ounces of gold (2.9 million tonnes grading 6.9 grams of gold per tonne). The Mineral Reserve estimates by zone and Reserve category are summarized below:

Valley of the Kings Mineral Reserve Estimate⁽¹⁾⁽²⁾ - June 2014

Category	Tonnes (millions)	Gold (g/t)	Silver (g/t)	Contained	
				Gold (million oz)	Silver (million oz)
Proven	2.1	15.6	12	1.1	0.8
Probable	11.5	15.7	10	5.8	3.9
Total P&P	13.6	15.7	11	6.9	4.6

⁽¹⁾ Rounding of some figures may lead to minor discrepancies in totals

⁽²⁾ Based on C\$180/t cutoff grade, US\$1,100/oz Au price, US\$17/oz Ag price, C\$/US\$ exchange rate=0.92

West Zone Mineral Reserve Estimate⁽³⁾ - June 2014

Category	Tonnes (millions)	Gold (g/t)	Silver (g/t)	Contained	
				Gold (million oz)	Silver (million oz)
Proven	1.4	7.2	383	0.3	17.4
Probable	1.5	6.5	181	0.3	8.6
Total P&P	2.9	6.9	279	0.6	26.0

⁽³⁾ See notes (1) and (2) to the table above.

The Brucejack Report set out a base case (US\$1,100/ounce gold, US\$17/ounce silver and exchange rate of 0.92 C\$/US\$) estimated pre-tax Net Present Value (5% discount) of US\$2.25 billion, with an internal rate of return of 34.7%.

The Brucejack Report contemplates average annual production during the first eight years of 504,000 ounces of gold and during the 18 year Life of Mine ("LOM") 404,000 ounces of gold, an estimated capital cost, including contingencies, of US\$746.9 million and an average processing rate of 2,700 tonnes/day with operating costs of C\$163.05 per tonne milled.

Please see "Description of Our Business" at page 24 for an excerpt of the Brucejack Report.

Environmental Assessment and Review

Major mining projects in British Columbia are subject to environmental assessment and review prior to certification and issuance of permits to authorize construction and operations. Environmental assessment (provincial EA and federal EIS) is a means of addressing the potential for adverse environmental, social, economic, health, and heritage effects or the potential adverse effects on Aboriginal interests or rights prior to project approval. Depending on the scope of a project, assessment and permitting of major mines in British Columbia proceeds through the BC Environmental Assessment Office process (the "BC EAO") pursuant to the BC Environmental Assessment Act (BC EAA) to receive an EA Certificate and through the Canadian Environmental Assessment Agency ("CEAA") pursuant to the Canadian Environmental Assessment Act 2012 to receive a CEAA Decision Statement.

At a provincial level, proposed mining developments that exceed a threshold criterion of 75,000 t/a (or 205 t/d) as specified in the Reviewable Project Regulations are required under the BC EAA to obtain an Environmental Assessment Certificate from the Ministry of Environment and Ministry of Energy and Mines ("EA Certificate"). Following issuance of an EA Certificate, permitting proceeds through the Ministry of Energy and Mines to obtain a Mines Act permit to construct / operate / close a mine and Ministry of Environment to permit under the Environment Management Act various waste discharge permits.

At a federal level, proposed gold mine developments (other than placer mines) that exceed a threshold criterion of 600 t/d as specified under the Regulations Designating Physical Activities are required to complete an Environmental Impact Study (the "EIS") pursuant to the CEA Act.

BC EA

We submitted our Project Description for the Brucejack Project to the British Columbia Environmental Assessment Office ("BC EAO") in December 2012 and in February 2013, the BC EAO issued a Section 10 order in respect of the EA Certificate requirement for the Brucejack Project. A Section 11 order was issued in July 2013 outlining the scope, procedures and methods for the environmental assessment process.

During 2013, meetings were held with the working group comprised of representatives from provincial and federal government agencies, First Nations and communities participating in the review process (the "Working Group"). Public meetings were also held in 5 communities in northwest British Columbia during the first public comment period.

In May 2014, we received a copy of the approved Application Information Requirements from the BCEAO and on June 20, 2014, we filed our EAC application with the BC EAO. The EAC application was then evaluated for completeness over a 30-day period by BC EAO with the involvement of the Working Group. On August 13, 2014, our EA Certificate application was accepted for filing by the BC EAO. In September 2014, we held a second round of public meetings in 5 communities in northern British Columbia during the second public comment period.

In March 2015, we were issued our EA Certificate for the Brucejack Project by the British Columbia Minister of the Environment and the Minister of Energy and Mines. The Ministers issued the EA Certificate with conditions that would give them the confidence to conclude that the project will be constructed, operated and decommissioned in a way that ensures no significant adverse effects are likely to occur.

The BC EA process concluded within the legislated timeframe and was led by the BC EAO. The process provided for significant opportunities for Aboriginal groups, government agencies and the public to provide input on the potential for environmental, economic, social, heritage and health effects from a proposed project.

The B.C. Minister of Energy and Mines issued us our B.C. Mines Act Permit on August 31, 2015, approving our mine plan and reclamation program allowing commercial production at the Brucejack Project. The Mines Act Permit allows for the construction of a 2,700 tonnes per day doré and flotation plant, development of an underground mine, and associated facilities and other infrastructure.

CEAA EIS

In respect of the federal Environmental Impact Assessment process, we submitted the Project Description for the Brucejack Project to the CEAA in January 2013.

In May 2013, CEAA issued the EIS Guidelines that outline the federal permitting requirements for the Brucejack Project. We filed our EIS concurrently with our EAC application in August 2014.

In July 2015, we received our Environmental Assessment Decision Statement from the Federal Minister of the Environment which found that the Brucejack Project was not likely to cause significant adverse environmental effects. The Minister issued a Project Recommendation that includes a determination regarding the potential effects of the Project under the *Nisga'a Final Agreement*, which is a modern treaty signed by the governments of Canada, British Columbia and the Nisga'a Nation.

In reaching the decision, the Minister considered the Project Recommendation and the Canadian Environmental Assessment Agency's (CEAA) Environmental Assessment Report. The Report includes CEAA's conclusions and recommendations on the potential environmental effects of the project, the proposed mitigation measures, the significance of any remaining adverse environmental effects, and the follow-up program.

The pre-construction conditions set out by the BC EA Certificate and the CEAA Decision Statement were addressed in advance of the start of mine construction in September 2015.

Following design engineering and the start of construction, the EA Certificate has been amended to address project changes brought about through modifications to site specific configurations and site requirements. The Mines Act Permit has also been amended to accommodate project changes and the various waste discharge permits have been amended to also accommodate project changes.

2017 Significant Developments

2017 Engineering and Development of the Brucejack Project

Construction of the Brucejack Project has advanced ahead of schedule and commissioning is planned for April 2017. Commissioning was previously planned for mid-2017. Underground development is well advanced with twelve stopes crosscut on two levels in preparation for long-hole drilling. Cross cutting of another eleven stopes is in progress. A long-hole drill has been mobilized, with long-hole drilling of a test stope underway.

All major mechanical and electrical components have been delivered to site and installation and assembly is ongoing. The shell, heads, gears motors and drives for the SAG and Ball mills have been installed and the drives are scheduled to be energized in early April 2017. Electrical and instrumentation along with mechanical and piping installation within the mill building is ongoing. The mine substation and central electrical room are ready for energization.

The 330-person camp which includes mine dry facilities, offices, recreation facilities, dining hall and kitchen has been commissioned and is fully operational.

Construction continues on the Valley of the Kings portal building. External structural steel erection is complete and internal structural steel, mechanical and electrical installation is progressing. The portal will serve as the primary access point to convey the gold ore from the underground crusher to the mill.

Construction of the 57-kilometer long transmission line has been completed and is expected to be energized in early April 2017. An additional six 2-megawatt diesel generators are fully commissioned and, combined with our initial 5-megawatts of diesel power, can provide adequate power to maintain full mill and underground production in the event of any grid power interruption.

Underground development remains on schedule and contract mining crews have completed over 10,000 meters of underground development to date. Access to eight production levels from the 1200 to 1410-meter levels has been established. Long-hole drilling has been in progress on a test stope on the 1320-meter level since mid-February. Excavation of the major development infrastructure is now complete. The third and final exhaust vent raise has broken through to the surface. Underground work is focused on continued ramp and level development. Construction of underground infrastructure, including the crusher, conveyor, and transfer towers continues.

February 2017 Capital Cost Forecast

On February 3, 2017, we announced that the total project capital cost forecast (the "February 2017 Capital Cost Forecast") to complete construction of the Brucejack Project, including contingencies, is US\$811.1 million, an increase of 16% from the February 2016 capital cost estimate of US\$696.8 million. The February 2017 Capital Cost Forecast includes US\$68.8 million of working capital for the first three months of production, but does not take into account any revenue generated during this period. Key areas of capital cost increases from the February 2016 Capital Cost Estimate include: the transmission line (US\$37.9 million); costs to accelerate

commissioning (US\$13.9 million); new scope items (US\$21.7 million); construction overages (US\$34.1 million); and Indirects/Owner's costs (US\$31.4 million).

The February 2017 Capital Cost Forecast to complete construction of the Brucejack Project, including contingencies, has been prepared on the basis of: 97% committed of the February 2017 Forecast excluding working capital (US\$719.7 million of US\$742.3 million), substantial completion of engineering; award of all major contracts and purchase orders; substantial completion of civil works; approximately 95% completion of project wide concrete installation; substantial completion of fabrication of structural steel; approximately 60% completion of erection of site-wide structural steel; approximately 75% completion of process tank installation; approximately 15% completion of mechanical and piping installation for the mill building and associated works; approximately 25% completion of electrical and instrumentation installation for the mill building and associated works, completion and energization of the Stewart to Knipple substation transmission line works; and approximately 90% completion of the Knipple substation to Brucejack Mine transmission line.

The following is a summary of the capital costs from the February 2017 Capital Cost Forecast in comparison with the February 2016 Capital Cost Estimate:

Capital Costs Summary Comparison⁽¹⁾

	February 2017 Forecast (US\$ million)	February 2016 Capital Cost Estimate (US\$ million)
Mine underground	90.7	101.4
Mine site ⁽²⁾	250.4	165.3
Offsite Infrastructure ⁽³⁾	108.8	81.0
Total Direct Costs	449.9	347.7
Indirect Costs	78.3	97.5
Owner's Costs	209.0	160.3
Contingency	5.1	35.3
Total Capital Cost	742.3	640.8
Working Capital	68.8	56.0
Total Construction Cost	811.1	696.8

⁽¹⁾US\$0.75:C\$1

⁽²⁾Includes mine site, mine site process, mine site utilities, mine site facilities, tailings facilities, mine site temporary facilities and surface mobile equipment.

⁽³⁾Includes transmission line.

Lyle Morgenthaler, B.A.Sc., P.Eng., Chief Mine Engineer, is the Qualified Person responsible for Brucejack Project development and has reviewed and is responsible for the technical and scientific information in this section of the AIF.

2017 Project Economic Metrics

Based on the February 2017 Capital Cost Forecast, the Project Economics were updated (the "2017 Project Economics Update"). Net Cash Flows and Net Present Values decreased slightly

and Internal Rates of Return and Payback improved marginally in comparison to the Project Economics from February 2016.

The following table provides an updated summary of the Brucejack economic results by metal price.

Summary of Brucejack Economic Results by Metal Price – February 2017 Update^(4,5)

	Low Case	Base Case	High Case
Gold Price (US\$/ounce)	\$800	\$1,100	\$1,400
Silver Price (US\$/ounce)	\$10.00	\$14.00	\$18.00
Net Cash Flow (US\$)	\$2.11 billion (pre-tax) \$1.47 billion (post-tax)	\$4.22 billion (pre-tax) \$2.82 billion (post-tax)	\$6.32 billion (pre-tax) \$4.17 billion (post-tax)
Net Present Value⁽⁶⁾ (5.0% discount) (US\$)	\$1.05 billion (pre-tax) \$0.69 billion (post-tax)	\$2.34 billion (pre-tax) \$1.53 billion (post-tax)	\$3.62 billion (pre-tax) \$2.36 billion (post-tax)
Internal Rate of Return	19.9% (pre-tax) 16.5% (post-tax)	34.4% (pre-tax) 28.5% (post-tax)	47.5% (pre-tax) 39.1% (post-tax)
Payback (from start of production period)	5.0 years (pre-tax) 5.2 years (post-tax)	3.3 years (pre-tax) 3.5 years (post-tax)	2.5 years (pre-tax) 2.7 years (post-tax)
Exchange Rate (US\$:C\$)	0.75	0.75	0.75

⁽⁴⁾Includes impact from financing announced Sept 15, 2015.

⁽⁵⁾Financing impact assumes repayment of debt facility at maturity, exercise of maximum buyout options for offtake and stream facilities at December 31, 2018.

⁽⁶⁾NPV is discounted to December 31, 2015.

Lyle Morgenthaler, B.A.Sc., P.Eng., Chief Mine Engineer, is the Qualified Person responsible for Brucejack Project development and has reviewed and is responsible for the technical and scientific information in this section of the AIF.

The estimates contained in the February 2017 Capital Cost Forecast and the 2017 Project Economics Update are forward-looking statements and are subject to the risks and uncertainties outlined under “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors”.

Convertible Debenture Offering

In February, 2017, we completed an offering of US\$100 million aggregate principal amount of 2.25% unsecured convertible senior subordinated notes due 2022 (the “Notes”), which includes the exercise of the full amount of the over-allotment option of US\$10 million aggregate principal amount of Notes. The initial conversion rate for the Notes is 62.5000 Common Shares per US\$1,000 principal amount of Notes, equivalent to an initial conversion price of US\$16.00 per Common Share.

We intend to use the net proceeds of the Notes offering for working capital during start-up of the Brucejack Project and for general corporate purposes.

2016 Significant Developments

2016 Mineral Resource Update

On July 21, 2016, we announced an updated Valley of the Kings Mineral Resource estimate in accordance with National Instrument 43-101 for the Brucejack Project (the “2016 Mineral Resource Estimate Update”).

The 2015-2016 Valley of the Kings infill drill program was undertaken to support production planning in the Valley of the Kings and designed to convert Indicated Mineral Resources into Measured Mineral Resources in the areas to be mined in the first three years of the current mine plan (1320-meter level to 1200-meter level) by increasing drill density to 7.5-meter to 10-meter centers. The infill drill program was subsequently expanded to include extensions of Domain 20 which are adjacent to areas planned to be mined in the early years of the 2014 Feasibility Study Mine Plan.

The program, which consisted of 63,740 meters in 367 drillholes, was successful in increasing the Measured Mineral Resources in the Valley of the Kings by 58% to 1.9 million ounces (3.5 million tonnes grading 17.0 grams per tonne gold). Results from the program confirmed the style and grade distribution of the gold mineralization in the area being tested, and included the intersection of high grade and visible gold.

The program was also successful in adding Indicated Mineral Resources, with Measured and Indicated Mineral Resources in the Valley of the Kings now totalling 9.1 million ounces of gold (16.4 million tonnes grading 17.2 grams per tonne gold), an increase from the December 2013 Valley of the Kings Mineral Resource estimate of Measured and Indicated Mineral Resources which totalled 8.7 million ounces of gold (15.3 million tonnes grading 17.6 grams per tonne gold). The following table is a summary of the 2016 Mineral Resource Estimate Update:

Valley of the Kings Mineral Resource estimate - July 2016^{(1),(4)}
(Based on a gold-silver cut-off grade of 5.0 grams/tonne⁽⁵⁾)

Category	Tonnes (millions)	Gold (g/t)	Silver (g/t)	Contained ⁽³⁾	
				Gold (million oz)	Silver (million oz)
Measured	3.5	17.0	15.3	1.9	1.7
Indicated	13.0	17.3	15.0	7.2	6.2
M&I	16.4	17.2	15.0	9.1	7.9
Inferred ⁽²⁾	4.6	21.0	26.9	3.1	4.0

(1) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues. The Mineral Resources in this news release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

(2) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.

(3) Contained metal figures and totals may differ due to rounding of figures.

(4) The Mineral Resource estimate stated in Table 1 is defined using 10 m by 10 m by 10 m blocks in the Valley of the Kings.

(5) The gold-silver cutoff value is defined as Au + Ag/53.

The 2016 Mineral Resource Estimate Update confirmed the geological model for the Valley of the Kings and combined Measured and Indicated Resources have not materially changed. The Valley of the Kings remains open to the east and west along strike, and at depth.

We prepared the 2016 Mineral Resource Estimate Update under the guidance and supervision of Ivor W.O. Jones, M.Sc., FAusIMM, CPGeo who is the independent Qualified Person (QP) responsible for the Mineral Resource for the Brucejack Project. The Company employed the same approach and methodology as was used for the December 2013 Valley of the Kings Mineral Resource estimate. For details see *Brucejack Project Mineral Resources Update Technical Report effective date 19 December 2013*.

2016 Mineral Reserve Estimate and Mine Plan Update

On December 15, 2016 we announced a positive updated Valley of the Kings Mineral Reserve estimate for its Brucejack Project (“2016 Mineral Reserve Estimate Update”) which was based on the 2016 Mineral Resource Estimate Update. The following table is a summary of the 2016 Mineral Reserve Estimate Update.

Valley of the Kings Mineral Reserve Estimate - December 2016⁽¹⁻⁵⁾

Category	Tonnes (millions)	Gold (g/t)	Silver (g/t)	Contained	
				Gold (million oz)	Silver (million oz)
Proven	3.3	14.5	12.9	1.6	1.4
Probable	12.3	16.5	11.3	6.5	4.5
Total	15.6	16.1	11.1	8.1	5.9

(1) The Mineral Reserves and Resources in this news release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

(2) Contained metal figures and totals may differ due to rounding of figures.

(3) A 94% tonnage recovery is used

(4) Assumptions used include US\$1,100 per ounce of gold US\$17 per ounce of silver and a \$0.92 CAD/US exchange rate

(5) A NSR cut-off of CAD\$180/tonne was used to optimize the stopes

Russell Pennell, B.A.Sc., P.Eng., Senior Mining Engineer, Pretium Resources Inc. is the Qualified Person responsible for the Reserve Estimate and Mine Plan Update for the Brucejack Project.

Highlights of the 2016 Mineral Reserve Estimate Update include Proven Mineral Reserves in the Valley of the Kings increased to 1.6 million ounces gold (3.3 million tonnes grading 14.5 grams per tonne gold) which is sufficient for the first three years of mine life and Proven and Probable Mineral Reserves in the Valley of the Kings increased to 8.1 million ounces gold (15.6 million tonnes grading 16.1 grams per tonne gold).

Areas of gain in the 2016 Mineral Reserve Estimate Update are attributed to: (a) increasing drill density to 7.5-meter to 10-meter centers which allowed for conversion of a significant amount of Probable Reserve to the Proven Reserve category; (b) adjustments made to the stope orientation and design parameters; and (c) the addition of grade to the background mineralization for the estimate which had previously been modeled at zero grade.

2016 Exploration Program

The 2016 grass-roots exploration program concluded in October and was conducted to evaluate the broader regional exploration potential of the Brucejack property outside the area of known mineralization. The Bowser Regional Project area, approximately 20 kilometers south-east of the Valley of the Kings deposit, comprises approximately 800 square kilometers.

As the 2015 program included airborne magnetic, radiometric and EM surveys over two-thirds of the project area, the 2016 program was designed to cover the remaining areas with airborne magnetic and radiometric surveys as well as a hyperspectral survey, regional ground MT surveys, property scale mapping and prospecting over the entire area. A limited drill program was also completed to enhance geological interpretation.

Renewal of Base Shelf Prospectus

In May, 2016, we filed a short form base shelf prospectus with the securities commissions in each of the provinces and territories of Canada, except Quebec, and a corresponding shelf registration statement on Form F-10 with the SEC under the U.S. Securities Act of 1933, as amended, and Multijurisdictional Disclosure System established between Canada and the United States.

The base shelf prospectus will allow us to offer up to US\$600,000,000 of Common Shares, debt securities, preferred shares, subscription receipts, units, warrants and share purchase contracts from time to time over the 25-month period after Canadian securities regulatory authorities have issued a receipt for the final short form base shelf prospectus.

2016 Capital Cost Forecast and Project Economics Update

In February, 2016, we provided an updated cost estimate for the Brucejack Project (the "February 2016 Capital Cost Update"). The February 2016 Capital Cost Update was based on the achievement of the 60% engineering milestone and was carried out to update the June 2014 Feasibility Study cost estimate (the "Feasibility Study Estimate") for the Brucejack Project.

Under the February 2016 Capital Cost Update, the estimated total project capital cost to complete design, construction, installation and commissioning, including contingencies, was US\$640.8 million. Working capital for the three-month period of post-plant commissioning and initial gold production was estimated at US\$56.0 million and covers the cost of operations, but did not take into account any revenue generated during this period. The working capital estimate also covers the costs for prepayments related to electrical power and permitting, including US\$9 million in government fees and bonds.

The February 2016 Capital Cost Update and Project Economics Update have since been superseded by the February 2017 Forecast and 2017 Project Economics Update.

