
Orion to Acquire Centerra Gold's 50% Interest in the Greenstone Gold Mines Partnership

Thunder Bay and Toronto, Canada - December 15, 2020 – **PREMIER GOLD MINES LIMITED** ("Premier") (TSX:PG) (OTCPK: PIRGF) and **CENTERRA GOLD INC.** ("Centerra") (TSX: CG) are pleased to announce that an affiliate of the **Orion Mine Finance Group** ("Orion"), has entered into an agreement (the "Purchase Agreement") with Centerra and Premier pursuant to which Orion will acquire Centerra's 50% interest in the Greenstone Gold Mines Partnership ("GGM") for cash consideration of US\$225 million (subject to certain adjustments) plus certain contingent payment obligations of approximately US\$75 million (assuming a US\$1,500 gold price), described below (the "Transaction"). Premier currently owns the other 50% of GGM.

GGM's principal asset is the Hardrock Mine Project ("Hardrock" or the "Project") located on the Trans-Canada Highway near Geraldton, Ontario, Canada and represents one of the most significant large-scale, permitted, mine development opportunities in North America.

Consideration under the Purchase Agreement is comprised of:

- payment on closing from Orion to Centerra in the amount of approximately US\$225 million (subject to certain adjustments); and
- contingent payments due from Orion to Centerra, payable under certain circumstances, as follows (the "Contingent Payments"):
 - (i) US\$25 million in cash, payable within 24 months following a positive mine construction decision by GGM with respect to the Project;
 - (ii) within 30 days of the Project achieving cumulative production of 250,000 ounces of refined gold, Orion shall deliver to Centerra, at Orion's option, either: (A) 11,111 ounces of refined gold; (B) the cash equivalent value of 11,111 ounces of refined gold, based on the 20-day average spot gold price ending on the date immediately prior to the date of payment; or (C) a combination of refined gold and a cash equivalent of the shortfall ounces of refined gold;
 - (iii) within 30 days of the Project achieving cumulative production of 500,000 ounces of refined gold, Orion shall deliver to Centerra at Orion's option, either: (A) 11,111 ounces of refined gold; (B) the cash equivalent value of 11,111 ounces of refined gold, based on the 20-day average spot gold price ending on the date immediately prior to the date of payment; or (C) a combination of refined gold and a cash equivalent of the shortfall ounces of refined gold; and
 - (iv) within 30 days of the Project achieving cumulative production of 700,000 ounces of refined gold, Orion shall deliver to Centerra at Orion's option, either: (A) 11,111 ounces of refined gold; (B) the cash equivalent value of 11,111 ounces of refined gold, based on the 20-day average spot gold price ending on the date immediately prior to the date of payment; or (C) a combination of refined gold and a cash equivalent of the shortfall ounces of refined gold.

Under the terms of the Purchase Agreement, Premier and Centerra, through their respective affiliates, will cause GGM to provide a guarantee to Centerra in respect of the obligations of Orion to make the Contingent Payments, if any, and with respect to an early termination amount payable to Centerra upon early termination of the Purchase Agreement

in certain circumstances, all of which will be secured by a fixed and floating charge and a continuing security interest in the GGM property. Following the closing of the Transaction, Orion intends to support a positive feasibility decision for the Hardrock project based on the feasibility study conducted in 2019.

The Transaction is subject to customary closing conditions for a transaction of this nature including the approval of the Toronto Stock Exchange ("TSX") in respect of Premier with respect to the guarantee and the charge described above. It is also a condition of closing of the Transaction that all parties to the previously-announced Hardrock legal actions and related counterclaims, as well as Premier and Centerra, will provide a mutual release and consent dismissal in respect of the action and the related counterclaims. The Transaction is expected to close in January 2021.

"This transaction paves the way for the development of Premier's flagship asset. We look forward to working with Orion, a long-standing supportive partner of Premier, in advancing the Hardrock Project on an expedited timeline", stated Ewan Downie, President and CEO of Premier. "This new partnership will unlock the substantial value of one of North America's most advanced, permitted and well-located, multi-million-ounce gold projects."

Istvan Zollei, portfolio manager at Orion, commented: "Orion looks forward to being a partner in turning the Hardrock Project into Ontario's next prominent mine. After years of successful exploration and development work, we believe the Greenstone Project has the potential to grow into a large, long-lived gold mining operation with multiple deposits."

Affiliates of Orion beneficially own or control approximately 13.9% of the outstanding common shares of Premier and, as such, Orion is considered a "related party" and an "insider" of Premier for the purposes of applicable securities laws and stock exchange rules. The agreement of Premier under the Purchase Agreement to cause GGM to provide the above-noted guarantee, and related charge, to Centerra may be considered a "related party transaction" between Premier, Orion and their respective affiliates for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). Premier is relying on exemptions from the formal valuation and minority approval requirements otherwise mandated by MI 61-101, since at the time the "related party transaction" was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the "related party transaction", insofar as it involves interested parties, exceeds 25 per cent of Premier's market capitalization.

CIBC Capital Markets is acting as financial advisor to Premier with respect to the Transaction.

Premier Gold Mines Limited is a gold-producer and respected exploration and development company with a high-quality pipeline of precious metal projects in proven, accessible, and safe mining jurisdictions in Canada, the United States, and Mexico.

Centerra Gold Inc. is a Canadian-based gold mining company focused on operating, developing, exploring and acquiring gold properties in North America, Asia and other markets worldwide and is one of the largest Western-based gold producers in Central Asia. Centerra operates three mines, the Kumtor Mine in the Kyrgyz Republic, the Mount Milligan Mine in British Columbia, Canada and the Öksüt Mine in Turkey. Centerra's shares trade on the TSX under the symbol CG. Centerra is based in Toronto, Ontario, Canada.

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This Press Release contains certain information that may constitute “forward-looking information” under applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements about the completion of the acquisition by Orion to acquire Centerra's 50% interest in GGM, Premier's ability to secure financing for its share of costs relating to Hardrock, strategic plans, including future operations, future work programs, capital expenditures, discovery and production of minerals, price of gold and currency exchange rates, mineral resource and mineral reserve estimates and corporate and technical objectives. Forward-looking information is necessarily based upon a number of assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information, including the risks inherent to the mining industry, adverse economic and market developments, the risks identified in Premier's annual information form under the heading “Risk Factors” and the risks identified in Centerra's 2020 annual information form under the heading “Risk Factors”. 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. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information contained in this press release is given as of the date hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. Each of Premier and Centerra disclaim any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

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