Shelf Prospectus Offering

We completed a marketed offering of 26,210,000 of our Common Shares at US\$4.58 per Common Share, for gross proceeds of US\$120 million (the "Shelf Prospectus Offering") in

March 2016. The offering was done under a supplement to our short form base shelf prospectus dated July 14, 2014. The underwriters also exercised their over-allotment option and purchased an additional 2,174,000 Common Shares at US\$4.58 per Common Shares, for additional proceeds of US\$9,956,920 for total gross proceeds of US\$129,998,720.

Pursuant to a subscription agreement dated December 8, 2014 between Jin Huang Mining Company (formerly Xinxing Global Limited) ("Jin Huang") and the Company, Jin Huang is entitled to maintain its proportionate ownership interest in the Company by participating pro rata in issuances of the Company's Common Shares. Jin Huang exercised its participation rights and subscribed for 2,786,849 of our Common Shares at a price of US\$4.58 per Common Share in a non-brokered private placement.

Pursuant to a subscription agreement dated September 21, 2015, Orion Mine Finance Group ("Orion") is entitled to maintain its proportionate ownership interest in the Company by participating pro rata in issuances of our Common Shares. Orion exercised its participation rights and subscribed for 752,906 of our Common Shares at a price of US\$4.58 per Common Share in a non-brokered private placement.

Additional aggregate gross proceeds of approximately US\$16,212,078 was raised from the pro-rata private placement.

The net proceeds of the marketed offering and the pro-rata offering were used to fund development of the Brucejack Project.

2015 Significant Developments

2015 Exploration Activities

A grass-roots exploration program was undertaken in 2015 which was comprised of prospecting, airborne EM, magnetic and radiometric surveys, and a surface drill program.

The 2015 surface exploration drill program consisted of approximately 20,000 meters of drilling, which targeted porphyry/epithermal-style mineralization to the east of the Brucejack Project.

The 2015 regional exploration program was successful in expanding the size of the hydrothermal system that includes the Valley of the Kings and confirming the potential for additional mineralized zones to the east. With the discovery of the Flow Dome Zone, the program was successful in extending the strike length of the Valley of the Kings gold mineralization 1,000 meters to the east of the current Valley of the Kings Measured and Indicated Mineral Resource. Results from the 2015 program were used to prioritize targets for follow-up regional exploration programs.

2015 Engineering and Development of the Brucejack Project

Underground development was ongoing in 2015, with an initial focus on underground exploration development. Upon receipt of final mine development permits, the focus switched to the development of mine infrastructure.

An infill drill program at the Brucejack Project's Valley of the Kings commenced in 2015 to target stope areas in years 1 through 3 of the current mine plan (1320-meter level to 1200-meter level). The planned drill program was expanded to include extensions of Domain 20 which are adjacent to areas being mined in the early years of the 2014 Feasibility Study Mine Plan. An area of roughly 200 vertical meters over a strike length of 250 meters was drilled at 7.5 to 10-meter centers. The primary purpose of the drilling was grade control, with the additional benefit of infill drilling inferred and non-stope indicated resources in the same area. Results from the program continued to confirm the style and grade distribution of the gold mineralization in the area being tested, which includes the intersection of high grade and visible gold.

Construction at the Brucejack Project commenced on September 5, 2015 with expected commissioning at that time being in the third quarter of 2017. Activities were focused on bulk earth works, including the pads for the permanent camp and mill building, in preparation for facilities construction in the spring of 2016. Additional construction activities at site included the excavation of diversion ditches and contact water pond and the widening of the haul road to accommodate construction traffic. Transmission line right-of-way clearing commenced and the contract for the transmission line towers was issued.

Construction Financing Package with Orion Mine Finance Group and Blackstone Tactical Opportunities

In September, 2015, we completed a US\$540,000,000 construction financing package (the "Orion and Blackstone Financing") with the Orion Mine Finance Group ("Orion") and Blackstone Tactical Opportunities ("BTO") (collectively "Orion and Blackstone"). The Orion and Blackstone Financing was comprised of a credit facility for US\$350,000,000 (the "Credit Facility"), a US\$150,000,000 prepayment under a callable gold and silver stream agreement (the "Stream Agreement") and a private placement of Common Shares for US\$40,000,000 (the "Private Placement").

Upon closing, we received US\$340,000,000 comprised of: (i) US\$150,000,000 as an initial advance under the Credit Facility; (ii) US\$150,000,000 as a deposit under the Stream Agreement (the "Deposit"); and (iii) US\$40,000,000, being the aggregate subscription price under the Private Placement.

The Credit Facility consisted of a credit agreement among the Company, as borrower, Pretium Exploration and 089, as guarantors, Orion and BTO, as lenders and Orion, as administrative agent, dated September 15, 2015 (the "Credit Agreement") and an offtake agreement among Pretium Exploration, the Company, 089, Orion Co-Investments II (Stream) Limited ("Orion Stream") and BTO, dated September 15, 2015 (the "Offtake Agreement").

The Credit Agreement is a senior secured loan facility of US\$350,000,000 of which US\$150,000,000 was advanced at closing, leaving US\$200,000,000 available to be drawn in up to US\$50,000,000 tranches (with each tranche subject to a minimum amount of US\$5,000,000) beginning six months from the closing date of the Credit Agreement over a period of 18 months with each draw subject to an arrangement fee of 3%. The facility was fully drawn on February 15, 2017. The Credit Agreement has a fixed interest rate of 7.5%. Principal and accrued interest compounded quarterly is due at maturity on December 31, 2018. We have an option to extend maturity to December 31, 2019 on payment of 2.5% of the principal amount outstanding.

The Offtake Agreement applies to sales from the first 7,067,000 ounces of refined gold (less any delivered ounces pursuant to the Stream Agreement). Orion Stream and BTO will pay for refined gold based on a market referenced gold price in U.S. dollars per ounce during a defined pricing period before and after the date of each sale. The offtake obligation applies to 100% of refined gold produced at the Brucejack Project less the percentage of refined gold to be delivered pursuant to the Stream Agreement. Moreover, Pretium Exploration has the option to reduce the offtake obligation by one of the following options:

- i. Effective on December 31, 2018, Pretium Exploration can elect to reduce the offtake obligation to either i) 50% by paying US\$11 per ounce multiplied by 0.5, on the remaining undelivered gold ounces, or ii) 25% by paying US\$11 per ounce multiplied by 0.75, on the remaining undelivered gold ounces; or
- ii. Effective on December 31, 2019 Pretium Exploration can elect to reduce the offtake obligation to either i) 50% by paying US\$13 per ounce multiplied by 0.5, on the remaining undelivered gold ounces, or ii) 25% by paying US\$13 per ounce multiplied by 0.75, on the remaining undelivered gold ounces.

Pursuant to the Stream Agreement among Orion Stream and BTO as purchasers, the Company and Pretium Exploration, as seller, Orion Stream, as purchaser's agent, Orion, as collateral agent, dated September 15, 2015, the Deposit was advanced at closing as prepayment in consideration of a callable stream that applies to 8% of the 7,067,000 ounces of refined gold and 26,297,000 ounces of refined silver produced at the Brucejack Project (the "Refined Precious Metals"). The Refined Precious Metals subject to the Stream Agreement will be reduced by the aggregate ounces of Refined Precious Metals sold and delivered prior to the applicable delivery start date.

Pretium Exploration may elect to repurchase all or a portion of the Refined Precious Metals stream by one of the following options:

- i. On December 31, 2018, Pretium Exploration can elect to repurchase the entire 8% stream by paying US\$237,000,000 or can elect to reduce the stream to 3% of Refined Precious Metals by paying US\$150,000,000, in which case the stream deliveries would commence January 1, 2019; or
- ii. On December 31, 2019, Pretium Exploration can elect to repurchase the entire 8% stream by paying US\$272,000,000 or can elect to reduce the stream to 4% of Refined Precious Metals by paying US\$150,000,000, in which case the stream deliveries would commence

January 1, 2020.

If Pretium Exploration does not exercise the right to reduce or repurchase the Refined Precious Metals stream by December 31, 2019, US\$20,000,000 will be payable to Orion Stream and BTO and an 8% stream will apply to the Refined Precious Metals beginning January 1, 2020, with payment of US\$400 per ounce of gold and US\$4.00 per ounce of silver. If the market price of gold is greater than US\$400 per ounce, the excess will decrease the Deposit until it has been reduced to nil.

Subject to certain exceptions, the Stream Agreement contains restrictions on the transfer of production and transfers of property and assets. The Stream Agreement also contains a general prohibition regarding changes of control of Pretium or any of its subsidiaries. However, the Stream Agreement does not prohibit a transfer or change of control of Pretium or any of its subsidiaries if a change of control or transfer of substantially all assets of Pretium, Pretium Exploration or any other Pretium Entity (as defined in the Stream Agreement, which is available on SEDAR) occurs or is agreed to (a "Triggering Event") prior to the earlier of (i) January 1, 2020; and (ii) the date the Deposit is reduced to nil, and Pretium Exploration exercises its right at such time to purchase the stream obligation (the "Purchase Right") in exchange for consideration equal to the greater of (a) 13.6% of consideration received as a result of such Triggering Event which is attributable to the project, and (b) an amount equal to the product of \$150,000,000 and $(1.15)^{D/365}$, where "D" is the number of days from the date of the Agreement to the date of completion of such Triggering Event (the greater of such amounts, the "Triggering Event Amount"). If a Triggering Event occurs and Pretium Exploration has not exercised the Purchase Right, the Purchasers shall have the right at such time to require Pretium Exploration to purchase the Stream Agreement in exchange for consideration equal to the Triggering Event Amount. Once the Deposit is reduced to nil, there will be no consequences of a change of control of Pretium.

Under the Private Placement each of Orion and BTO subscribed for 3,848,004 of our Common Shares at US\$5.1975 per Common Share for aggregate proceeds at closing of US\$40,000,000. Orion and BTO are also entitled to maintain their proportionate ownership of our Common Shares by participating pro rata in issuances of our Common Shares (subject to certain exceptions) until the maturity date of the Credit Agreement.

Production Decision

In 2015, following receipt of all of the major regulatory permits required to begin development work at the Brucejack Project, and the completion of the Construction Financing with Orion and Blackstone, our Board of Directors approved a Production Decision for the Brucejack Project.

2014 Significant Developments

2014 Exploration Activities

The 2014 exploration program at the Brucejack Project was focused on continuing resource definition in the Valley of the Kings with both surface and underground exploration.

The 2014 surface drill program consisted of infill drilling, exploration drilling at depth and condemnation drilling. The infill drill program, comprising 5,818 meters in three holes including 14 wedge holes, was successful in confirming the grade and continuity of Indicated and Inferred gold mineralization in an area defined by the 2013 Mineral Resource estimate block model.

The exploration drilling at depth, which consisted of four deep drill holes comprising 3,507 meters, was successful in confirming the continuity of gold mineralization in the Valley of the Kings below the area defined by the 2013 Mineral Resource estimate. Condemnation drilling for mine site infrastructure consisted of 25 drill holes comprising 2,679 meters.

Underground exploration in the Valley of the Kings continued with mapping and sampling coinciding with the advance of ramping and vent raise excavation.

2014 Engineering and Development of the Brucejack Project

In June, 2014, we filed the Brucejack Report which superseded the NI 43-101 compliant "Feasibility Study and Technical Report on the Brucejack Project" dated June 11, 2013, prepared by Tetra Tech.

Basic and detailed engineering activities continued in 2014:

- AMEC was awarded the EPCM contract and commenced work on engineering and procurement;
- Flow sheets and process design criteria were finalized as well as process and instrumentation diagrams;
- Plant and site layout refinements were underway, as well as the procurement of surface facilities and underground infrastructure;
- Teams in the technical areas required to advance the Project through development were staffed; and
- Contracts including bulk earthworks, transmission line and long lead items were awarded.

DESCRIPTION OF OUR BUSINESS

The Brucejack Project is our only material project and we intend to focus our exploration and development efforts on the Brucejack Project and, in particular, on advancing engineering studies on the higher grade underground opportunities at the Brucejack Project and on expanding and increasing the quality of our mineral resources.

On June 30, 2014, we filed the Brucejack Report, which is a NI 43-101 compliant feasibility study on the Brucejack Project and an excerpt from the Brucejack Report is reproduced below.

Unless stated otherwise, the scientific and technical information in this AIF is solely derived from, and in some instances is an extract from, the Brucejack Report. Reference should be made to the full text of the Brucejack Report, which is available electronically on the SEDAR website at www.sedar.com under our SEDAR profile, as the Brucejack Report contains additional assumptions, qualifications, references, reliances and procedures which are not fully described herein.

The “Resource Estimate” in the Brucejack Report has been prepared in compliance with NI 43-101 and Form 43-101F1 which require that all estimates be prepared in accordance with the “CIM Definition Standards on Mineral Resources and Mineral Reserves as prepared by the CIM Standing Committee on Reserve Definitions” and in effect as of the effective date of the Brucejack Report.

The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

The Brucejack Project

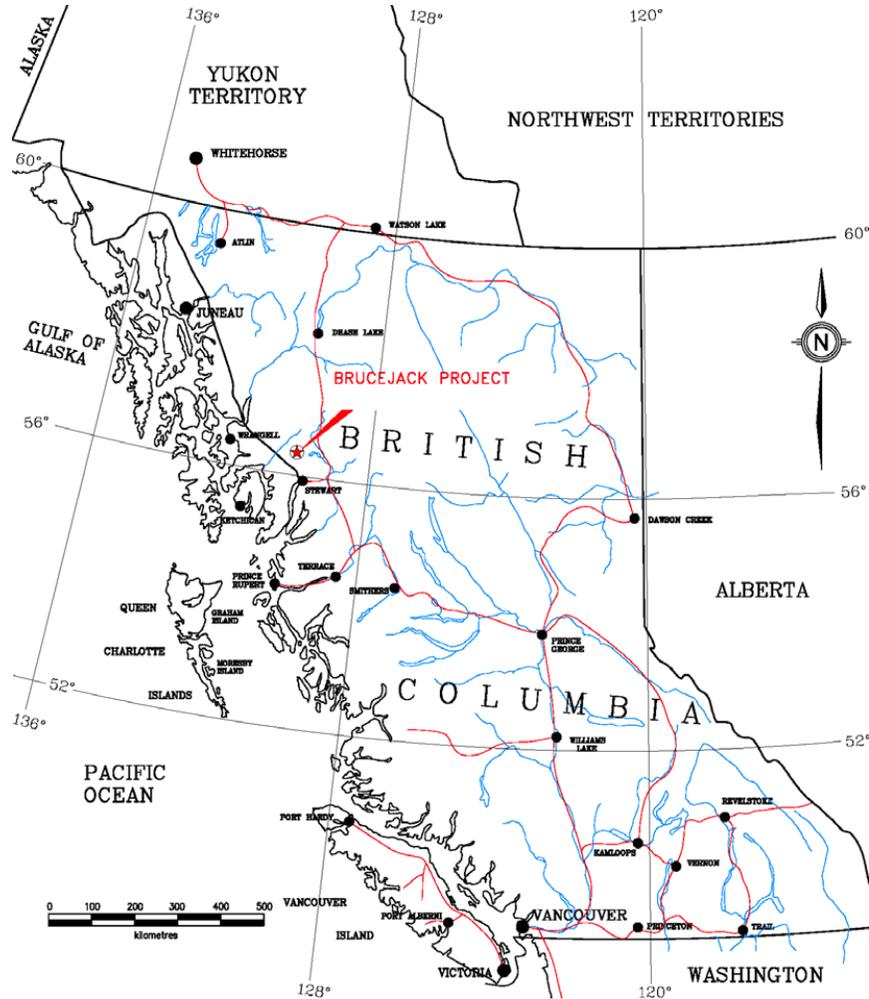
Project Description and Location

The Brucejack Project (also known as the “**Property**” in the Brucejack Report) consists of four mining leases and six mineral claims totalling 3,304 hectares. The mining leases require annual payments to remain in good standing and the mineral claims are in good standing until January 31, 2027.

The Brucejack Project is centred at approximately latitude 56°28’20”N by longitude 130°11’31”W, approximately 950 kilometres northwest of Vancouver, 65 kilometres north-northwest of Stewart, and 21 kilometres south-southeast of the Eskay Creek Mine.

We acquired our 100% outright interest in the Brucejack Project in December 2010, pursuant to the Acquisition Agreement with Silver Standard. The Brucejack Project is subject to a 1.2% net smelter returns royalty in favour of Franco-Nevada Corporation (“**Franco-Nevada**”) on production in excess of 503,386 ounces of gold and 17,907,080 ounces of silver.

Property Location Map



Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The Brucejack Project is located in the Boundary Range of the Coast Mountain Physiographic Belt along the western margin of the Intermontane Tectonic Belt. The terrain is generally steep with local reliefs of 1000 metres from valleys occupied by receding glaciers, to ridges at elevations of 1200 metres above sea-level. Elevations within the Brucejack Project area range from 1366 metres along Brucejack Lake to 1650 metres at the Bridge Zone. However, within several areas, the relief is relatively low to moderate.

We have completed construction of our approximately 74 kilometre exploration access road that links the Brucejack Camp to Highway 37 via the Knipple Glacier, Bowser Camp and Wildfire

Camp. Personnel, equipment, fuel and camp provisions are driven to a staging area on the Knipple Glacier before being taken over the glacier to the Brucejack Camp. The area is easily accessible by helicopter from the town of Stewart, or seasonally from the settlement of Bell II. The flight time from Stewart is approximately 30 minutes and slightly less from Bell II.

Climate

The climate is typical of north-western British Columbia with cool, wet summers, and relatively moderate but wet winters. Annual temperatures range from +20°C to -20°C. Precipitation is high with heavy snowfall accumulations ranging from 10 metres to 15 metres at higher elevations and 2 metres to 3 metres along the lower river valleys. Snow packs cover the higher elevations from October to May. The optimum field season is from late June to mid-October.

Local Resources and Infrastructure

There are no local resources other than abundant water for any drilling work.

The nearest infrastructure is the town of Stewart, approximately 65 kilometres to the south, which has limited supplies and personnel. The towns of Terrace and Smithers are also located in the same general region as the Brucejack Project. Both are directly accessible by daily air service from Vancouver.

The nearest railway is the Canadian National Railway Yellowhead route, which is located approximately 220 kilometres to the southeast. This line runs east-west and terminates at the deep water port of Prince Rupert on the west coast of British Columbia. The most northerly ice-free shipping port in North America, in Stewart, is accessible to store and ship concentrates.

A high voltage, 138-kV transmission line currently services Stewart, BC and has sufficient capacity to provide power to the Brucejack Project. BC Hydro has started engineering work on a system upgrade to provide for the interconnection of the transmission line that will service the Brucejack Project with the 138kv transmission line servicing the town of Stewart.

History and Exploration

The exploration history of the area dates back to the 1880s when placer gold was located at Sulphurets and Mitchell Creeks. Placer mining was intermittently undertaken throughout the early 1900s and remained the main focus of prospecting until the mid-1930s.

In 1935, prospectors discovered copper-molybdenum mineralization on the Sulphurets property in the vicinity of the Main Copper zone, approximately six kilometres northwest of Brucejack Lake; however, these claims were not staked until 1960. From 1935 to 1959, the area was relatively inactive with respect to prospecting; however, it was intermittently evaluated by a number of different parties and several small copper and gold-silver occurrences were discovered in the Sulphurets-Mitchell Creek area. In 1960, Granduc and Alaskan prospectors staked the main claim group covering the known copper and gold-silver occurrences, which collectively became known as the Sulphurets property, starting the era of modern exploration. Various operators explored the area, and an underground program was completed on the West

Zone between 1986 and 1991 by the Newcana Joint Venture among Granduc, Newhawk and Lacana Mining Corporation.

In 1999, Silver Standard acquired Newhawk and with it, Newhawk's 60% interest and control of the Brucejack Project. In 2001, Silver Standard acquired Black Hawk's 40% direct interest in the Brucejack Project, resulting in 100% interest in the Brucejack Project.

Silver Standard began initial work on the Brucejack Project in 2009 with drilling, rock-chip and channel sampling and re-sampling of historical drill core. The 2009 program tested five zones with 37 drillholes totalling 18,000 metres. A total of 12 drillholes were targeted at what would become the Valley of the Kings Zone (the "Valley of the Kings").

In 2010, Silver Standard's drill program was designed to continue definition of the bulk tonnage mineralization as well as to determine the nature and continuity of the high-grade mineralization observed at Valley of the Kings. Approximately one third of the 2010 drilling targeted the Valley of the Kings and included gold intersections of up to 5,840 g/t gold. The bulk tonnage drilling achieved its intended goal through the definition of more than 20 Moz at Brucejack (8 Moz in Measured and Indicated and 12.5 Moz gold in Inferred, at a 0.3 g/t AuEq cut-off; Ghaffari et al. 2011). The relatively dense drilling from the bulk tonnage drilling program, with drill spacings of 100 metres by 100 metres to 50 metres by 50 metres, formed the basis upon which the bulk tonnage resource model was built. Numerous high-grade intersections were defined as part of this drilling, allowing for the initial delineation of high-grade mineralization trends. In 2010, Silver Standard proceeded with the sale of the Snowfield and Brucejack projects to us.

Our 2011 diamond drill program was focused specifically on defining high grade resources. In 2011, 178 drillholes were completed totalling 72,805 metres in drillholes SU-110 to SU-288. This included 97 drillholes (41,219 metres) that targeted the Valley of the Kings, 16 drillholes (7,471 metres) that targeted the West Zone, and 21 drillholes (7,220 metres) that targeted the surrounding areas. The remaining drilling was focused on expansion of Shore Zone, testing for structurally controlled high grade mineralization in Galena Hill (now part of the Valley of the Kings) and Bridge Zones, as well as testing new target areas. The West Zone ramp was partially dewatered in late 2011 and early 2012. A geotechnical mapping program and updated survey was completed on the dewatered portion of the mine.

Our 2012 diamond drill program focused on defining the high grade resource for the Valley of the Kings, specifically targeting geological and structural features believed to be associated with high grade gold mineralization. Diamond drilling also focused on expanding the known extents of the Valley of the Kings Zone, both west of the Brucejack Fault and along trend to the east of the main mineralized zone. A total of 301 drillholes were completed, totalling 105,500 metres of drilling during the 2012 drilling program.

An underground exploration program commenced in 2012 which was designed to, amongst other things, access the Valley of the Kings deposit underground, excavate a 10,000 tonne underground bulk sample and demonstrate continuity of the high-grade gold mineralization. The initial phase of the underground program involved widening a portion of the historical West Zone underground workings to five metres by five metres so that the historical West Zone

portal and underground workings can be used for access to the Valley of the Kings with production sized mining equipment. In late December 2012, the widening of the historical West Zone underground workings was completed and excavation commenced of the access ramp from the West Zone workings to the Valley of the Kings.

Our 2013 surface diamond drill program focused on further defining the high grade resource for the Valley of the Kings as well as the geological and structural features believed to be associated with gold mineralization. A total of 24 surface diamond drillholes (5,200 metres) of the 37 surface drillholes (5,770 metres; drillholes SU-590 to SU-626) completed during the 2013 drilling program were focussed on the Valley of the Kings.

In 2013, we also excavated a bulk sample from within the Valley of the Kings to further evaluate the geological interpretation and Mineral Resource estimate. The location of the proposed bulk sample was selected to be representative of the grade and character of the overall mineralization of the Valley of the Kings.

Underground development reached the bulk sample area in May 2013 and underground drilling to support the bulk sample program began in mid-May. A total of 409 drillholes (38,840 metres) were completed with 200 of these drillholes (16,640 metres) testing the bulk sample area. The remainder (209 drillholes totalling 22,200 metres) were testing targets outside of the bulk sample area.

The design of the bulk sample was limited by provincial legislation to a maximum allowable bulk sample size of 10,000 tonnes. The bulk sample was collected as a series of nominal 100 tonne rounds in underground development. We elected to process the bulk sample both through a sample tower on site and at a custom mill (Contact Mill) in Montana, USA. The results of assaying of the samples from the sample tower provided, in Snowden's opinion, an unacceptable degree of variation in the results.

In 2014, exploration focused on resource definition in the Valley of the Kings with both surface and underground exploration.

The 2014 surface drill program consisted of infill drilling, exploration drilling at depth and condemnation drilling. The infill drill program, comprising 5,818 metres in three holes including 14 wedge holes, was successful in confirming the grade and continuity of Indicated and Inferred gold mineralization in an area defined by the 2013 Mineral Resource estimate block model.

The exploration drilling at depth, which consisted of four deep drill holes comprising 3,507 metres, was successful in confirming the continuity of gold mineralization in the Valley of the Kings below the area defined by the 2013 Mineral Resource estimate. Condemnation drilling for mine site infrastructure consisted of 25 drill holes comprising 2,679 metres.

Underground exploration in the Valley of the Kings has continued to date with mapping and sampling coinciding with the advance of ramping and vent raise excavation.

Geological Setting

The Brucejack Property is located on the eastern limb of the broad McTagg anticlinorium, the northern closure of the Stewart-Iskut culmination. As a result, rocks on the Brucejack Property are tilted, as well as folded, and generally display a progressive younging towards the east. Volcanic arc-related rocks of the Triassic Stuhini Group form the core of the anticlinorium, and are successively replaced outwards by volcanic arc-related rocks of the Lower Jurassic Hazleton Group and clastic basin-fill sedimentary rocks of the Middle to Upper Jurassic Bowser Lake Group.

Geology on the Brucejack Property can generally be characterized as a northerly-trending, broadly arcuate, concave-westward structural-stratigraphic belt of variably altered rocks. This belt is bisected on the western side of the Brucejack Property by a prominent topographic lineament, the Brucejack Fault. This belt is characterised by a broad band of variably but generally intensely quartz-sericite-pyrite altered rocks of up to several hundred metres or more across, and approximately five kilometres in strike extent. The quartz-sericite-pyrite alteration typically contains between two and 20% pyrite, and, depending on the alteration intensity, can preclude protolith recognition. Most of the defined mineral resources on the Brucejack Property are located within the intensely altered zone.

Mineralization

Gold (\pm silver) mineralization is hosted in predominantly sub-vertical vein, vein stockwork, and subordinate vein breccia systems of variable intensity, throughout the alteration band. The stockwork systems display both parallel and discordant relationships to stratigraphy. The stockwork systems are relatively continuous along strike (several tens of metres to several hundreds of metres).

Several mineralization zones have been explored to varying degrees, including (from south to north): Bridge Zone, Valley of the Kings Zone, West Zone, Gossan Hill, Shore Zone, and SG Zone (Ireland et al. 2013). There are numerous relatively unexplored mineralization showings within the alteration band across the Brucejack Property that are between the main mineralization zones, highlighting the exceptional exploration potential of the Brucejack Property.

High grade gold mineralization in the Valley of the Kings, the current focus of the Project, occurs in a series of west-northwest (and subordinate west-southwest) trending sub-vertical corridors of structurally reoriented vein stockworks and vein breccias. Stockwork mineralization displays both discordant and concordant relationships to the volcanic pile stratigraphy. Gold is typically present as gold-rich electrum within deformed quartz-carbonate (\pm adularia?) vein stockworks, veins, and subordinate vein breccias, with grades ranging up to 41,582 g/t gold and 27,725 g/t silver over 0.5 m.

Recent underground exploration carried out as a part of the bulk sample program confirmed the location of corridors of stockwork-style mineralization and the lithological contacts in this part of the deposit (within the Valley of the Kings). In addition the work resulted in the recognition of sub-vertical north-northeasterly trending deformed, curvilinear, and sheared

quartz-carbonate veins containing abundant visible electrum. These structures are interpreted as structurally-controlled fluid conduits that were active during development of the porphyry system and associated volcanic pile in the early Jurassic, and which were reactivated during Cretaceous deformation.

The Valley of the Kings deposit is currently defined over 1,200 metres in east-west extent, 600 metres in north-south extent, and 650 metres in depth. The West Zone appears to form the northern limb of an anticline that links up with the Valley of the Kings in the south, and the southern limb of a syncline that extends further to the north. This zone, which is currently defined over 590 metres along its northwest strike, 560 metres across strike, and down to 650 metres in depth, is open to the northwest, southeast, and at depth to the northeast.

Mineralized Zones

The current resources as presented in this AIF are comprised of two different zones on the Brucejack Project, being the Valley of the Kings Zone and the West Zone.

Valley of the Kings Zone

Exploration drilling by Silver Standard (2009, 2010) and the Company (2011 to present), as well as surface mapping, has been successful in outlining a series of corridors of high grade mineralization associated with deformed quartz stockworks and intense quartz-sericite-pyrite alteration in an east-west trending and east-southeast plunging tight syncline developed in almost the full sequence of lower Hazelton Group rocks.

The Valley of the Kings mineralized zone trends approximately west-northwest to east-southeast. Its orientation mirrors that of Electrum Ridge, a pronounced topographic feature near the southern margin of the zone, and drilling to date has extended its strike to over 800 metres. The zone is up to 150 metres wide and was originally thought to be bound to the west by the Brucejack Fault. Recent drilling in the current 2012 drill program, together with the presence of significant intervals of gold mineralization, in the Waterloo Zone, indicates that the Valley of the Kings continues west across the fault, thereby making the zone open to the west, as well as to the east and at depth.

High-grade gold and silver mineralization within the Valley of the Kings occurs as electrum, which is generally hosted in deformed quartz-carbonate and quartz-adularia veins and vein stockworks. While quartz veining and stockworks are common throughout the zone, the majority of gold intersections are confined to corridors within a zone 75 metres to 100 metres wide on the southern limb of the syncline. The orientation of these corridors is subparallel to the fold axis. Gold to silver ratios within the Valley of the Kings are typically 2:1 or higher. Variations in this ratio, which could be a function of thermal gradients developed at the time of mineralization, are suggested by a visible increase in the proportion of silvery electrum (at the expense of more gold-coloured electrum) with a concomitant increase in the proportion of vein-hosted adularia towards the eastern parts of the zone. Additional precious metals-bearing minerals found in the Valley of the Kings, typically in trace quantities, include silver sulphides, acanthite, pyrargyrite and tetrahedrite, and associated with base metal-bearing sulphides include sphalerite and galena.

Low grade bulk tonnage mineralization, associated with disseminated anhedral pyrite, forms a halo within the altered rocks, surrounding the high grade mineralization corridors.

West Zone

The West Zone gold-silver deposit is hosted by a northwesterly trending band of intensely altered Lower Jurassic latitic to trachyandesitic volcanic and subordinate sedimentary rocks, as much as 400 metres to 500 metres thick, which passes between two more competent bodies of hornblende plagioclase hornblende pyritic flows. The stratified rocks dip moderately to steeply to the northeast and are intensely altered, particularly in the immediate area of the precious metals mineralization. The West Zone appears to form the northern limb of an anticline that links up with the Valley of the Kings to the south, and the southern limb of a syncline that extends further to the north.

The West Zone deposit itself comprises at least 10 quartz veins and mineralized quartz stockwork ore shoots, the longest of which has a strike length of approximately 250 metres and a maximum thickness of about around 6 metres. Most mineralized shoots have vertical extents that are greater than their strike lengths. Veins and stockworks in this zone display clear evidence of post-mineral ductile and brittle deformation. The West Zone is open along strike to the southeast, and at depth to the northeast.

In terms of hydrothermal alteration, the West Zone is marked by a central silicified zone that passes outwards to a zone of sericite ± quartz ± carbonate and then an outer zone of chlorite ± sericite ± carbonate. The combined thickness of the alteration zones across the central part of the deposit is between 100 metres and 150 metres.

Gold in the West Zone occurs principally as electrum in quartz veins and is associated with, in decreasing order of abundance, pyrite, sphalerite, chalcopyrite, and galena. Besides being found with gold in electrum, silver occurs in tetrahedrite, pyrargyrite, polybasite and, rarely, stephanite and acanthite. Gangue mineralogy of the veins is dominated by quartz, with accessory adularia, albite, sericite, and minor carbonate and barite. The increased abundance of silver in the West Zone may suggest that this zone was formed down temperature gradient from the Valley of the Kings.

Drilling

The input data for the West Zone Mineral Resource estimate consisted of 756 drillholes (63,208 metres) including 439 underground drillholes (24,688 metres), 269 historical surface drillholes (21,321 metres) and 48 surface drillholes (17,199 metres) completed since 2009.

The input data for the Valley of the Kings Mineral Resource estimate comprised 932 drillholes totalling 218,238 metres. The drilling consisted of:

- 9 historic drillholes (579 metres);
- 490 surface drillholes drilled between 2009 and 2012 (173,619 metres);
- 24 surface drillholes drilled in 2013 (5,200 metres); and

- 409 underground drillholes drilled in 2013 (38,840 metres).

Drillhole paths were surveyed at a nominal 50 metre interval using a Reflex EZ single shot instrument. There was no apparent drilling or recovery factor that would materially impact the accuracy and reliability of the drilling results.

The drill collars were surveyed by McElhanney Surveying from Terrace, BC. McElhanney Surveying used a total station instrument and permanent ground control stations for reference and have completed all the surveying on the project since 2009. All underground drill collars were surveyed by Procon.

Historical drill core sizes for surface drillholes were NQ (47.6 millimetre diameter) and BQ (36.5 millimetre diameter). Core size for drillholes collared from an underground exploration ramp at West Zone was AQ (27 millimetre diameter).

Core sizes for our surface collared drillholes are PQ (85 millimetre diameter), HQ (63.5 millimetre diameter) and NQ (47.6 millimetre diameter). Approximately 50% to 60% of the Company's core is HQ size. All drillcore collected from the underground drilling in 2013 was HQ size.

Sampling, Analysis, Data Verification and Security

Split PQ samples weigh approximately 10 kilograms. HQ samples are around 6 kilograms, and NQ are 3 kilograms to 4 kilograms. These weights assume a nominal 1.5 metre sample length. In general, the average sample size submitted to the analytical laboratory, ALS Chemex ("ALS") was 6.5 kilograms.

Samples at ALS were crushed to 70% passing 2 millimetres, (-10 mesh). Samples were riffle split and 500 g were pulverized to 85% passing 75 µm (-200 mesh). The remaining coarse reject material was returned to us for storage in our Stewart warehouse.

Gold was determined using fire assay on a 30 g aliquot with an atomic absorption finish. In addition, a 33 element package was completed using a four acid digest and ICP-AES analysis, which included the silver. Density determinations were done by ALS using the pycnometer method on pulps from the drilling program.

Snowden analysed the quality assurance and quality control ("QAQC") for the Brucejack Project. The Brucejack drillhole and QAQC database is managed by GeoSpark Consulting Inc. ("GeoSpark"), who also manage the routine analysis of the QAQC results for the Company. GeoSpark supplied Snowden with a QAQC database, in Microsoft Access format, containing the QAQC results for all drilling up to 5 December 2013.

The QAQC protocols included the use of field duplicates, standards and blanks. The quality control samples were included at a nominal rate of one field duplicate, one standard and one blank for every 20 samples. Check assays, in the form of pulp duplicates, were also completed by a different laboratory and compared with the primary laboratory.

Procedures undertaken by the Company have been under the supervision and security of our staff, as far as drill core sampling prior to dispatch. Laboratory sample reduction and analytical procedures have been conducted by independent accredited companies with acceptable practices. We ensure quality control is monitored through the insertion of blanks, certified reference materials and duplicates.

Mineral Processing and Metallurgical Testing

Several metallurgical test programs were carried out to investigate the metallurgical performance of the mineralization. The main test work was completed from 2009 to early 2014. The samples tested were generated from various drilling programs, including the samples tested by the bulk sample processing programs. The metallurgical test programs conducted on the Brucejack mineralization included head sample characteristics, gravity concentration, gold/silver bulk flotation, cyanidation, table concentrate melting and the determination of various process related parameters. The early test work focused on developing the flowsheet for gravity concentration, bulk flotation, and flotation concentrate cyanidation. The test work also studied the metallurgical responses of the samples to the gravity concentration flowsheet for gravity concentration followed by whole ore leaching. The later test work concentrated on the gravity-flotation concentration flowsheet.

In general, the Valley of the Kings Zone and West Zone mineralization is moderately hard. The mineral samples tested responded well to the conventional combined gravity and flotation flowsheet. The gold in the mineralization was amenable to centrifugal gravity concentration. On average, 40 to 50% of the gold in the samples were recovered by the gravity concentration. The flotation tests results indicated that bulk flotation can effectively recover the gold remained in the gravity concentration tailings using potassium amyl xanthate as a collector at the natural pH. Two stages of cleaner flotation would significantly upgrade rougher flotation concentrate. The gold in the mineralization showed better metallurgical performance, compared to silver. On average, approximately 96 to 97% of the gold and 91 to 92% of the silver were recovered to the gravity concentrate and bulk flotation concentrate at the grind size of 80% passing approximately 70 to 80 μm . There was a significant variation in metallurgical performances among the samples tested. This may be a result of the nugget gold effect. The industrial runs on the 10,000-t bulk sample for the 2013 bulk sample processing program and the 1,200-t high-grade Cleo mineralization conducted in 2014 showed that the gravity/flotation process flowsheet as designed for the Brucejack mineralization suited the treatment of the bulk sample. The results also showed that the gravity/flotation flowsheet adapted well for the varying mineralization and the wide range feed grades that were experienced during processing of the bulk sample.

Cyanide leach tests were also conducted to investigate the gold and silver extractions from various samples, including head samples, flotation concentrates, flotation tailings and gravity concentrates. In general, most of the sample responded reasonably well to direct cyanidation, excluding a few of samples containing higher contents of graphite (carbon), arsenic, or electrum. Cyanide leach process was not recommended for the feasibility study.

The test results suggest that the gold and silver recovery flowsheet for the mineralization should include gravity concentration, bulk rougher and scavenger flotation, rougher and scavenger concentrate regrinding, followed by cleaner flotation.

Mineral Processing

The process flowsheet developed for the Brucejack Property mineralization is a combination of conventional bulk sulphide flotation and gravity concentration to recover gold and silver. The processing plant will produce a gold-silver bearing flotation concentrate and gold-silver doré that will be produced by melting the gravity concentrate produced from the gravity concentration circuits. Based on the LOM average, the recovery process is estimated to produce approximately 5,600 kg of gold and 1,900 kg of silver as doré per year and 44,000 t of gold-silver bearing flotation concentrate per year from the mill feed, grading 14.1 g/t gold and 57.7 g/t silver. The estimated gold recoveries to the doré and flotation concentrate are 43.3% and 53.4%, respectively, totalling 96.7%. The estimated silver recoveries reporting to the doré and flotation concentrate are 3.5% and 86.5%, respectively, totalling 90.0%. The LOM average gold and silver contents of the flotation concentrate are anticipated to be approximately 157 g/t gold and 1,000 g/t silver. The flotation concentrate will be shipped off site to a smelter for further treatment to recover the gold and silver.

The process plant will consist of:

- one stage of crushing (located underground);
- a surge bin with a live capacity of 2,500 t on surface;
- a semi-autogeneous grinding (SAG) mill and ball mill primary grinding circuit integrated with gravity concentration;
- rougher flotation and rougher/scavenger flotation followed by rougher flotation concentrate regrinding; and
- cleaner flotation processes.

A gravity concentration circuit will also be incorporated in the bulk concentrate regrinding circuit. The final flotation concentrate will be dewatered, bagged, and trucked to the transload facility in Terrace, British Columbia. It is expected that the flotation concentrate will be loaded in bulk form into rail cars for shipping to a smelter located in eastern Canada. The gravity concentrate will be refined in the gold room on site to produce gold-silver doré.

A portion of the flotation tailings will be used to make paste for backfilling the excavated stopes in the underground mine, and the balance will be stored in Brucejack Lake. The water from the thickener overflows will be recycled as process make-up water. Treated water from the water treatment plant will be used for mill cooling, gland seal service, reagent preparation, and make-up water.

Underground manpower will consist of technical staff, mining crews, mechanics, electricians, and other support personnel. Pre-production manpower will be supplied by a contractor, except personnel required for maintenance and technical support. Total manpower required for full production is 351, with up to 176 personnel on site at any given time.

The ventilation system is designed to meet British Columbia regulations. Permanent surface fans will be located at the portals of the twin, intake declines. All intake air entering the mine will be heated above freezing point.

Paste fill distribution design is based on a dual pumping system. A positive displacement pump in the paste fill plant will provide paste to all of the West Zone and the lower zones of the Valley of the Kings. The paste plant pump will also feed a booster pump located near the main access point to the Valley of the Kings area located on 1,320 Level.

Ore will be trucked from working areas to an underground crusher and then transferred to surface via two, 1.07 metres wide conveyors. Waste rock will be disposed in the underground mine whenever possible, with the balance trucked to surface for disposal in Brucejack Lake.

The mine will be dewatered using a dirty water system of sumps and pumps. Submersible and centrifugal pumps will be used for development and permanent mine operations. Solids captured in the main collection sump will be pumped to the mill for residual gold recovery. For underground worker safety, both permanent and portable refuge stations are planned. The emergency warning system will include phones, cap lamp warning system, and stench gas.

The total project initial mining capital during the pre-production period, including a 10% contingency, is estimated at \$240 million. Sustaining mining capital of \$280 million has been estimated for the production period. The total underground operating cost over the LOM is estimated to be \$1,512 million, at an average LOM cost of \$91.34/t.

Mineral Resource and Mineral Reserve Estimates

The West Zone resource estimate remains unchanged from the Mineral Resource estimate announced April 3, 2012, and filed on SEDAR April 30, 2012 (see Table 2 below).

In December 2013, Snowden completed a Mineral Resource estimate for the Valley of the Kings Zone of the Brucejack Project.

This December 2013 estimate was an update of the previous November 2012 Mineral Resource estimate and included over 40,000 metres of additional drilling, including 24 surface drillholes (5,200 metres) and 409 underground drillholes (38,840 metres) drilled in support of the underground bulk sample. In addition to the drilling, a 10,000 tonne bulk sample was processed through a mill and detailed test work has been carried out to both validate the previous Mineral Resources and refine the estimation process for the updated Mineral Resource.

The result of the test work is an improved confidence in both the geological model and the grade estimate, with the definition of Measured Resources as part of the December 2013 Mineral Resource.

Bulk Sample Test Work

In 2013, Pretivm excavated a bulk sample from within the Valley of the Kings to further evaluate the geological interpretation and provide a comparison with the results from the Mineral Resource estimate. The location of the proposed bulk sample was selected to be representative of the grade and character of the typical mineralization in the Valley of the Kings.

The design of the bulk sample was limited by provincial legislation to a maximum allowable bulk sample size of 10,000 t. The bulk sample was collected as a series of nominal 100-t rounds in underground development. Pretivm elected to process the bulk sample both through a sample tower on site and at a custom mill (Contact Mill) in Montana, U.S.A. In Snowden's opinion, the results of assaying of the samples from the sample tower provided an unacceptable degree of variation in the results due to the coarse gold nature of the mineralization and this information was not used further.

Prior to the December 2013 Mineral Resource estimate, the mill results from the underground bulk sample processing were used to investigate the local accuracy of the November 2012 Mineral Resource estimate within the Valley of the Kings, and to determine whether the estimation methodology could be improved for the December 2013 Mineral Resource estimate.

A series of statistical tests were run to determine whether any bias exists between the surface diamond drilling, underground diamond drilling, underground channel samples, and chip samples. No significant difference/bias, based on the statistical analysis, was evident between the different sample types.

However, additional test work in the estimation did display some bias caused by directional drilling in the area of the bulk sample. The underground drilling had been aligned in a north-south orientation which is consistent with the orientation of some high-grade mineralization identified in the bulk sample, resulting in under sampling of this mineralization. Removal of the underground drillholes resulted in an increase in the grade of the local estimate.

While there is no bias evident between the channel samples and the drilling, the location of numerous channel samples in the centre of some of the higher-grade mineralization does result in a local overestimation around the bulk sample crosscuts. Consequently, the decision was made not to use the channel samples for the final mineral resource estimate.

The final metal and tonnes from the mill accounting were compared to those predicted by the November 2012 Mineral Resource estimate for each drive to assess the effectiveness of the resource modelling process. This test work has in part relied on comparisons between the test estimates and results from the bulk sample processing. However, readers of this AIF and the Brucejack Report should be warned that there is a significant difference in the sample support for the resource estimate (each block in the resource estimate represents 2,700 t whereas the bulk sample packages are around 100 t), and the grade is not homogenous throughout any block. In other words, the grade can vary from a high-grade side of the block to a low-grade side of the block, whereas the block grade represents an average of the whole block. If the bulk sample happens to take a high-grade part of the block, then the comparison will look like the

resource estimate under-estimated the grade, and conversely if the bulk sample takes a low-grade part of the block, then the comparison will look like the resource estimate over-estimated the grade in the block. Whilst it is not entirely valid to compare the results of the bulk sample with the resource estimate (given the different sample support) locally, it does provide the best opportunity to fine-tune the estimate to some hard data. The reader should be warned that the results are only used to give some local perspective to the grade estimates.

The results indicated that the November 2012 Mineral Resource underestimated the total metal content in the bulk sample by about 10%. In more detail, the November 2012 Mineral Resource estimated high-grade into lower-grade areas, and low-grade into the high-grade areas, a result of extrapolating the high-grade values around the high-grade core. This extrapolation of high-grade values was based on the nature of the mineralization and the interpreted continuity of the high grades.

Based on the bulk sample comparisons, Snowden concluded that the November 2012 Mineral Resource was a good representation of the contained metal within the Valley of the Kings deposit and satisfactory for mining studies based around bulk underground mining, but that it was not locally accurate at the 10 metre block scale. As a result further test work was undertaken to adjust the estimation method for the December 2013 Mineral Resource, to produce an estimate that is more responsive to the local scale grade variations.

Mineral Resource Estimate

The mineralization in the Valley of the Kings exists as steeply dipping semi-concordant (to stratigraphy) and discordant pod-like zones hosted in stockwork vein systems within the volcanic and volcanoclastic sequence. High grade mineralization zones appear to be spatially associated, at least in part, with intensely silicified zones resulting from local silica flooding and over-pressure caprock formation. High grade mineralization occurs both in the main east-west trending vein stockwork system, as well as in the rarer north-south trending part of the system. Snowden notes that the Company has taken these various observations into consideration in its interpretation of the mineralization domains for the Valley of the Kings.

A threshold grade of 0.3 g/t Au was found to generally identify the limits to the broad zones of mineralization as represented in the drill cores at West Zone and the Valley of the Kings. In the Valley of the Kings, a 1 g/t Au to 3 g/t Au threshold grade was used together with the Company's interpretation of the lithological domains, to interpret high grade corridors within the broader mineralized zones, and define a series of mineralized domains for estimation.

All data was composited to the dominant sample length of 1.5 meter prior to analysis and estimation. Statistical analysis of the gold and silver data was carried out by lithological domain (at the Valley of the Kings) and mineralized domain. Review of the statistics indicated that the grade distributions for the mineralization within the different lithologies are very similar and as a result these were combined for analysis. This is in agreement with field observations which indicate that the stockwork mineralization is superimposed on the stratigraphic sequence. The summary statistics of composite samples from all domains exhibit a strong positive skewness with high coefficient of variation and some extreme grades.

Because of the extreme positive skew in the histograms of the gold and silver grades within the high grade domains, Snowden elected to use a non-linear approach to estimation, employing the use of indicator and truncated distribution kriging. In this approach, the proportion of high grade in a block was modelled, as was the grade of the high grade portion, and the grade of the low grade portion.

The high grade population, which contains a significant number of samples with extreme grades, required indicator kriging methods for grade estimation. The low grade population was estimated using ordinary kriging on the truncated (low grade; <5 g/t Au and <50 g/t Ag) part of the grade distribution.

Density was estimated using simple kriging of specific gravity measurements determined on sample pulps by ALS Chemex.

Grade estimates and models were validated by: undertaking global grade comparisons with the input drillhole composites; visual validation of block model cross sections; grade trend plots; and comparing the results of the model to the bulk sample cross cuts.

The resource classification definitions (Measured, Indicated, Inferred) used for this estimate are those published by the Canadian Institute of Mining, Metallurgy and Petroleum in their document "CIM Definition Standards".

In order to identify those blocks in the block model that could reasonably be considered as a Mineral Resource, the block model was filtered by a cut-off grade of 5 g/t AuEq. The gold-equivalent calculation used is: $AuEq = Au + (Ag/53)$. These blocks were then used as a guide to develop a set of wireframes defining coherent zones of mineralization which were classified as Measured, Indicated or Inferred and reported (Table 1 and Table 2).

Classification was applied based on geological confidence, data quality and grade variability. Areas classified as Measured Resources at West Zone are within the well-informed portion where the resource is informed by 5 meter by 5 meter or 5 meter by 10 meter spaced drilling. Measured Resources within Valley of the Kings are informed by 5 meter by 10 meter to 10 meter by 10 meter underground fan drilling and restricted to the vicinity of the underground bulk sample.

Areas classified as Indicated Resources are informed by drilling on a 20 meter by 20 meter to 20 meter by 40 meter grid within West Zone and Valley of the Kings. In addition, some blocks at the edge of the areas with 20 meter by 20 meter to 20 meter by 40 meter drilling, were downgraded to Inferred where the high grades appear to have too much influence. The remainder of the Mineral Resource is classified as Inferred Resources where there is some drilling information (and within around 100 metres of drilling) and the blocks occur within the mineralized interpretation.

Areas where there is no informing data and/or the lower grade material is outside of the mineralized interpretation are not classified as a part of the Mineral Resource.

Resource Reporting

The Mineral Resources are reported above a cut-off grade of 5 g/t gold equivalent (AuEq) which reflects the potential economics of a high grade underground mining scenario. The AuEq value for each block is consistent with the November 2012 Mineral Resource. In that evaluation, the AuEq value was calculated according to the formula ($AuEq = Au + Ag/53$) based upon prices of US\$1,590/oz and US\$30/oz for gold and silver respectively. Recoveries for gold and silver are assumed to be similar.

High grade Mineral Resources for the Valley of the Kings and the West Zone are summarized in Table 1 and Table 2 respectively (below).

Table 1
Valley of the Kings Mineral Resource estimate
based on a cut-off grade of 5 g/t AuEq - December 2013⁽¹⁾⁽⁴⁾⁽⁵⁾

Category	Tonnes (millions)	Gold (g/t)	Silver (g/t)	Contained ⁽³⁾	
				Gold (Moz)	Silver (Moz)
Measured	2.0	19.3	14.4	1.2	0.9
Indicated	13.4	17.4	14.3	7.5	6.1
M + I	15.3	17.6	14.3	8.7	7.0
Inferred ⁽²⁾	5.9	25.6	20.6	4.9	3.9

- (1) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues. The Mineral Resources in this AIF were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
- (2) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.
- (3) Contained metal and tonnes figures in totals may differ due to rounding.
- (4) The Mineral Resource estimate stated in Table 1 and Table 2 is defined using 5 metre by 5 by 5 metre blocks in the well drilled portion of West Zone (5 metre by 10 metre drilling or better) and 10 metre by 10 metre by 10 metre blocks in the remainder of West Zone and in Valley of the Kings.
- (5) The gold equivalent value is defined as $AuEq = Au + Ag/53$.

Table 2
West Zone Mineral Resource estimate
based on a cut-off grade of 5 g/t AuEq – April 2012 ⁽¹⁾⁽⁴⁾⁽⁵⁾

Category	Tonnes (millions)	Gold (g/t)	Silver (g/t)	Contained ⁽³⁾	
				Gold (Moz)	Silver (Moz)
Measured	2.4	5.85	347	0.5	26.8
Indicated	2.5	5.86	190	0.5	15.1
M+I	4.9	5.85	267	0.9	41.9
Inferred ⁽²⁾	4.0	6.44	82	0.8	10.6

(1), (2), (3), (4) and (5) - See footnotes to Table 1.

Mineral Reserve Estimates

The mine design and Mineral Reserve estimate have been completed to a level appropriate for feasibility studies. The Mineral Reserve estimate stated herein is consistent with CIM Standards on Mineral Resources and Mineral Reserves. As such, the Mineral Reserves are based on Measured and Indicated Resources and do not include any Inferred Resources.

The Mineral Reserves were developed from the resource model “bjbm_1313_v11_cut”, which was provided to AMC by Snowden, on behalf of Pretivm, in February 2014.

A net smelter return (NSR) cut-off grade of \$180/t of ore was used to define the Mineral Reserves (as used in previous studies). The NSR for each block in the resource model was calculated as the payable revenue for gold and silver, less refining, concentrate treatment, transportation, and insurance costs. The metal price assumptions are US\$1,100/oz gold and US\$17/oz silver. Costs assume a C\$ to US\$ exchange rate of 0.92.

The NSR contributions for both flotation concentrate and doré were calculated individually, combined, and assigned to each block in the resource model.

Dilution and Recovery Estimates

In the evaluation of Mineral Reserves, modifying factors were applied to the tonnages and grade of all mining shapes (both stoping and development) to account for the dilution and ore losses that are experienced at all mining operations.

Ore dilution includes overbreak into the design hanging wall and design footwall, and also into adjacent backfilled stopes. Diluting materials are assumed to carry no metal values in the estimation of Mineral Reserve grades.

The largest component of dilution at Brucejack will be paste backfill due to its inherently weaker strength compared to the hanging wall and footwall rock masses for any given dimensions of exposure.

Ore losses (recovery factors) are related to the practicalities of extracting ore under varying conditions, including difficult mining geometry, problematic rock conditions, losses in fill, and blasting issues.

The dilution factors were calculated from standard overbreak assumptions that are based on AMCs experience and benchmarking of similar long-hole open stope operations.

- Longhole stopes (primary, secondary, tertiary) carry 1.0 metre of dilution from paste or country rock overbreak into the design hanging wall and design footwall, and 0.3 metre of backfill dilution from the floor.
- Secondary or tertiary stopes carry an additional 1.0 metres of backfill dilution on each wall that exposes a primary stope.
- Sill pillar stopes are treated as secondary stopes, given the additional backfill dilution that can be expected from the roof.
- Ore cross-cuts carry 0.5 metre of dilution from rock overbreak into the design hanging wall and design footwall.
- Production slashing of secondary stopes carries 0.5 metres of backfill dilution on each wall that exposes a primary stope.

Mineral Reserves

Mineral Reserves tabulated by zone and by reserve category are presented below.

The mining blocks divide the Mineral Reserves into logical parcels consistent with the mining sequence, and form the basis of the LOM development and production schedule.

Brucejack Mineral Reserves* by Zone and by Reserve Category (June 19, 2014)

Zone		Ore Tonnes (Mt)	Grade		Metal	
			Au (g/t)	Ag (g/t)	Au (Moz)	Ag (Moz)
Valley of the Kings Zone	Proven	2.1	15.6	12	1.1	0.8
	Probable	11.5	15.7	10	5.8	3.9
	Total	13.6	15.7	11	6.9	4.6
West Zone	Proven	1.4	7.2	383	0.3	17.4
	Probable	1.5	6.5	181	0.3	8.6
	Total	2.9	6.9	279	0.6	26.0
Total Mine	Proven	3.5	12.2	161	1.4	18.2
	Probable	13.0	14.7	30	6.1	12.5
	Total	16.5	14.1	58	7.5	30.7

Note: *Rounding of some figures may lead to minor discrepancies in totals. Based on C\$180/t cut-off grade, US\$1,100/oz gold price, US\$17/oz silver price, C\$/US\$ exchange rate = 0.92.

Brucejack Mineral Reserves* by Mining Block (June 19, 2014)

Mining Block	Ore Tonnes (Mt)	NSR (\$/t)	Grade		Contained Metal	
			Au (g/t)	Ag (g/t)	Au (Moz)	Ag (Moz)
Valley of the Kings Upper	4.3	578	16.9	12	2.3	1.6
Valley of the Kings Middle	5.7	503	14.9	10	2.7	1.9
Valley of the Kings Lower	3.7	530	15.5	9	1.8	1.1
Valley of the Kings	13.6	534	15.7	11	6.9	4.6
WZ Upper	0.6	304	4.2	407	0.1	8.0
WZ Lower	2.3	350	7.6	245	0.6	18.1
WZ	2.9	340	6.9	279	0.6	26.0
Mining Block Total	16.5	500	14.1	58	7.5	30.7

Note: *Rounding of some figures may lead to minor discrepancies in totals. Based on C\$180/t cut-off grade, US\$1,110/oz gold price, US\$17/oz silver price, C\$/US\$ exchange rate = 0.92.

Project Infrastructure

The Brucejack Project will require the development of a number of infrastructure items. The locations of project facilities and other infrastructure items were selected to take advantage of local topography, accommodate environmental considerations, and ensure efficient and convenient operation of the mine haul fleet.

Project infrastructure will include:

- a 79 km access road at Highway 37 and travelling westward to Brucejack Lake with the last 12 km of access road to the mine site traversing the main arm of the Knipple Glacier;
- internal site roads and pad areas;
- grading and drainage;
- avalanche hazard assessment;
- mill building and process plant;
- mine site operation camp;
- transmission line and substation;
- ancillary facilities;
- water supply and distribution;
- water treatment plant;
- waste disposal;
- tailings delivery system;
- Brucejack Lake outlet control;
- communications;
- power supply and distribution;
- fuel supply and distribution; and
- off-site infrastructure including the Bowser Airstrip and Camp and the Knipple Transfer Station facilities.

Avalanche Hazard Assessment

An avalanche hazard assessment has been completed for the Brucejack Project. Mine site facilities and access routes are exposed to approximately 14 avalanche paths or areas, and the preliminary transmission line alignment crosses several avalanche paths. Avalanche magnitude and frequency varies depending on location. Potential consequences of avalanches reaching the Brucejack mine facilities, transmission line, worksites, and roads include damage to infrastructure, worker injury (or fatality), and project delays. Potential consequences of static snow loads on transmission towers include damage to towers and foundations, and potential loss of electrical service to the mine. Without mitigation to the effects of avalanches and static snow loading, there is a high likelihood of some of the above consequences affecting operations on an annual basis.

Avalanche mitigation for the Brucejack Project includes location planning, in order to avoid placement of facilities in avalanche hazard areas. For areas where personnel and infrastructure may be exposed, an avalanche management program will be implemented for mine operations during avalanche season (October through June). The program will utilize an Avalanche Technician team to determine periods of elevated avalanche hazard and provide recommendations for closures of hazard areas. The options for reducing control include explosive control, or waiting for natural settlement. Areas that are expected to have increased frequency of hazard and consequences will be evaluated for the installation of the remote avalanche control system (“RACS”) in order to allow for avalanche explosive control during reduced visibility (darkness and during storms). An allowance has been made in the capital and operating cost estimates for six RACSs.

Transmission Line

For the Brucejack transmission line, we retained Valard to review potential routes and develop an initial design for the transmission line to the Brucejack Project site, based on Valard’s current experience in the area. To this end, Valard reviewed potential routes and determined the preferred route to be an extension from an existing transmission line from a hydro generation facility to the south (near Stewart, British Columbia) to the Brucejack Project site. Based on the terrain and the expected construction conditions, single steel monopole towers are recommended for the design.

Site review indicates that the hazards in the area can be avoided through diligent siting of the tower structures and any structures exposed to hazards are expected to be designed to accommodate impact pressures. Worker risks are expected to be controlled by way of an active snow avalanche risk program.

Tailings Delivery System

Approximately one half of the tailings produced by mine operations will be stored underground as paste backfill and approximately one half will be placed on the bottom of Brucejack Lake. Tailings will be pumped from the tailings thickener at the process plant by slurry pipeline to the lake in a manner which will minimize suspended solids concentrations at the lake outlet. Fine particulate solids may also be suspended in the lake surface layer if fine

waste rock is placed in the lake. Investigations on minimizing or eliminating this source of suspended solids in the lake outflow are underway.

Environmental

We are committed to operating the mine in a sustainable manner and according to our guiding principles. Every reasonable effort will be made to minimize long-term environmental impacts and to ensure that the Brucejack Project provides lasting benefits to local communities while generating substantial economic and social advantages for shareholders, employees, and the broader community. We respect the traditional knowledge of the Aboriginal peoples who have historically occupied or used the Brucejack Project area.

The Brucejack Project area ecosystem is relatively undisturbed by human activities. Our objective is to retain the current ecosystem integrity as much as possible during the construction and operation of the Brucejack Project. Upon closure and reclamation of the Brucejack Project, the intent will be to return the disturbed areas to a level of productivity equal to or better than that which existed prior to project development, and for the end configuration to be consistent with pre-existing ecosystems to the extent possible.

2014 Capital Cost Estimate

The Brucejack Report estimated total initial capital cost for the design, construction, installation, and commissioning of the Brucejack Project as US\$746.9 million (the “2014 Capital Cost Estimate”). A summary breakdown of the initial capital cost, including direct costs, indirect costs, owner’s costs, and contingency is provided below.

Summary of 2014 Capital Cost Estimate

Major Area	Area Description	Capital Cost (US\$ million)
Direct Costs		
11	Mine Site	21.5
21	Mine Underground	179.5
31	Mine Site Process	53.8
32	Mine Site Utilities	30.5
33	Mine Site Facilities	53.5
34	Mine Site Tailings	3.5
35	Mine Site Temporary Facilities	33.4
36	Mine Site (Surface) Mobile Equipment	14.6
84	Off Site Infrastructure	89.1
Subtotal Direct Costs		479.4
91	Indirect Costs	127.5
98	Owner’s Costs	71.0
99	Contingency	69.0
Total Initial Capital Cost		746.9

Note: Numbers may not add due to rounding.

The purpose of the 2014 Capital Cost Estimate was to provide feasibility-level input to the Brucejack Project financial model. The 2014 Capital Cost Estimate is a Class 3 feasibility cost estimate prepared in accordance with the standards of the Association for the Advancement of Cost Engineering International (the "AACE"). The estimated degree of project definition meets or exceeds 30%. The accuracy of this estimate is deemed to be -15%/+20%. There was no deviation from the AACE's recommended practices in the preparation of this estimate.

The 2014 Capital Cost Estimate was prepared with a base date of Q2 2014 and did not include any escalation beyond this date. The quotations used for were obtained in Q2 2014, with a validity period of 90 days.

The 2014 Capital Cost Estimate used U.S. dollars as the base currency. Foreign exchange rates were applied as required. Duties and taxes and taxes are not included in the estimate. This estimate is divided into four general sections (direct costs, indirect costs, owners' costs and contingency) and was developed based largely on first principles from a design, planning, and cost basis.

Operating Costs

In the Brucejack Report, the total LOM average operating cost for the Brucejack Project was estimated at \$163.05/t ore milled which includes for:

- mining;
- process;
- general and administration (G&A);
- surface services;
- backfill, including paste preparation; and
- water treatment.

The operating costs exclude sustaining capital costs, off-site costs (such as shipping and smelting costs), taxes, or other government imposed costs, unless otherwise noted.

A total of 593 personnel were projected to be required for the Brucejack Project. The unit cost estimates are based on the LOM ore production and a mine life of 18 years. The currency exchange rate used for the estimate was 1.00:0.92 (C\$/US\$). The operating cost for the Brucejack Project has been estimated in Canadian dollars within an accuracy range of ±15%.

Economic Analysis

In the Brucejack Report, Tetra Tech prepared an economic evaluation of the Brucejack Project based on a pre-tax financial model. For the 18-year LOM and 16.55 Mt of mine plan tonnage, the following pre-tax financial parameters were calculated:

- 34.7% internal rate of return ("IRR");
- 2.7-year payback on the US\$746.9 million initial capital; and
- US\$2,251 million net present value (NPV) at a 5% discount rate.

A post-tax economic evaluation of the Brucejack Project was prepared with the inclusion of applicable taxes. The following post-tax financial parameters were calculated:

- 28.5% IRR;
- 2.8-year payback on the US\$746.9 million initial capital; and
- US\$1,445 million NPV at a 5% discount rate.

The base case metal prices and exchange rate used for the Brucejack Technical Report are as follows:

- gold – US\$1,100/oz
- silver – US\$17.00/oz
- exchange rate – 0.92:1.00 (US\$:C\$).

Project Execution Plan

The Brucejack Project will take approximately 33 months to complete from the start of basic engineering, through construction, to introduction of first material into the mill. A further two months is planned for commissioning and production ramp-up. The Brucejack Project execution schedule was developed to a Level 2 detail of all activities required to complete the Brucejack Project.

The Brucejack Project will transition from the study phase to basic engineering during the third quarter of 2014 and will move forward in the following phases:

- Stage I – early works including mine development, the EAC application, permitting, access road upgrades, preliminary power transmission line right-of-way, basic engineering, and the procurement of long-lead equipment.
- Stage II – full project execution (following permit approval), including detailed engineering, procurement, construction team mobilization, construction, and commissioning.

RISK FACTORS

Investing in our securities is speculative and involves a high degree of risk due to the nature of our business and the present stage of our development. The following risk factors, as well as risks currently unknown to us, could materially adversely affect our future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking information relating us, or our business, property or financial results, each of which could cause purchasers of our securities to lose part or all of their investment. You should carefully consider the following risk factors along with other risk factors included elsewhere in the AIF.

Risks Related to Our Business

We are subject to lawsuits that could divert our resources and result in the payment of significant damages and other remedies.

We are engaged as a defendant in several class action lawsuits filed by certain of our shareholders. Litigation resulting from these claims could be costly and time-consuming and could divert the attention of management and key personnel from our business operations. We cannot assure that we will succeed in defending any of these claims and those judgments will not be entered against us with respect to the litigation resulting from such claims. If we are unsuccessful in our defense of these claims or unable to settle the claims in manner satisfactory to us, we may be faced with significant monetary damages or injunctive relief against us that could have a material adverse effect on our business and financial condition.

Due to the nature of our business, we may be subject to a variety of regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of our business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of discovery of new evidence or advancement of new legal theories, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. There can be no assurances that these matters will not have a material adverse effect on our business.

As of the date hereof, we are aware of legal proceedings in Ontario and in New York, as more particularly described in the section entitled "Legal Proceedings" on page 81 of this AIF and in our Management's Discussion & Analysis of our financial condition and results of operations for the year ended December 31, 2016.

Our indebtedness may adversely affect our cash flow and our ability to operate our business.

We have a substantial amount of indebtedness as a result of entering into the Credit Agreement. As a result of this indebtedness, we are required to use a portion of our cash flow to service principal and interest on our debt. In addition, in order to fund our debt service obligations and to pay amounts due on the Notes, we will require significant amounts of cash. Our indebtedness could have adverse consequences on our business, including: limiting our ability to obtain additional financing for working capital, capital expenditures, exploration and development, debt service requirements, acquisitions and general corporate or other purposes; restricting our flexibility and discretion to operate our business; having to dedicate a portion of our cash flows from future mining operations, if any, to the payment of interest on its

indebtedness and not having such cash flows available for other purposes; exposing us to increased interest expense on borrowings at variable rates; limiting our ability to adjust to changing market conditions; placing us at a competitive disadvantage compared to competitors that have less debt or greater financial resources; making us vulnerable in a downturn in general economic conditions; and preventing our ability to make expenditures that are important to our growth and strategies.

Our ability to meet our debt service requirements will depend on our ability to generate cash from mining activities. Unless we acquire or develop operating properties, cash to meet these obligations will be sourced from cash on hand or the issuance of additional equity or debt securities. There can be no assurance that we will generate cash flow in amounts sufficient to pay outstanding indebtedness or to fund any other liquidity needs. If the cash generated from mining activities is insufficient to meet the obligations to pay interest and principal under the Credit Agreement, the lenders may exercise their rights under the security arrangements of the Credit Agreement, which could result in a loss or substantial reduction in the value of our principal assets. If our cash flow and capital resources are insufficient to fund our debt obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek to obtain additional equity capital or restructure our debt.

Our future performance will be affected by a range of economic, competitive, governmental, operating and other business factors, many of which cannot be controlled, such as general economic and financial conditions in the industry or the economy at large. A significant reduction in operating cash flows resulting from changes in economic conditions, increased competition or other events could increase the need for additional or alternative sources of liquidity and could have a material adverse effect on the business, financial condition or results of operations, as well as our ability to service our debt and other obligations. If we are unable to service our indebtedness or fulfil our other obligations under the Credit Agreement, we will be forced to adopt an alternative strategy that may be less attractive to us and include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing indebtedness or seeking equity capital. In addition, any failure to make scheduled payments of interest and principal on outstanding indebtedness is likely to result in a reduction of credit rating, which could harm our ability to incur additional indebtedness on acceptable terms.

We may be unable to satisfy our commitments under the Stream Agreement and Offtake Agreement and failure to do so may have a material and adverse effect on the Company.

Our ability to make deliveries under the Stream Agreement and Offtake Agreement is dependent on our ability to successfully complete construction and place the Brucejack Project into production, as well as the Company's financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control.

If our cash flows and capital resources are insufficient to complete construction and place the Brucejack Project into production, we could face substantial liquidity problems and could be forced to reduce or delay investment and capital expenditures or to dispose of material assets or operations, or seek additional debt or equity capital. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those

alternatives may not allow us to meet our delivery obligations under the Stream Agreement and Offtake Agreement. If we do not meet our delivery obligations within the term of the Stream Agreement the uncredited balance of the Deposit under the Stream Agreement shall be due and owing. Failure to otherwise fulfill our commitments under these agreements could result in adverse impacts on our business. See “General Development of Our Business”.

If metal prices improve over time, the Offtake Agreement and Stream Agreement may reduce our ability to sell our resources later at higher market prices due to our obligations under these agreements.

The Stream Agreement, Offtake Agreement and Credit Agreement contain restrictive covenants that will limit our ability to operate our business.

The restrictive covenants contained in the Stream Agreement, Offtake Agreement and Credit Agreement could have adverse consequences on our business, including: limiting our ability to obtain additional financing for working capital, capital expenditures, exploration and development, debt service requirements, acquisitions and general corporate or other purposes; restricting our flexibility and discretion to operate our business; limiting our ability to adjust to changing market conditions; making us vulnerable in a downturn in general economic conditions; and making us unable to make expenditures that are important to our growth and strategies. The restrictive covenants contained in the Stream Agreement, Offtake Agreement and Credit Agreement will limit our operating flexibility and could prevent us from taking advantage of business opportunities. Our failure to comply with these covenants may result in an event of default. If such event of default is not cured or waived, we may suffer adverse effects on our operations, business or financial condition, including being required to return non-offset portions of the Deposit. In such a case, there can be no assurance that our assets would be sufficient to repay any non-offset portions of the Deposit in full.

Actual capital costs, operating costs and expenditures, production schedules and economic returns may differ significantly from those we have anticipated.

Our expected capital costs, operating costs and expenditures, production schedules, economic returns and other projections for the Brucejack Report which are contained in the Brucejack Technical Report, the February 2017 Capital Cost Forecast and 2017 Project Economics Update are based on assumed or estimated future metals prices, cut-off grades, operating costs, capital costs and expenditures and other factors that each may prove to be inaccurate. Therefore, the Brucejack Technical Report, the February 2017 Capital Cost Forecast and 2017 Project Economics Update may prove to be unreliable if the assumptions or estimates do not reflect actual facts and events. For example, significant declines in market prices for base and precious metals or extended periods of inflation would have an adverse effect on the economic projections set forth in the Brucejack Technical Report, the February 2017 Capital Cost Forecast and 2017 Project Economics Update.

Any material reductions in estimates of mineralization or increases in capital costs and expenditures, or in our ability to maintain a projected budget or renew a particular mining permit, could also have a material adverse effect on projected production schedules and economic returns, as well as on our overall results of operations or financial condition. There is

also a risk that rising costs for labour and material could have an adverse impact on forecasted construction costs and that shortages of labour and material could have a negative impact on any mine development schedule. An increase in any of these costs, or a lack of availability of commodities and goods, may have an adverse impact on our financial condition and results of operations.

We may be required to seek additional debt or equity capital in order to fund the development of the Brucejack Project and we may not be able to access capital on commercially reasonable terms or at all and, even if successful, we may not be able to raise enough capital to allow us to fully fund the capital costs required to complete construction at the Brucejack Project.

There is uncertainty relating to production estimates.

We have prepared estimates of future production and future production costs for the Brucejack Project. No assurance can be given that production estimates will be achieved. These production estimates are based on, among other things: the accuracy of reserve estimates; the accuracy of assumptions; metallurgical characteristics; and the accuracy of estimated rates and costs of mining and processing. Actual production may vary from estimates for a variety of reasons, including, among other things: actual ore mined varying from estimates of grade, tonnage, dilution, metallurgical and other characteristics; short-term operating factors relating to the ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; risk and hazards associated with mining; natural phenomena, such as inclement weather conditions, underground floods, earthquakes, pit wall failures and cave-ins; and unexpected labour shortages or strikes. Failure to achieve production estimates could have an adverse impact on our future cash flows, earnings, results of operations and financial condition.

We have no history of commercial production and no revenue from operations. We cannot provide assurance that we will generate any operating revenues at our mineral properties in the future.

We have not commenced commercial production on any of our mineral resource properties. As such, we are subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There can be no assurance that significant losses will not occur in the near future or that we will be profitable in the future. Our operating expenses and capital expenditures may increase in the future as consultants, personnel and equipment costs associated with advancing exploration, development and commercial production of our properties increase. We expect to continue to incur losses unless and until such time, if ever, we enter into commercial production and generate sufficient revenues to fund our continuing operations. The development of the Brucejack Project will require the commitment of substantial resources. There can be no assurance that we will generate any revenues. If we are unable to generate significant revenues at the Brucejack Project, we will not be able to earn profits or continue operations. We cannot provide investors with any assurance that we will ever develop a mine at the Brucejack Project.

We have no mineral properties in production and the development of our properties will be subject to all of the risks associated with establishing new mining operations.

Development of our mineral properties will require the construction and operation of mines, processing plants and related infrastructure. As a result, we are and will continue to be subject to all of the risks associated with establishing new mining operations, including:

- the timing and cost, which can be considerable, of the construction of mining and processing facilities;
- the availability and cost of skilled labour, mining equipment and principal supplies needed for operations;
- the availability and cost of appropriate smelting and refining arrangements;
- the need to obtain and maintain necessary environmental and other governmental approvals and permits;
- the availability of funds to finance construction and development activities;
- potential opposition from non-governmental organizations, First Nations, environmental groups, local groups or other stakeholders which may delay or prevent development activities; and
- potential increases in construction and operating costs due to changes in the cost of labour, fuel, power, materials and supplies.

The costs, timing and complexities of developing our projects may be greater than anticipated because the majority of such property interests are not located in developed areas, and, as a result, our property interests may not be served by appropriate road access, water and power supply and other support infrastructure. Cost estimates may increase as more detailed engineering work is completed on a project. It is common in new mining operations to experience unexpected costs, problems and delays during construction, development and mine start-up. Accordingly, we cannot provide assurance that our activities will result in profitable mining operations at our mineral properties.

We may not have sufficient funds to develop our mineral properties or to complete further exploration programs.

We currently generate no operating revenue, and must primarily finance exploration activity and the development of mineral properties by other means. In the future, our ability to continue exploration, and development and production activities, if any, will depend on our ability to obtain additional external financing. Any unexpected costs, problems or delays could severely impact our ability to continue exploration and development activities. Our access to financing is always uncertain.

The sources of external financing that we may use for these purposes include project or bank financing, or public or private offerings of equity and debt or any combination thereof such as the Orion and Blackstone Financing. In addition, we may enter into one or more strategic alliances or joint ventures, decide to sell certain property interests, or utilize one or a combination of all of these alternatives. The financing alternative, or alternatives, we choose may not be available on acceptable terms, or at all. If additional financing is not available, we may have to postpone the further exploration or development of, or sell, one or more of our principal properties. Furthermore, even if we raise sufficient additional capital, there can be no assurance that we will achieve profitability or positive cash flow. In addition, any future equity offering will further dilute your equity interest in us and any future debt financing will require us to dedicate a portion of our cash flow to payments on indebtedness and will limit our flexibility in planning for or reacting to changes in our business.

We are dependent on the Brucejack Project for our future operating revenue.

Our only material property for the purposes of NI 43-101 is the Brucejack Project, which has a limited life based on mineral resource estimates. Mineral resources are not mineral reserves and do not have demonstrated economic viability. In order to be able to develop a mine and commence production, we will be required to replace and expand our mineral resources and obtain mineral reserves.

In the absence of additional mineral projects, we will be solely dependent upon the Brucejack Project for our revenue and profits, if any. In addition, development costs are difficult to predict and may render the development of the Brucejack Project financially unfeasible. It is uncertain whether the Brucejack Project will ever, or on the timeline we anticipate, achieve commercial production. Should the development of the Brucejack Project turn out to be not possible or practicable, for political, engineering, technical, economic, legal or other reasons, our business and financial position will be significantly and adversely affected.

Mineral resource and reserve calculations are only estimates.

Any figures presented for mineral resources in this AIF or documents incorporate by reference herein, any figures for mineral resources which may be presented in the future or any figures for mineral reserves that may be presented by us in the future are and will only be estimates. There is a degree of uncertainty attributable to the calculation of mineral reserves and mineral resources. Until mineral reserve estimates or mineral resource estimates are actually mined and processed, the quantity of metal and grades must be considered as estimates only and no assurances can be given that the indicated levels of metals will be produced. In making determinations about whether to advance any of our projects to development, we must rely upon estimated calculations as to the mineral resources and grades of mineralization on our properties.

The estimating of mineral reserves and mineral resources is a subjective process that relies on the judgment of the persons preparing the estimates. The process relies on the quantity and quality of available data and is based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. By their nature, mineral resource estimates are

imprecise and depend, to a certain extent, upon analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate.

Estimated mineral reserves or mineral resources may have to be recalculated based on changes in mineral prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence mineral reserve or resource estimates. The extent to which resources may ultimately be reclassified as proven or probable mineral reserves is dependent upon the demonstration of their profitable recovery. Any material changes in mineral resource estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital. We cannot provide assurance that mineralization can be mined or processed profitably.

Our mineral resource estimates have been determined and valued based on assumed future metal prices, cut-off grades, operating costs and other assumptions that may prove to be inaccurate. Extended declines in market prices for gold and silver may render portions of our mineralization uneconomic and result in reduced reported mineral resources, which in turn could have a material adverse effect on our results of operations or financial condition. We cannot provide assurance that mineral recovery rates achieved in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale. In addition, if our projects produce concentrate for which there is no market, specifically, with respect to concentrate containing rhenium, this may have an impact on the economic model for the Brucejack Project. A reduction in any resources that may be estimated by us in the future could have an adverse impact on our future cash flows, earnings, results of operations and financial condition.

No assurances can be given that any mineral resource estimates for the Brucejack Project will ultimately be reclassified as proven or probable mineral reserves. The failure to establish proven and probable mineral reserves could restrict our ability to successfully implement our strategies for long-term growth and may impact future cash flows, earnings, results of operation and financial condition.

Uncertainty exists related to mineral resources.

There is a risk that inferred mineral resources referred to in this AIF cannot be converted into measured or indicated mineral resources as there may be limited ability to assess geological continuity. In addition, there is no assurance that any mineral resources will, as a result of continued exploration, be determined to have sufficient geological continuity so as to be upgraded to constitute proven and probable mineral reserves.

Changes in the market price of gold and other metals, which in the past have fluctuated widely, may materially and adversely affect our revenues and the value of our mineral properties.

Our profitability and long-term viability will depend, in large part, on the market price of gold and silver. The market prices for these metals are volatile and are affected by numerous factors beyond our control, including:

- global or regional consumption patterns;
- the supply of, and demand for, these metals;
- speculative activities;
- the availability and costs of metal substitutes;
- expectations for inflation; and
- political and economic conditions, including interest rates and currency values.

We cannot predict the effect of these factors on metal prices. A decrease in the market price of gold and other metals could affect our ability to finance the exploration and development of any of our mineral properties. The market price of gold and other metals may not remain at current levels.

Future production, if any, from our mining properties is dependent on mineral prices that are adequate to make these properties economic. A sustained period of declining gold and other metal prices would adversely affect our financial performance, financial position, results of operations and trading value of our securities.

We have a history of negative operating cash flow and a significant accumulated deficit. We may continue to incur losses and to experience negative operating cash flow for the foreseeable future.

We have incurred net losses in each fiscal year since our inception. For the year ended December 31, 2016, we had a net loss of \$80.4 million and at December 31, 2016, we had an accumulated deficit of \$156.7 million. We expect to incur losses unless and until such time as our mineral projects generate sufficient revenues to fund continuing operations. We have incurred construction related expenses in recent periods and we plan to incur further expenses as cash flows allow. The planned increases in construction related expenses may result in larger losses in future periods.

The exploration and development of our mineral properties will require the commitment of substantial financial resources that may not be available. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners and the acquisition of additional property interests, some of which are beyond our control. Our business strategies may not be successful and we may not be profitable in any future period. Our operating results have varied in the past and they may continue to fluctuate in the future. In addition, our operating results may not follow any past trends.

We had negative operating cash flow for the financial years ended December 31, 2016 and December 31, 2015. We anticipate that we will continue to have negative cash flow until such time, if at all, that profitable commercial production is achieved. We cannot provide assurance that we will ever achieve profitability. To the extent that we have negative cash flow in future

periods, we may need to allocate a portion of our cash reserves to fund such negative cash flow. We may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to us.

If our counterparties to the Credit Agreement, Stream Agreement and Offtake Agreement default on their contractual obligations the Company may be materially and adversely affected.

If a counterparty does not meet its contractual obligations under the Credit Agreement, Stream Agreement or Offtake Agreement, or if they become insolvent, our future operating results may be materially adversely impacted. A portion of the loan facility made available to us under the Credit Agreement may be drawn in tranches over an 18 month period. Pursuant to the Stream Agreement and Offtake Agreement, we have agreed to sell refined gold and refined silver to Orion Stream and BTO (see "General Development of Our Business"). If Orion, Orion Stream or BTO do not meet their respective obligations under the Credit Agreement, Stream Agreement or Offtake Agreement, this could have a material and adverse impact our operations and our financial situation.

General economic conditions may adversely affect our growth, profitability and ability to obtain financing.

Events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the gold mining industry, have been and continue to be impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market confidence and liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our growth and profitability. A number of issues related to economic conditions could have a material adverse effect on our financial condition and results of operations, specifically:

- contraction in credit markets could impact the cost and availability of financing and our overall liquidity;
- the volatility of gold and other metal prices would impact our revenues, profits, losses and cash flow;
- continued recessionary pressures could adversely impact demand for our production;
- volatile energy, commodity and consumables prices and currency exchange rates could impact our production costs; and
- the devaluation and volatility of global stock markets could impact the valuation of our equity and other securities.

Mining is inherently risky and subject to conditions or events beyond our control.

The development and operation of a mine or mine property is inherently dangerous and involves many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome, including:

- unusual or unexpected geological formations;
- metallurgical and other processing problems;
- metal losses;
- environmental hazards;
- power outages;
- labour disruptions;
- industrial accidents;
- periodic interruptions due to inclement or hazardous weather conditions;
- flooding, explosions, fire, rockbursts, cave-ins and landslides;
- mechanical equipment and facility performance problems;
- avalanches; and
- the availability of materials and equipment.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, including to our employees, environmental damage, delays in mining, increased production costs, asset write downs, monetary losses and possible legal liability. We may not be able to obtain insurance to cover these risks at economically feasible premiums, or at all. Insurance against certain environmental risks, including potential liability for pollution and other hazards as a result of the disposal of waste products occurring from production, is not generally available to companies within the mining industry. We may suffer a material adverse impact on our business if we incur losses related to any significant events that are not covered by our insurance policies.

We cannot provide assurance that we currently hold or will successfully acquire commercially mineable mineral rights.

Exploration for and development of gold properties involves significant financial risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish mineral reserves by drilling, constructing mining and processing facilities at a site,

developing metallurgical processes and extracting gold from ore. We cannot ensure that our current exploration and development programs will result in profitable commercial mining operations.

The economic feasibility of development projects is based upon many factors, including the accuracy of mineral resource and mineral reserve estimates; metallurgical recoveries; capital and operating costs; government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting and environmental management and protection; and gold prices, which are highly volatile. Development projects are also subject to the successful completion of feasibility studies, issuance of necessary governmental permits and availability of adequate financing.

Most exploration projects do not result in the discovery of commercially mineable ore deposits, and no assurance can be given that any anticipated level of recovery of ore reserves, if any, will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of mineral reserves, mineral resources, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, the metallurgy of the mineralization forming the mineral deposit, unusual or unexpected geological formations and work interruptions. If current exploration programs do not result in the discovery of commercial ore, we may need to write-off part or all of our investment in existing exploration stage properties.

Material changes in ore reserves, if any, grades, stripping ratios or recovery rates may affect the economic viability of any project. Our future growth and productivity will depend, in part, on our ability to develop commercially mineable mineral rights at our existing properties or identify and acquire other commercially mineable mineral rights, and on the costs and results of continued exploration and potential development programs. Mineral exploration is highly speculative in nature and is frequently non-productive. Substantial expenditures are required to:

- establish ore reserves through drilling and metallurgical and other testing techniques;
- determine metal content and metallurgical recovery processes to extract metal from the ore; and
- construct, renovate or expand mining and processing facilities.

In addition, if we discover ore, it would take several years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production may change. As a result of these uncertainties, there can be no assurance that we currently hold or will successfully acquire commercially mineable (or viable) mineral rights.

Suitable infrastructure may not be available or damage to existing infrastructure may occur.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are

important determinants for capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploitation or development of our projects. If adequate infrastructure is not available in a timely manner, we cannot assure you that the exploitation or development of our projects will be commenced or completed on a timely basis, or at all, or that the resulting operations will achieve the anticipated production volume, or that the construction costs and operating costs associated with the exploitation and/or development of our projects will not be higher than anticipated. In addition, unusual weather phenomena, sabotage, government, First Nations or other interference in the maintenance or provision of such infrastructure could adversely affect our operations and profitability. In addition, there are risks associated with the construction of an underground mining project relating to, among other things, supervision of the contractors, cost estimating, delivery and operation of equipment, and disposal of waste rock.

We are subject to significant governmental regulations.

Our exploration and development activities are subject to extensive federal, provincial and local laws, regulations and policies governing various matters, including:

- environmental protection;
- the management and use of toxic substances and explosives;
- management of tailings and other wastes;
- the management of natural resources and land;
- the exploration and development of mineral properties;
- mine construction;
- mine production and post-closure reclamation;
- exports;
- price controls;
- taxation and mining royalties;
- labour standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in significant expenditures. We may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and

regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause us to incur additional expense or capital expenditure restrictions or suspensions of our activities and delays in the exploration and development of our properties.

The Canadian Extractive Sector Transparency Measures Act (“ESTMA”), which became effective June 1, 2015, requires public disclosure of payments to governments by mining companies engaged in the commercial development of minerals who are either publicly listed in Canada or with business or assets in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments, and including Aboriginal groups, although there is a two year moratorium on disclosure of Canadian First Nations. ESTMA requires reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure improvement payments, and any other prescribed payment over \$100,000. Failure to report, false reporting or structuring payments to avoid reporting may result in fines of up to \$250,000 (which may be concurrent). If we find ourselves subject to an enforcement action or in violation of ESTMA, this may result in significant penalties, fines and/or sanctions imposed on us resulting in a material adverse effect on our reputation.

Our efforts to comply with new rules and regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. If we fail to comply with such regulations, it could have a negative effect on our business, results of operations and share price and investors could lose all or part of their investment. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws enacted by governments, making compliance more difficult and uncertain.

We require various permits in order to conduct current and anticipated future operations and a failure to renew applicable permits or comply with the terms of any such permits that we have obtained, could adversely affect our business.

Our current and anticipated future operations require permits from various governmental authorities. Obtaining or renewing governmental permits is a complex and time-consuming process. The duration and success of efforts to obtain and renew permits are contingent upon many variables not within our control.

We have obtained major permits required to complete construction and commence production at the Brucejack Project however, we cannot provide assurance that all rights and permits that we require for our future operations, including any for construction of mining facilities or conduct of mining, will be obtainable or renewable on reasonable terms, or at all. Unexpected costs or delays with the permitting process, failure to obtain required permits or the expiry, revocation or failure to comply with the terms of any such permits that we have obtained, would adversely affect our business.

Our activities are subject to environmental laws and regulations that may increase our costs and restrict our operations.

All of our exploration, development and production activities are subject to regulation by governmental agencies under various environmental laws. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations.

Environmental legislation is evolving and the general trend has been towards stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on our behalf and may cause material changes or delays in our intended activities. Future changes in these laws or regulations could have a significant adverse impact on some portion of our business, requiring us to re-evaluate those activities at that time.

Our anticipated operations will generate chemical and metals depositions in the form of tailings. Our ability to obtain, maintain and renew permits and approvals and to successfully develop and operate mines may be adversely affected by real or perceived impacts associated with our activities or of other mining companies that affect the environment, human health and safety. Recent regulations under the British Columbia Mines Act increase potential penalties for prosecutions and allow for administrative monetary penalties to be imposed without a court process.

Environmental hazards may exist on our properties that are unknown to us at the present time and have been caused by previous owners or operators or that may have occurred naturally. We may be liable for remediating such damage.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed. Such enforcement actions may include the imposition of corrective measures requiring capital expenditure, installation of new equipment or remedial action.

Compliance with emerging climate change regulations could result in significant costs and the effects of climate change may present physical risks to our operations.

Governments at all levels may be moving towards enacting legislation to address climate change concerns, such as requirements to reduce emission levels and increase energy efficiency, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. Where legislation has already been enacted, such regulations may become more stringent, which may result in increased costs of compliance. There is no assurance that compliance with such regulations will not have an adverse effect on our results of operations and financial condition. Furthermore, given the

evolving nature of the debate related to climate change and resulting requirements, it is not possible to predict the impact on our results of operations and financial condition.

Extreme weather events (such as increased periods of snow and increased frequency and intensity of storms) have the potential to disrupt our exploration and development plans. Our emergency plans for managing extreme weather conditions may not be sufficient and extended disruptions could have adverse effects on our results of operations and financial condition.

We may be subject to claims and legal proceedings that could materially adversely impact our financial position, financial performance and results of operations.

Due to the nature of the Company's business, we may be subject to a variety of regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of the Company's business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of discovery of new evidence or advancement of new legal theories, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. There can be no assurances that these matters will not have a material adverse effect on our business.

We may fail to maintain adequate internal control over financial reporting pursuant to the requirements of the Sarbanes-Oxley Act.

During our 2016, 2015 and 2014 fiscal years, we documented and tested our internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act ("SOX"). SOX requires an annual assessment by management of the effectiveness of our internal control over financial reporting and, for fiscal years commencing with our fiscal year ended December 31, 2012, an attestation report by our independent auditors addressing the effectiveness of internal control over financial reporting. We may fail to maintain the adequacy of our internal control over financial reporting as such standards are modified, supplemented or amended from time to time, and we may not be able to conclude, on an ongoing basis, that we have effective internal control over financial reporting in accordance with Section 404 of SOX.

Our failure to satisfy the requirements of Section 404 of SOX on an ongoing, timely basis could result in the loss of investor confidence in the reliability of our financial statements, which in turn could harm our business and negatively impact the trading price or the market value of our securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. Future acquisitions of companies, if any, may provide us with challenges in implementing the required processes, procedures and controls in our acquired operations. No evaluation can provide complete assurance that our internal control over financial reporting will detect or uncover all failures of persons within our Company to disclose material information otherwise required to be reported.

The effectiveness of our processes, procedures and controls could also be limited by simple errors or faulty judgments. In addition, as we continue to expand, the challenges involved in implementing appropriate internal control over financial reporting will increase and will require that we continue to monitor our internal control over financial reporting. Although we

intend to expend substantial time and incur substantial costs, as necessary, to ensure ongoing compliance, we cannot be certain that we will be successful in complying with Section 404 of SOX.

We face potential opposition from non-governmental organizations.

In recent years, communities and non-governmental organizations (“NGOs”) have become more vocal and active with respect to mining activities at or near their communities. These communities and NGOs have taken such actions as road closures, work stoppages, and law suits for damages. These actions relate not only to current activities but often in respect of decades old mining activities by prior owners of mining properties. Such actions by communities and NGOs may have a material adverse effect on our results of operations or financial condition.

There is uncertainty related to unsettled First Nations rights and title in British Columbia and this may create delays in project approval or interruptions in project progress.

The nature and extent of First Nations rights and title remains the subject of active debate, claims and litigation in British Columbia. First Nations in British Columbia have made claims of aboriginal rights and title to substantial portions of land and water in the province, including areas where the Company’s operations are situated, creating uncertainty as to the status of competing property rights. The Supreme Court of Canada has held that aboriginal groups may have a spectrum of aboriginal rights in lands that have been traditionally used or occupied by their ancestors. Such aboriginal rights and title are not absolute and may be infringed by government in furtherance of a legislative objective, subject to meeting a justification test. The effect of such claims on any particular area of land will not be determinable until the exact nature of historical use, occupancy and rights to such property have been clarified by a decision of the Courts or definition in a treaty. First Nations in the province are seeking settlements including compensation from governments with respect to these claims, and the effect of these claims cannot be estimated at this time. The federal and provincial governments have been seeking to negotiate settlements with aboriginal groups throughout British Columbia in order to resolve many of these claims. Any settlements that may result from these negotiations may involve a combination of cash, resources, grants of conditional rights to undertake traditional pursuits (like hunting, gathering, trapping and fishing) on public lands, and some rights of self-government. The issues surrounding aboriginal title and rights are not likely to be resolved in the near future.

In a landmark decision in 2004, the Supreme Court of Canada determined that there is a duty on government to consult with and, where appropriate, accommodate First Nations where government decisions may impact on claimed, but as yet unproven, aboriginal rights or title. This decision also provided much needed clarification of the duties of consultation and accommodation. This decision was re-enforced in a 2010 decision of the Supreme Court of Canada, in which the Court re-affirmed and re-stated the test for determining when the duty to consult arises. The Court has made clear that third parties are not responsible for consultation or accommodation of aboriginal interests and that this responsibility lies with government. However, government permits, including environmental and mine permits, will not be granted by provincial and federal agencies unless they are satisfied that the duty to consult and

accommodate has been fully met. In 2005, the Supreme Court of Canada confirmed that this duty exists with respect to claimed treaty rights.

Additional uncertainty has arisen due to the recent decision of the Supreme Court of Canada in *Tsilhqot'in Nation v. British Columbia* (2014 SCC 44), which recognized the Tsilhqot'in Nation as holding Aboriginal Title to approximately 1,900 square kilometers of territory in the interior of British Columbia. This decision represents the first successful claim for Aboriginal Title in Canada and may lead other First Nations in British Columbia to pursue Aboriginal Title in their traditional land-use areas.

A portion of the Brucejack Project lies within traditional First Nation territory and in the Nass Area, as defined in the *Nisga'a Final Agreement* between the Nisga'a First Nation and the federal and provincial governments, which came into effect on May 11, 2000. However, there may be overlapping claims by other First Nations. Given the unsettled nature of land claims and treaty rights in British Columbia, as well as the rights of the Nisga'a under the *Nisga'a Final Agreement*, there can be no guarantee that there will not be delays in project approval, unexpected interruptions in project progress, requirements for First Nations consent, cancellation of permits and licences, or additional costs to advance the Company's projects.

In addition, the Government of Canada has expressed a renewed commitment to implementing the United Nations Declaration of the Rights of Indigenous People which requires governments to obtain the free, prior, and informed consent of indigenous peoples who may be affected by government action, such as the granting of mining concessions or approval of mine permits.

In order to facilitate mine permitting, construction and the commencement of mining activities, the Company may deem it necessary and prudent to try to obtain the cooperation and approval of the local First Nations groups. Any cooperation and approval may be predicated on our committing to take measures to limit the adverse impacts on local First Nations groups and ensuring that some of the economic benefits of the construction and mining activity will be enjoyed by the local First Nations groups. There can be no guarantee that any of our efforts to secure such cooperation or approval would be successful or that the assertion of First Nations rights and title, or claims of insufficient consultation or accommodation, will not create delays in project approval or unexpected interruptions in project progress, requirements for First Nations consent, cancellation of permits and licences, or result in additional costs to advance our projects.

Our properties may be subject to uncertain title.

We cannot provide assurance that title to our properties will not be challenged. We hold mineral claims which constitute our property holdings. We may not have, or may not be able to obtain, all necessary surface rights to develop a mineral property. Title insurance is generally not available for mineral properties and our ability to ensure that we have obtained a secure claim to individual mining properties may be severely constrained. We have not conducted surveys of all of the claims in which we hold direct or indirect interests. A successful claim contesting our title to a property could cause us to lose our rights to explore and, if warranted, develop that property or undertake or continue production thereon. This could also result in our not being compensated for our prior expenditures relating to such property.

Land reclamation requirements may be burdensome.

Land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance. Reclamation may include requirements to treat ground and surface water to drinking water standards, control dispersion of potentially deleterious effluent and reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out reclamation obligations imposed on us in connection with exploration, development and production activities, we must allocate financial resources that might otherwise be spent on further exploration and development programs. The actual costs of reclamation and mine closure are uncertain and planned expenditures may differ from the actual expenditures required. Therefore, the amount that we are required to spend may be materially higher than our estimates. Any additional amounts we are required to spend on reclamation and mine closure may have a material adverse effect on our financial performance, financial condition and results of operations.

We may fail to identify attractive acquisition candidates or may fail to successfully integrate acquired material properties.

We may actively pursue the acquisition of exploration, development and production assets consistent with our acquisition and growth strategy. The identification of attractive candidates and integration of acquired properties, assets or entities involve inherent risks, including but not limited to:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of our key employees or key employees of any business acquired;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, companies or securities.

Any one or more of these factors or other risks could cause us not to realize the anticipated benefits of an acquisition of properties or companies, and could have a material adverse effect on our financial condition. We may not be able to successfully overcome these risks and other problems associated with acquisitions, and this may adversely affect our business, financial condition or results of operations.

In connection with any future acquisitions, we may incur indebtedness or issue equity securities, resulting in increased interest expense or dilution of the percentage ownership of

existing shareholders. Acquisition costs, additional indebtedness or issuances of securities in connection with such acquisitions, may adversely affect the price of our Common Shares and negatively affect our results of operations.

We may be adversely affected by future fluctuations in foreign exchange rates.

Our potential profitability is exposed to the financial risk related to the fluctuation of foreign exchange rates. The minerals that could be produced from our projects are priced in U.S. dollars but, since our only projects are located in Canada, the majority of our estimated expenditures are in Canadian dollars. A significant change in the currency exchange rates between the Canadian dollar relative to the U.S. dollar will have an effect on the potential profitability of our projects and therefore our ability to continue to finance our operations. To the extent that the actual Canadian dollar to U.S. dollar exchange rate is less than or more than the rate estimated in any future development plans, the profitability of our projects will be affected. Accordingly, our prospects may suffer due to adverse currency fluctuations.

The mining industry is very competitive.

We compete with other exploration and producing companies, many of which are better capitalized, have greater financial resources, operational experience and technical capabilities or are further advanced in their development or are significantly larger and have access to greater mineral reserves, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. If we require and are unsuccessful in acquiring additional mineral properties or qualified personnel, we will not be able to grow at the rate we desire, or at all.

Our competitors may be able to devote greater resources to the expansion and efficiency of their operations or respond more quickly to new laws and regulations or emerging technologies than we can. We may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on our business, financial condition or results of operations.

We may experience difficulty attracting and retaining qualified management to grow our business.

We are dependent on the services of key executives and other highly skilled and experienced personnel to advance our corporate objectives as well as the identification of new opportunities for growth and funding. Robert A. Quartermain, Joseph J. Ovsenek, Kenneth McNaughton, Tom Yip and Michelle Romero are currently our key executives. It will be necessary for us to recruit additional skilled and experienced management and personnel. Our inability to do so, or the loss of Mr. Quartermain or Mr. Ovsenek or any of our key executives, or our inability to attract and retain suitable replacements for such executives or the additional highly skilled employees required for our activities, would have a material adverse effect on our business and financial condition.

Some of our directors and officers have conflicts of interest as a result of their involvement with other natural resource companies.

Certain of our directors and officers also serve as directors or officers, or have significant shareholdings in, other companies involved in natural resource exploration and development or mining-related activities. To the extent that such other companies may participate in ventures that we may also participate in, or in ventures that we may seek to participate in, our directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In all cases where our directors and officers have an interest in other companies, such other companies may also compete with us for the acquisition of mineral property investments. Such conflicts of our directors and officers may result in a material and adverse effect on our profitability, results of operation and financial condition. As a result of these conflicts of interest, we may miss the opportunity to participate in certain transactions, which may have a material adverse effect on our financial position.

We may be unable to attract development partners.

We may seek to develop some or all of our projects in partnership with one or more third parties in a corporate or contractual joint venture, or otherwise, or to dispose of some part or of its project to another party, retaining a royalty interest therein. We may be unable to find such partners or to negotiate satisfactory terms therewith, in which case we will be obliged to either postpone development of such project or proceed alone with the costs of further development.

Failure to comply with the U.S. Foreign Corrupt Practices Act ("FCPA"), as well as the anti-bribery laws of the nations in which we conduct business (such as the UK's Bribery Act or the Corruption of Foreign Public Officials Act of Canada ("CFPOA")), could subject us to penalties and other adverse consequences.

Our business is subject to the FCPA which generally prohibits companies and company employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. The FCPA also requires companies to maintain accurate books and records and internal controls, including at foreign-controlled subsidiaries. In addition, we are subject to other anti-bribery laws of the nations in which we conduct business that apply similar prohibitions as the FCPA (such as the UK's Bribery Act, the CFPOA and the OECD Anti-Bribery Convention). Our employees or other agents may, without our knowledge and despite our efforts, engage in prohibited conduct under our policies and procedures and the FCPA or other anti-bribery laws that we may be subject to for which we may be held responsible. If our employees or other agents are found to have engaged in such practices, we could suffer severe penalties and other consequences that may have a material adverse effect on our business, financial condition and results of operations.

Enforcement of judgments or bringing actions outside the United States against us and our directors, officers and the experts named herein may be difficult.

We are organized under the laws of, and headquartered in, British Columbia, Canada, and a majority of our directors, officers and the experts named in this AIF are not citizens or residents of the United States. In addition, a substantial part of our assets are located outside the United

States. As a result, it may be difficult or impossible for an investor to (i) enforce in courts outside the United States judgments against us and our directors, officers and the experts named in this AIF obtained in U.S. courts based upon the civil liability provisions of U.S. federal securities laws or (ii) bring in courts outside the United States an original action against us and our directors, officers and the experts named in this AIF to enforce liabilities based upon such U.S. securities laws.

Legislative actions, potential new accounting pronouncements, and higher insurance costs are likely to impact our future financial position or results of operations.

Future changes in financial accounting standards may cause adverse, unexpected revenue fluctuations and affect our financial position or results of operations. New pronouncements and varying interpretations of pronouncements have occurred with greater frequency and are expected to occur in the future. Compliance with changing regulations of corporate governance and public disclosure may result in additional expenses. All of these uncertainties are leading generally toward increasing insurance costs, which may adversely affect our business, results of operations and our ability to purchase any such insurance, at acceptable rates or at all, in the future.

Anti-takeover provisions could discourage a third party from making a takeover offer that could be beneficial to our shareholders.

Some of the provisions in our articles could delay or prevent a third party from acquiring us or replacing members of our Board, even if the acquisition or the replacements would be beneficial to our shareholders. Such provisions include the following:

- shareholders cannot amend our articles unless at least two-thirds of the shares entitled to vote approve the amendment; and
- our Board can, without shareholder approval, issue preferred shares having any terms, conditions, rights and preferences that the Board determines.

These provisions could also reduce the price that certain investors might be willing to pay for our securities and result in the market price for our securities, including the market price for our Common Shares, being lower than it would be without these provisions.

A period of significant growth can place a strain on management systems.

If we experience a period of significant growth in the number of our personnel this could place a strain upon our management systems and resources. Our future will depend in part on the ability of our officers and other key employees to implement and improve our financial and management controls, reporting systems and procedures on a timely basis and to expand, train and manage our employee workforce. There can be no assurance that we will be able to effectively manage such growth. Our failure to do so could have a material adverse effect upon our business, prospects, results of operation and financial condition.

Significant shareholders of the Company could influence our business operations and sales of our Common Shares by such significant shareholders could influence our Common Share price.

As at the date of this AIF, to the best of our knowledge, Silver Standard holds approximately 9.38% of our outstanding Common Shares. Silver Standard may have significant influence over the passage of any resolution of our shareholders (such as would be required, to amend our constating documents or take certain other corporate action).

Pursuant to a subscription agreement between Jin Huang and the Company dated December 8, 2014, for so long as Jin Huang and their affiliates hold at least 4.75% of our issued and outstanding Common Shares, Jin Huang is entitled to nominate one individual to serve on our Board and Jin Huang has the right to maintain its and its affiliates proportionate ownership of our Common Shares by participating pro rata in issuances of our Common Shares (subject to certain exceptions). To the best of our knowledge, as of the date of this AIF, Jin Huang and its affiliates holds approximately 5% of our issued and outstanding Common Shares.

Under the terms of the September 15, 2015 subscription agreements between the Company and each of Orion and BTO relating to the Orion and Blackstone Financing, Orion and BTO are entitled to maintain their proportionate ownership of our Common Shares by participating pro rata in the issuances of our Common Shares (subject to certain exceptions) until the maturity date of the Credit Agreement. To the best of our knowledge, as of the date of this AIF, Orion holds approximately 2.55% of our issued and outstanding Common Shares.

Together, these shareholders hold approximately 17% of our Common Shares. As a result, these shareholders may have significant influence over the passage of any resolution of our shareholders.

Risks Related to our Securities

Future sales or issuances of debt or equity securities could decrease the value of any existing Common Shares, dilute investors' voting power, reduce our earnings per share and make future sales of our equity securities more difficult.

We may sell or issue additional debt or equity securities in offerings to finance our operations, exploration, development, acquisitions or other projects. We cannot predict the size of future issuances of debt or equity securities or the effect, if any, that future sales and issuances of debt or equity securities will have on the market price of the Common Shares.

Additional issuances of our securities may involve the issuance of a significant number of our Common Shares at prices less than the current market price for the Common Shares. Issuance of substantial numbers of Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices of the Common Shares. Any transaction involving the issuance of previously authorized but unissued Common Shares, or securities convertible into Common Shares, would result in dilution, possibly substantial, to security holders. Sales of substantial amounts of our securities by us or our existing shareholders, or the availability of such securities for sale, could adversely affect the prevailing market prices for our securities and dilute investors' earnings per share. Exercises of presently outstanding share

options may also result in dilution to security holders. A decline in the market prices of our securities could impair our ability to raise additional capital through the sale of securities should we desire to do so.

Our Common Share price has experienced volatility and may be subject to fluctuation in the future based on market conditions.

The market prices for the securities of mining companies, including our own, have historically been highly volatile. The market has from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of any particular company. In addition, because of the nature of our business, certain factors such as our announcements and the public's reaction, our operating performance and the performance of competitors and other similar companies, fluctuations in the market prices of our resources, government regulations, changes in earnings estimates or recommendations by research analysts who track our securities or securities of other companies in the resource sector, general market conditions, announcements relating to litigation, the arrival or departure of key personnel and the factors listed under the heading "Cautionary Note Regarding Forward-Looking Statements" can have an adverse impact on the market price of our Common Shares.

Any negative change in the public's perception of our prospects could cause the price of our securities, including the price of our Common Shares, to decrease dramatically. Furthermore, any negative change in the public's perception of the prospects of mining companies in general could depress the price of our securities, including the price of our Common Shares, regardless of our results. Following declines in the market price of a company's securities, securities class-action litigation is often instituted. Litigation of this type, if instituted, could result in substantial costs and a diversion of our management's attention and resources.

Future issuances of equity securities by us or sales by our existing shareholders may cause the price of our securities to fall.

The market price of our equity securities could decline as a result of issuances of securities by us or sales by our existing shareholders in the market, or the perception that these sales could occur. Sales of our Common Shares by shareholders might also make it more difficult for us to sell equity securities at a time and price that we deem appropriate. With an additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in earnings per share.

We do not intend to pay dividends in the foreseeable future.

We have never declared nor paid any dividends on our Common Shares. We intend, for the foreseeable future, to retain our future earnings, if any, to finance our exploration and development activities. The payment of future dividends, if any, will be reviewed periodically by our Board and will depend upon, among other things, conditions then existing including earnings, financial conditions, cash on hand, financial requirements to fund our exploration activities, development and growth, and other factors that our Board may consider appropriate in the circumstance. See "Dividends and Distributions".

We may be treated as a “passive foreign investment company” under the U.S. Internal Revenue Code, which could result in adverse U.S. federal income tax consequences for U.S. investors.

Generally, unfavorable U.S. federal income tax rules apply to U.S. persons owning stock of a PFIC. A foreign corporation will be considered a PFIC for any taxable year in which (i) 75% or more of its gross income is “passive income,” or (ii) 50% or more of the average value of its assets is attributable to “passive assets” (generally, assets that generate passive income). We believe that we were a PFIC for U.S. federal income tax purposes for prior years and may be a PFIC for the current year. The determination of PFIC status for any year is fact specific, being based on the types of income we earn and the types and value of our assets from time to time, all of which are subject to change, as well as, in part, the application of complex U.S. federal income tax rules, which are subject to differing interpretations. If we were classified as a PFIC for any taxable year during which a U.S. holder holds our Common Shares, such U.S. holder may be subject to increased tax liability (generally including an interest charge) upon the sale or other disposition of such Common Shares or upon the receipt of certain distributions treated as “excess distributions,” regardless of whether such income was actually distributed.

An event of default under our outstanding Notes may significantly reduce our liquidity and adversely affect our business.

Under the Indenture (as defined below), we have made various covenants to the trustees on behalf of the holders of such notes, including to make payments of interest and principal when due and, upon undergoing a fundamental change, to offer to purchase all of the outstanding Notes, plus any accrued and unpaid interest, if any. If there is an event of default under the Notes, the principal amount of such Notes, plus accrued and unpaid interest, if any, may be declared immediately due and payable. If such an event occurs, this would place additional strain on our cash resources, which could inhibit our ability to further our exploration and development activities.

Our information systems are vulnerable to an increasing threat of continually evolving cyber security risks.

Unauthorized parties may attempt to gain access to our information systems or the Company’s information through fraud or other means of deceiving the Company’s counterparties, third-party service providers or vendors. Our operations depend, in part, on how well we and our suppliers, as well as counterparties, protect networks, equipment, information technology (“IT”) systems and software against damage from a number of threats. The Company’s operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increases in capital expenses.

The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company’s reputation and results of operations. Although to date the Company has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that we will not incur such losses in the future. The Company’s risk and exposure to these matters cannot be

fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. Any future significant compromise or breach of the Company's data security, whether external or internal, or misuse of data, could result in additional significant costs, lost sales, fines and lawsuits, and damage to the Company's reputation. In addition, as the regulatory environment related to information security, data collection and use, and privacy becomes increasingly rigorous, with new and constantly changing requirements applicable to our business and counterparties to the above noted agreements, compliance with those requirements could also result in additional costs. As cyber threats continue to evolve, the Company or its counterparties may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

DIVIDENDS AND DISTRIBUTIONS

We have not, since the date of incorporation, declared or paid any dividends on our Common Shares, and do not currently have a policy with respect to the payment of dividends.

For the foreseeable future, we anticipate that we will retain future earnings, if any, to finance our exploration and development activities. The payment of future dividends, if any, will be reviewed periodically by our Board and will depend upon, among other things, conditions then existing including earnings, financial conditions, cash on hand, financial requirements to fund our exploration activities, development and growth, and other factors that our Board may consider appropriate in the circumstance.

DESCRIPTION OF CAPITAL STRUCTURE

Our authorized share capital consists of an unlimited number of Common Shares, without par value, and an unlimited number of Preferred Shares, without par value, issuable in series.

As at the date of this AIF, there were 180,792,927 Common Shares and no Preferred Shares issued and outstanding.

All of our Common Shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and entitlement to any dividends declared by the Company. The holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote). Each Common Share carries the right to one vote.

In the event of the liquidation, dissolution or winding-up of the Company, the holders of the Common Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the payment by the Company of all of its liabilities. The holders of Common Shares are entitled to receive any dividends declared by the Company in respect of the Common Shares, subject to the rights of holders of other classes ranking in priority to the Common Shares with respect to the payment of dividends, on a pro rata basis. Any alteration of the rights attached to the

Common Shares must be approved by at least two-thirds of the Common Shares voted at a meeting of our shareholders.

We may issue our Preferred Shares from time to time in one or more series. The terms of each series of Preferred Shares, including the number of shares, the designation, rights, preferences, privileges, priorities, restrictions, conditions and limitations, will be determined at the time of creation of each such series by our Board, without shareholder approval, provided that all Preferred Shares will rank equally within their class as to dividends and distributions in the event of our dissolution, liquidation or winding-up.

MARKET FOR SECURITIES

Trading Price and Volume

Our Common Shares trade on the TSX and the NYSE under the symbol "PVG". Our Common Shares commenced trading on the TSX on December 21, 2010 and on the NYSE on January 12, 2012.

The following table sets out the price ranges (high, low and close) and trading volume of our Common Shares as quoted on the TSX for each month of our most recently completed financial year:

Month	High (C\$)	Low (C\$)	Close (C\$)	Volume
January 2016	7.98	5.74	5.97	7,421,944
February 2016	7.48	6.00	6.32	11,687,966
March 2016	7.79	6.01	6.97	18,411,952
April 2016	10.41	6.73	10.33	15,864,287
May 2016	11.25	9.05	9.54	12,570,875
June 2016	14.54	9.24	14.46	12,811,371
July 2016	16.18	13.60	15.51	13,649,080
August 2016	15.94	12.12	12.65	11,644,479
September 2016	15.59	12.40	13.47	14,194,567
October 2016	13.62	10.92	13.11	8,380,961
November 2016	14.39	10.55	11.73	9,563,447
December 2016	12.82	9.17	11.12	9,416,970

The closing price of our Common Shares on the TSX and the NYSE on March 29, 2017, the last trading day before the date hereof, was C\$14.76 and US\$11.06 per Common Share, respectively.

Prior Sales

We did not issue any securities in our most recent financial year that are of a class that is not listed or quoted for trading on a marketplace.

Stock Options

The following stock options were issued during the year ended 2016:

Date of Issuance	Number of Stock Options Issued	Exercise Price
March 2, 2016	710,000	\$6.75
May 12, 2016	100,000	\$10.89
August 10, 2016	40,000	\$15.17
November 3, 2016	20,000	\$13.42
December 15, 2016	731,627	\$9.73

Restricted Share Units ("RSUs")

The following RSUs were awarded during the year ended December 31, 2016:

Date of Grant	Number of RSUs Granted	RSU Value
December 16, 2016	352,902	\$10.69

Each RSU awarded entitles the participant to receive a cash payment or its equivalent in fully-paid Common Shares equal to the arithmetic average of the closing price of a Common Share traded on the TSX for the five (5) trading days on which a board lot was traded immediately preceding such date.

Convertible Debenture

Subsequent to the year ended December 31, 2016, we issued the Notes pursuant to an indenture dated as of February 14, 2017 (the "Indenture").

The initial conversion rate for the Notes is 62.5000 Common Shares per US\$1,000 principal amount of Notes, equivalent to an initial conversion price of US\$16.00 per Common Share.

We will pay 2.25% interest per annum on the principal amount of the Notes semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2017. Interest will accrue on the Notes from and including February 14, 2017 or from and including the last date in respect of which interest has been paid or provided for, as the case may be, to, but excluding, the next interest payment date or maturity date, as the case may be. The Notes will mature on March 15, 2022.

Subject to earlier redemption or purchase, holders may convert their Notes at any time until the close of business on the business day immediately preceding March 15, 2022. A holder that surrenders Notes for conversion in connection with a "make-whole fundamental change" (as defined in the Indenture) or a notice of redemption may in certain circumstances be entitled to an increased conversion rate.

We may not redeem the Notes before March 20, 2020, except in the event of certain changes in Canadian tax law. At any time on or after March 20, 2020, we may redeem all or part of the Notes for cash, but only if the last reported sale price of our Common Shares for 20 or more trading days

in a period of 30 consecutive trading days ending on the trading day prior to the date we provide notice of redemption exceeds 130% of the conversion price in effect on each such trading day. The redemption price will equal to the sum of (1) 100% of the principal amount of the Notes to be redeemed and (2) accrued and unpaid interest, if any, to, but excluding, the redemption date. We may also redeem the Notes upon the occurrence of certain changes to the laws governing Canadian withholding taxes. In addition, we will be required to offer to purchase for cash all of the outstanding Notes upon a fundamental change, as described in this offering memorandum, at a purchase price in cash equal to 100% of the principal amount of the Notes to be purchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change purchase date.

The Notes are our unsecured senior subordinated obligations and are subordinated in right of payment to the prior payment in full of all of our existing and future senior indebtedness. The Notes will also be effectively subordinated to all of our existing and future secured indebtedness and all existing and future liabilities of our subsidiaries, including trade payables.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth the name of each of our directors and executive officers, their province or state and country of residence, their position(s) with the Company, their principal occupation during the preceding five years and the date they first became a director of the Company and the number of Common Shares held or controlled, directly or indirectly by such officer or director as of the date of this AIF.

Each director's term will expire immediately prior to the next annual meeting of shareholders.

Name and Residence	Position(s) with the Company	Principal Occupation During Past Five Years	Director Since	Number of Common Shares
Robert A. Quartermain British Columbia, Canada	Executive Chairman and Director	Chairman of the Company from October 2010 to present. Chief Executive Officer of the Company from October 2010 to December 2016. President of the Company from October 2010 to May 2015.	October 22, 2010	2,580,653 Common Shares

Name and Residence	Position(s) with the Company	Principal Occupation During Past Five Years	Director Since	Number of Common Shares
Joseph J. Ovsenek British Columbia, Canada	Chief Executive Officer, President and Director	<p>Chief Executive Officer of the Company from January 2017 to present.</p> <p>President of the Company from May 2015 to present.</p> <p>Executive Vice President and Chief Development Officer of the Company from March 2014 to May 2015.</p> <p>Vice President, Chief Development Officer of the Company from January 2011 to March 2014.</p>	December 21, 2010	125,575 Common Shares
Christopher Noel Dunn ⁽²⁾⁽³⁾ Massachusetts, USA	Director	<p>Managing Partner of Ero Resource Partners LLC from February 2014 to present.</p> <p>Managing Director of Liberty Mining & Metals, a subsidiary of Liberty Mutual Investments from September 2011 to December 2013.</p>	October 22, 2010	73,178 Common Shares
Ross Mitchell ⁽¹⁾⁽³⁾ British Columbia, Canada	Director	Retired from July, 2007 to present.	October 22, 2010	143,841 Common Shares
George Paspalas ⁽³⁾⁽⁴⁾ British Columbia, Canada	Lead Director	<p>President and Chief Executive Officer of MAG Silver Corp. from October 2013 to present.</p> <p>President and Chief Executive Officer of Aurizon Mines Ltd from August 2011 to June 2013.</p>	May 10, 2013	23,046 Common Shares
Peter Birkey ⁽¹⁾⁽²⁾ Minnesota, USA	Director	<p>Consultant since October 2013.</p> <p>Executive Vice President at Liberty Mutual Asset Management from June 2004 to October 2013.</p>	May 14, 2014	63,178 Common Shares

Name and Residence	Position(s) with the Company	Principal Occupation During Past Five Years	Director Since	Number of Common Shares
Shaoyang Shen ⁽¹⁾ British Columbia, Canada	Director	Managing Director for Overseas Development of Zijin Mining Group from May 2014 to present. Chief Operating Officer and Vice President of Silvercorp Metals Inc. from 2009 to April 2014.	January 16, 2015	32,000 Common Shares
Nicole Adshead-Bell ⁽²⁾⁽⁴⁾ British Columbia, Canada	Director	President and Director of Cupel Advisory Corp. since July 2015 and from January 2011 to January 2012. Director of Mining Research, Sun Valley Gold LLC, from January 2012 to June 2015.	October 1, 2015	11,192 common shares
Kenneth McNaughton British Columbia, Canada	Vice President, Chief Exploration Officer	Vice President, Chief Exploration Officer of the Company from January 2011 to present. President and Chief Executive Office of Camino Minerals Corp. from January 2015 to present.	N/A	430,500 Common Shares
Michelle Romero British Columbia, Canada	Vice President Corporate	Vice President, Corporate for the Company from May 2015 to present. Vice President, Corporate Relations for the Company from August 2013 to May 2015. Director, Corporate Relations for the Company from February 2011 to August 2013.	N/A	47,300 Common Shares
Tom S.Q. Yip British Columbia, Canada	Chief Financial Officer	Chief Financial Officer of the Company from January 2015 to present. Chief Financial Officer of International Tower Hill Mines Ltd. from September 2011 to December 2014.	N/A	55,000 Common Shares

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Corporate Governance Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Sustainability and Technical Committee.

Shareholdings of Directors and Senior Officers

As at the date of this AIF, our directors and executive officers, as a group, beneficially own, control or direct, directly or indirectly, 3,585,463 Common Shares representing approximately 1.98% of the issued and outstanding Common Shares and hold options to acquire an additional 4,149,662 Common Shares, representing approximately 4.13% of the Common Shares on a fully-diluted basis.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of our directors or executive officers is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period or more than 30 consecutive days (a “**Cease Trade Order**”) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such issuer, or (b) was subject to a Cease Trade Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of our directors or executive officers, nor, to our knowledge, any shareholder holding a sufficient number of our securities to affect materially the control of the Company (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including ours) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

None of our directors or executive officers, nor, to our knowledge, any shareholder holding a sufficient number of our securities to affect materially the control of the Company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of our knowledge, there are no known existing or potential conflicts of interest between the Company and any of our directors or officers as a result of such individual's

outside business interests at the date hereof. However, certain of our directors and officers are, or may become, directors or officers of other companies with businesses which may conflict with our business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on behalf of the Company. Pursuant to the BCBCA, directors are required to act honestly and in good faith with a view to the best interests of the Company. As required under the BCBCA and our Articles:

A director or executive officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or executive officer of the Company, must promptly disclose the nature and extent of that conflict.

A director who holds a disclosable interest (as that term is used in the BCBCA) in a contract or transaction into which the Company has entered or proposes to enter may generally not vote on any directors' resolution to approve the contract or transaction.

Generally, as a matter of practice, directors or executive officers who have disclosed a material interest in any transaction or agreement that our Board is considering will not take part in any Board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will abstain from voting on any matters relating to matters in which they have disclosed a material interest. In appropriate cases, we will establish a special committee of independent directors to review a matter in which directors, or management, may have a conflict.

Audit Committee Information

Under National Instrument 52-110 ("**NI 52-110**") companies are required to provide disclosure with respect to their Audit Committee including the text of the Audit Committee's Charter, the composition of the Audit Committee and the fees paid to our external auditor. The text of our Audit Committee's Charter is attached as Appendix 1 to this AIF.

Our current Audit Committee is comprised of Ross Mitchell (Chair), Peter Birkey and Shaoyang Shen. All committee members are independent and financially literate as such terms are defined in NI 52-110.

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as a member of the Audit Committee are as follows:

Ross Mitchell is a Chartered Professional Accountant who has over thirty years of experience holding senior finance positions in both mining and mineral exploration companies. He was Vice President, Finance of Westmin Resources Inc. from 1989 to 1995. In 1996, he became Vice President, Finance of Silver Standard and held this position until his retirement in 2007. He earned a Bachelor of Commerce degree from the University of British Columbia in 1971 and a Chartered Accountant designation from the Institute of Chartered Accountants of British Columbia in 1973.

Peter Birkey is an Investment Executive who has over twenty years of experience investing in the financial markets and advising both public and private companies. Mr. Birkey was an Executive Vice President for Liberty Mutual Asset Management responsible for all Strategy, Public Markets, Risk Management, Real Estate and Special Situations until October 2013. Prior to this, he was a Senior Vice President for AmerUs Capital Management (now Aviva USA) and a Portfolio Manager for AEGON USA. Mr. Birkey earned a MBA in Finance and Marketing with the highest honors from the University of Chicago. He is also a Chartered Financial Analyst and holds a Bachelors degree in Economics and Business Administration from Coe College.

Shaoyang Shen has extensive experience in managing public companies. Mr. Shen was the Vice President and Chief Operations Officer of Silvercorp Metals Inc. for six years prior to joining Zijin Mining Group as their Managing Director of Overseas Development in 2014. Mr. Shen earned a Bachelors of Economics from Xiamen University of China, a MBA from the National University of Singapore and a Master of Management and Professional Accounting from the University of Toronto. Mr. Shen is a Certified Public Accountant and a Certified Management Accountant.

Pre-approval Policy

The Audit Committee meets with our CEO and CFO as well as our independent auditors to review and inquire into matters affecting financial reporting, the system of internal accounting and financial controls and procedures and the audit procedures and audit plans. The Audit Committee also recommends to the Board the auditors to be appointed, subject to shareholder approval. In addition, the Audit Committee reviews and recommends to the Board for approval our interim and annual financial statements and certain other documents required by regulatory authorities.

The chair of the Audit Committee is generally responsible for overseeing the Audit Committee in its responsibilities as outlined in the Audit Committee Charter. The chair's duties and responsibilities include presiding at each meeting of the Audit Committee, referring specific matters to the Board in the case of a deadlock on any matter or vote, receiving and responding to all requests for information from the Company or the independent auditors, leading the Audit Committee in discharging its tasks and reporting to the Board on the activities of the Audit Committee.

External Auditor Service Fees

The aggregate fees billed by our external auditors in respect of the last two financial years are as follows:

	2015	2016
Audit Fees⁽¹⁾	\$100,000	129,125
Audit-Related Fees⁽²⁾	\$95,600	113,250
Tax Fees⁽³⁾	-	-
All Other Fees	-	-

- (1) Audits of the Company's consolidated financial statements, meetings with the Audit Committee and management with respect to quarterly filings, consulting and accounting

- standards and transactions, issuance of consent in connection with Canadian and United States securities filings.
- (2) Audit-related fees were paid for assurance and related services by the auditors that were reasonably related to the performance of the audit or the review of the Company's financial statements that are not included in Audit Fees.
 - (3) Tax compliance, taxation advice and tax planning.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

During the last financial year, we were not subject to any penalties or sanctions imposed by a regulatory body in respect of securities legislation or regulatory requirements or any penalty or sanction that would likely to be considered important to a reasonable investor in making an investment decision. We have not entered into any settlement agreement in respect of securities legislation or regulatory requirements.

Class Action Lawsuits

Following the announcement on October 9, 2013 of the resignation of Strathcona Mineral Services Ltd. ("Strathcona"), the consultant responsible for overseeing and reporting on the 10,000-tonne bulk sample, and the announcement of Strathcona's reasons for resigning on October 22, 2013, the price of our shares on the TSX and the NYSE had a significant drop in value.

Canadian Class Actions

After October 22, 2013, two proposed class actions were filed against the Company and certain of our directors in the Ontario Superior Court of Justice: the first on October 29, 2013 by David Wong (the "Wong Action") and the second on November 1, 2013 by Roksana Tahzibi (the "Tahzibi Action")(collectively, the "Ontario Actions").

The plaintiffs in these actions allege that certain of the Company's disclosures contained material misrepresentations or omissions regarding Brucejack, including statements with respect to probable mineral reserves and future gold production at Brucejack. The plaintiffs further allege that until October 22, 2013 the Company failed to disclose alleged reasons provided by Strathcona Mineral Services Ltd. for its resignation as an independent qualified person overseeing the bulk sample program. According to the plaintiffs in the Ontario Actions, these misrepresentations and omissions are actionable under Ontario's Securities Act, other provincial securities legislation and the common law.

The Tahzibi Action claimed \$250 million in general damages. On August 25, 2016, the Tahzibi Action was discontinued.

The Wong Action is the only remaining proposed class action against the Company in Canada. The Wong Action claims \$60 million in general damages on behalf of a class of persons, wherever they reside, who acquired the Company's securities between July 23, 2013 and October 21, 2013. Snowden Mining Industry Consultants Ltd. is no longer a defendant in the Wong Action.

A motion by the plaintiff in the Wong Action was brought seeking leave from the Court to commence an action under the secondary market provisions in Part XXIII.1 of the Ontario Securities Act. The motion will be heard on May 29 and 30, 2017.

We believe that the allegations made against the Company in the Wong Action are meritless and will vigorously defend the matter, although no assurance can be given with respect to the ultimate outcome. We have not accrued any amounts for the Wong Action.

United States of America Class Actions

Between October 25, 2013 and November 18, 2013, five putative class action complaints were filed in the United States against the Company and certain of our officers and directors, alleging that we violated the United States securities laws by misrepresenting or failing to disclose material information concerning the Brucejack Mine. All five actions were filed in the United States District Court for the Southern District of New York.

In January 2014, the Court ordered that these actions be consolidated into a single action, styled *In re Pretium Resources Inc. Securities Litigation*, Case No. 13-CV-7552. The Court has appointed as lead plaintiffs in the consolidated action three individuals who are suing on behalf of a putative class of shareholders who purchased our Common Shares between June 11, 2013 and October 22, 2013.

In March 2014, the plaintiffs filed a consolidated amended class action complaint, which we moved to dismiss in May 2014. In July 2014, the plaintiffs filed a second consolidated amended class action complaint ("Second Amended Complaint"). We moved to dismiss the Second Amended Complaint on September 5, 2014. The plaintiffs filed their Opposition to our Motion to Dismiss on October 20, 2014 and we filed our reply brief on November 19, 2014.

As at the date of this AIF, the Court has not yet issued a decision on the motion.

We believe that the allegations made against the Company and certain of our officers and directors in this action are meritless and will vigorously defend the matter, although no assurance can be given with respect to the ultimate outcome of such proceedings.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than disclosed elsewhere in this AIF, no director, executive officer or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued Common Shares, or any of their respective associates or affiliates of such persons, has any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company within the three most recent financial years preceding the date of this AIF.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Our auditors are PricewaterhouseCoopers LLP and are located at Suite 1400, 250 Howe Street, Vancouver, British Columbia, Canada V6C 3S7.

Our transfer agent and registrar for our Common Shares in Canada is Computershare Investor Services Inc., at its principal offices in Vancouver, British Columbia and Toronto, Ontario. Our transfer agent and registrar for our Common Shares in the United States is Computershare Trust Company, N.A, at its principal offices in Golden, Colorado.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, as of date of this AIF, the only material contracts which we have entered into are set out below.

1. Stream Agreement;
2. Offtake Agreement; and
3. Credit Agreement.

Copies of such agreements are available under our profile on SEDAR at www.sedar.com and the particulars are described in this AIF.

INTEREST OF EXPERTS

Each of the co-authors of Brucejack Report is a “qualified person” for the purposes of NI 43-101. The scientific and technical information relating to the Brucejack Project contained or incorporated by reference in this AIF was certified by:

<u>Disclosure</u>	<u>Co-Authors</u>	<u>Certified by:</u>
Brucejack Report	Tetra Tech Snowden Mining Industry Consultants Inc. AMC Mining Consultants (Canada) Ltd. ERM Rescan BGC Engineering Inc. Alpine Solutions Avalanche Services Valard Construction	Jianhui (John) Huang, Ph.D., P.Eng. Lynn Olssen, MAusIMM(CP) Bert Smith, P.Eng. Harold Rolf Schmitt, P. Geo. Derek Kinakin, M.Sc., P.Geo. (BC, AB), P.G. (AK) Brian Gould, P.Eng. Keith Sones

The “General Development of Our Business”, the “Description of Our Business”, the “February 2017 Capital Cost Forecast” and the “2017 Project Economics Update”, have been reviewed, approved and verified by Mr. Kenneth C. McNaughton, M.A.Sc., P.Eng., our Vice President and Chief Exploration Officer, Lyle Morgenthaler, B.A.Sc., P.Eng., our Chief Mine Engineer, Russell Pennell, B.A.Sc., P.Eng., our Senior Mine Planning Engineer, and Ivor W.O. Jones, M.Sc., FAusIMM, CPgeo who is independent of the Company, each of whom is a “qualified person” as defined in NI 43-101.

None of the aforementioned companies, partnerships or persons, each of whom are named in this AIF as having prepared reports, valuations, statements or opinions or having been responsible for reporting exploration results relating to our mineral properties and whose profession or business gives authority to such reports, valuations, statements or opinions or any director, officer, partner, consultant or employee thereof, as applicable, received or will receive a direct or indirect interest in any securities or other property of ours or of any of our associates or affiliates or is currently expected to be elected, appointed or employed as a director, officer or

employee of the Company or of any of our associates or affiliates, other than Kenneth C. McNaughton, M.A.Sc., P.Eng., who is our Vice President and Chief Exploration Officer and holds 430,500 Common Shares, 598,878 options to purchase Common Shares and 58,802 of our restricted share units; and Lyle Morgenthaler, P.Eng., B.A.Sc., P.Eng., our Chief Mine Engineer and holds 67,500 options to purchase Common Shares and 5,455 of our restricted share units. Russell Pennell, B.A.Sc., P.Eng., our Senior Mine Planning Engineer and Ivor W.O. Jones, M.Sc., FAusIMM, CPgeo who is independent of the Company do not hold any Common Shares, options to purchase our Common Shares or restricted share units.

To the best of our knowledge, as at the date hereof, such persons and the directors, officers, partners, consultants and employees, as applicable, of each of the aforementioned companies and partnership beneficially own, directly or indirectly, in the aggregate, less than one percent of our securities.

Our auditors, PricewaterhouseCoopers LLP, report that they are independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia and PCAOB Rule 3520, Auditor Independence, as at the date of their audit report.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Additional information with respect to directors' and officers' remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under equity compensation plans is contained in the management information circular for our most recent meeting of shareholders. Additional financial information is provided in our audited financial statements and MD&A for the year ended December 31, 2016, also filed on SEDAR.

Copies of these documents may be obtained by contacting us at Suite 2300, 1055 Dunsmuir Street, PO Box 49334, Vancouver, British Columbia V7X 1L4, telephone: (604) 558-1784, fax: (604) 558-4784.

APPENDIX 1

PRETIUM RESOURCES INC.

Audit Committee Charter

As Adopted by the Board of Directors on March 10, 2016

I. Purpose of Audit Committee of Pretivm Resources Inc. (the “Company”)

The purpose of the Audit Committee (the “Committee”) is to:

1. Assist the Board of Directors of the Company (the “Board”) in fulfilling its oversight responsibilities relating to:
 - (a) the quality and integrity of the Company’s financial statements, financial reporting process and systems of internal controls and disclosure controls regarding risk management, finance, accounting, and legal and regulatory compliance;
 - (b) the independence and qualifications of the Company’s independent accountants and review of the audit efforts of the Company’s independent accountants; and
 - (c) the development and implementation of policies and processes regarding financial corporate governance matters.
2. Provide an open avenue of communication between the independent accountants, the Company’s financial and senior management and the Board.
3. Prepare any reports required to be prepared by the Committee pursuant to the rules of any stock exchange on which the Company’s shares are listed and pursuant to the rules of any securities commission or other regulatory authority having jurisdiction, whether for inclusion in the Company’s annual proxy statement or otherwise.

The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section VII below of this Charter.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, or to determine that the Company’s financial statements are complete and accurate or are in accordance with generally accepted accounting principles, accounting standards, or applicable laws and regulations. This is the responsibility of management of the Company and the Company’s independent accountants, as well as any advisors employed by the Committee. Because the primary function of the Committee is oversight, the Committee shall be entitled to rely on the expertise, skills and knowledge of management and the Company’s independent accountants and the integrity and accuracy of information provided to the Committee by such persons in carrying out its oversight responsibilities. Nothing in this Charter is intended to change the responsibilities of management and the independent accountants.

II. Composition

The Committee shall be composed of at least three directors, each of whom the Board has determined has no material relationship with the Company which could, in the view of the Board, be reasonably expected to interfere with the exercise of such director’s independent judgement, and

who otherwise satisfies the definition of “independent” as set forth by National Instrument 52-110 – Audit Committees (“NI 52-110”) and any other applicable securities laws, rules or requirements of any stock exchange upon which the Company’s securities are listed as in effect from time to time.

All members of the Committee must be financially literate, meaning that he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements or must become. A director who is not financially literate may be appointed to the committee provided that such director becomes financially literate within a reasonable period of time following such appointment.

If any member of the Committee ceases to be “independent”, as defined by the applicable securities laws and exchange requirements, including NI 52-110, for reasons outside that member’s reasonable control, that person may remain an audit committee member until the earlier of the next annual meeting of the shareholders or the date that is six months from the occurrence of the event that caused the member to no longer be independent.

III. Authority

The Committee shall have the authority to (i) retain (at the Company’s expense) its own legal counsel, accountants and other advisors that the Committee believes, in its sole discretion, are needed to carry out its duties and responsibilities; (ii) conduct investigations that it believes, in its sole discretion, are necessary to carry out its responsibilities; and (iii) take whatever actions that it deems appropriate to foster an internal culture that is committed to maintaining quality financial reporting, sound business risk practices and ethical behaviour within the Company. In addition, the Committee shall have the authority to request any officer, director, employee or consultant of the Company, the Company’s outside legal counsel and the independent accountants to meet with the Committee and any of its advisors and to respond to their inquiries. The Committee shall have full access to the books, records and facilities of the Company in carrying out its responsibilities. Finally, the Board shall adopt resolutions which provide for appropriate funding, as determined by the Committee, for (i) services provided by the independent accountants in rendering or issuing an audit report, (ii) services provided by any adviser employed by the Committee which it believes, in its sole discretion, are needed to carry out its duties and responsibilities, or (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities.

The Committee shall be responsible for establishing procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and (ii) the confidential, anonymous submissions by employees of the Company regarding questionable accounting or auditing matters.

The Committee shall review the reports of the Chief Executive Officer and Chief Financial Officer (in connection with their required certifications for the Company’s filings with the Securities and Exchange Commission) regarding any significant deficiencies or material weaknesses in the design of operation of internal controls and any fraud that involves management or other employees of the Company who have a significant role in managing or implementing the Company’s internal controls. During this review, the Committee should evaluate whether the internal control structure, as created and as implemented, provides reasonable assurances that transactions are recorded as necessary to permit the Company’s external auditors to reconcile the Company’s financial statements in accordance with applicable securities laws.

The Committee, in its capacity as a committee of the Board, is directly responsible for the appointment, compensation, retention and oversight of the work of the independent accountants engaged (including resolution of disagreements between the Company's management and the independent accountants regarding financial reporting) for the purpose of preparing and issuing an audit report or performing other audit, review or attest services for the Company.

The independent accountants shall submit to the Audit Committee annually a formal written statement delineating all relationships between the independent accountants and the Company and its subsidiaries, addressing the non-audit services provided to the Company or its subsidiaries and the matters set forth in or required by the rules and regulations of all relevant regulatory authorities.

The independent accountants shall submit to the Audit Committee annually a formal written statement of the fees billed for each of the following categories of services rendered by the independent accountants: (i) the audit of the Company's annual financial statements for the most recent fiscal year and any reviews of the financial statements; (ii) information technology consulting services for the most recent fiscal year, in the aggregate and by each service (and separately identifying fees for such services relating to financial information systems design and implementation); and (iii) all other services rendered by the independent accountants for the most recent fiscal years, in the aggregate and by each service.

IV. Appointing Members

The members of the Committee shall be appointed or re-appointed by the Board on an annual basis. Each member of the Committee shall continue to be a member thereof until such member's successor is appointed, unless such member shall resign or be removed by the Board or such member shall cease to be a director of the Company. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board and shall be filled by the Board if the membership of the Committee is less than three directors as a result of the vacancy or the Committee no longer has a member who is an "audit committee financial expert" as a result of the vacancy.

V. Chairperson

The Board, or in the event of its failure to do so, the members of the Committee, must appoint a Chairperson from the members of the Committee. If the Chairperson of the Committee is not present at any meeting of the Committee, an acting Chairperson for the meeting shall be chosen by majority vote of the Committee from among the members present. In the case of a deadlock on any matter or vote, the Chairperson shall refer the matter to the Board. All requests for information from the Company or the independent accountants shall be made through the Chairperson.

VI. Meetings

The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members thereof provided that:

1. A quorum for meetings shall be two members, present in person or by telephone or other telecommunication device that permit all persons participating in the meeting to speak and hear each other;
2. The Committee shall meet at least quarterly (or more frequently as circumstances dictate); and

3. Notice of the time and place of every meeting shall be given in writing or facsimile communication to each member of the Committee and the external auditors of the Company at least 48 hours prior to the time of such meeting.

While the Committee is expected to communicate regularly with management, the Committee shall exercise a high degree of independence in establishing its meeting agenda and in carrying out its responsibilities. The Committee shall submit the minutes of all meetings of the Committee to, or discuss the matters discussed at each Committee meeting with, the Board.

VII. Specific Duties

In meeting its responsibilities, the Committee is expected to:

1. Select and recommend to the Board the independent accountants for the Company, considering independence and effectiveness, approve all audit and non-audit services in advance of the provision of such services and the fees and other compensation to be paid to the independent accountants, and oversee the services rendered by the independent accountants (including the resolution of disagreements between management and the independent accountants regarding preparation of financial statements) for the purpose of preparing or issuing an audit report or related work, and the independent accountants shall report directly to the Committee;
2. To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services;
3. Review the performance of the independent accountants, including the lead partner of the independent accountants, and, in its sole discretion, approve any proposed discharge of the independent accountants when circumstances warrant, and appoint any new independent accountants;
4. Periodically review and discuss with the independent accountants all significant relationships the independent accountants have with the Company to determine the independence of the independent accountants, including a review of service fees for audit and non-audit services;
5. Review and approve the issuer's hiring policies from time to time regarding partners, employees and former partners and employees of the present and former external auditor of the issuer;
6. Inquire of management and the independent accountants and evaluate the effectiveness of the Company's process for assessing significant risks or exposures and the steps management has taken to monitor, control and minimize such risks to the Company. Obtain annually, in writing, the letters of the independent accountants as to the adequacy of such controls;
7. Consider, in consultation with the independent accountants, the audit scope and plan of the independent accountants;
8. Review with the independent accountants the coordination of audit effort to assure completeness of coverage, and the effective use of audit resources;

9. Consider and review with the independent accountants, out of the presence of management:
 - (a) the adequacy of the Company's internal controls and disclosure controls including the adequacy of computerized information systems and security;
 - (b) the truthfulness and accuracy of the Company's financial statements; and
 - (c) any related significant findings and recommendations of the independent accountants together with management's responses thereto;
10. Following completion of the annual audit, review with management and the independent accountants:
 - (a) the Company's annual financial statements and related footnotes;
 - (b) the independent accountants' audit of the financial statements and the report thereon;
 - (c) any significant changes required in the independent accountants' audit plan; and
 - (d) other matters related to the conduct of the audit which are to be communicated to the committee under generally accepted auditing standards;
11. Following completion of the annual audit, review separately with each of management and the independent accountants any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
12. Establish regular and separate systems of reporting to the Committee by each of management and the independent accountants regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments;
13. In consultation with the independent accountants, review any significant disagreement among management and the independent accountants in connection with the preparation of the financial statements, including management's responses;
14. Consider and review with management:
 - (a) significant findings during the year and management's responses thereto; and
 - (b) any changes required in the planned scope of their audit plan;
15. Review, prior to publication, all filings with regulatory authorities and any other publicly disclosed information containing the Company's financial statements, including Management's Discussion & Analysis, any certification, report, opinion or review rendered by the independent accountants, any press releases announcing earnings (especially the use of "pro forma" or "adjusted" information not prepared in compliance with generally accepted accounting principles) and all financial information and earnings guidance intended to be provided to analysts and the public or to rating agencies, and consider whether the information contained in these documents is consistent with the information contained in the financial statements;

16. Facilitate the preparation and inclusion of any report from the Committee or other disclosures as required by applicable laws and regulations in the Company's annual proxy statement or other filings of all regulatory authorities having jurisdiction;
17. Review with management the adequacy of the insurance and fidelity bond coverages, reported contingent liabilities, and management's assessment of contingency planning. Review management's plans regarding any changes in accounting practices or policies and the financial impact of such changes, any major areas in management's judgment that have a significant effect upon the financial statements of the Company, and any litigation or claim, including tax assessments, that could have a material effect upon the financial position or operating results of the Company;
18. Review with management and the independent accountants each annual, quarterly and other periodic report prior to its filing with the relevant regulators or prior to the release of earnings;
19. Review policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent accountants;
20. Review, with the Company's counsel, any legal, tax or regulatory matter that may have a material impact on the Company's financial statements, operations, related Company compliance policies, and programs and reports received from regulators;
21. Evaluate and review with management the Company's guidelines and policies governing the process of risk assessment and risk management;
22. Meet with the independent accountants and management in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee;
23. Report Committee actions to the Board with such recommendations as the Committee may deem appropriate;
24. Maintain, review and update the procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, as set forth in Annex A attached to this Charter;
25. Review, assess and update this Charter on an annual basis and recommend any proposed changes to the Board for approval, in accordance with the requirements of the all applicable laws; and
26. Perform such other functions consistent with this Charter, the Company's Articles and governing law, as the Committee deems necessary or appropriate.

Annex A

**PROCEDURES FOR THE SUBMISSION OF
COMPLAINTS AND CONCERNS REGARDING
ACCOUNTING, INTERNAL ACCOUNTING CONTROLS OR
AUDITING MATTERS**

1. Pretivm Resources Inc. (the "Company") has designated its Audit Committee of its Board of Directors (the "Committee") to be responsible for administering these procedures for the receipt, retention, and treatment of complaints received by the Company or the Committee directly regarding accounting, internal accounting controls, or auditing matters.
2. Any employee or consultant of the Company may on a confidential and anonymous basis submit concerns regarding questionable accounting controls or auditing matters to the Committee by setting forth such concerns in a letter addressed directly to the Committee with a legend on the envelope such as "Confidential" or "To be opened by Committee only". If an employee or consultant would like to discuss the matter directly with a member of the Committee, the employee or consultant should include a return telephone number in his or her submission to the Committee at which he or she can be contacted. All submissions by letter to the Committee can be sent to:

Pretivm Resources Inc.
c/o Audit Committee
Attn: Chair
3. Any complaints received by the Company that are submitted as set forth herein will be forwarded directly to the Committee and will be treated as confidential if so indicated.
4. At each meeting of the Committee, or any special meetings called by the Chairperson of the Committee, the members of the Committee will review and consider any complaints or concerns submitted by employees as set forth herein and take any action it deems necessary in order to respond thereto.
5. All complaints and concerns submitted as set forth herein will be retained by the Committee for a period of seven (7) years.