

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name Premier Gold Mines Limited		2 Issuer's employer identification number (EIN) 98-1308285	
3 Name of contact for additional information Marco Cavasin	4 Telephone No. of contact (604) 558-0560	5 Email address of contact info@equinoxgold.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 700 West Pender St., Suite 1501		7 City, town, or post office, state, and ZIP code of contact Vancouver, British Columbia, Canada V6C 1G8	
8 Date of action April 7, 2021		9 Classification and description Common shares	
10 CUSIP number 74051D104	11 Serial number(s) N/A	12 Ticker symbol TSX: PG; US-OTC: PIRGF	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

- 14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► **Please see attached.**
- 15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► **Please see attached.**
- 16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► **Please see attached.**

Part II **Organizational Action** *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Please see attached.

18 Can any resulting loss be recognized? ▶ N/A - no loss expected to be recognized as a result of the transaction.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Please see attached.

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶

Peter Hardie

Date ▶

2022-04-25

Print your name ▶

PETER HARDIE

Title ▶

CFO

**Paid
Preparer
Use Only**

Print/Type preparer's name

Joseph Lee

Preparer's signature

Joseph Lee

Date

4/21/2022

Check ☒ if self-employed

PTIN

P01461159

Firm's name ▶

PricewaterhouseCoopers LLP

Firm's EIN ▶

98-0189320

Firm's address ▶

18 York Street, Suite 2600 Toronto, ON, Canada M5J 0B2

Phone no.

416-863-1133

UPDATED

Attachment to Form 8937

Line 14

On April 7, 2021, pursuant to a statutory plan of arrangement (the "Arrangement"):

- Premier Gold Mines Limited ("Premier") transferred its ownership interest in Premier Gold Mines USA, Inc. ("Premier USA") to i-80 Gold Corp. ("i-80") in consideration for common shares in the capital of i-80 ("i-80 Shares");
- The capital of Premier was reorganized to create a new class of shares in the capital of Premier designated as "Class B Common Shares" (the "New Premier Shares");
- Each issued and outstanding common share of Premier ("Premier Share") was exchanged for (i) one New Premier Share, and (ii) 0.4 of an i-80 Share; and
- Equinox Gold Corp. ("Equinox") acquired all of the outstanding New Premier Shares and holders of Premier common shares ("Premier Shareholders") received 0.1967 of a common share in the capital of Equinox (the "Equinox Shares") in exchange for each New Premier Share.

Immediately following the completion of the Arrangement, Premier became a wholly-owned subsidiary of Equinox, and the former holders of Premier common shares owned 0.1967 of an Equinox Share and 0.4 of an i-80 Share for each Premier Share previously held by them (subject to rounding, as provided for in the Arrangement).

Line 15

The following summary is qualified entirely by the attached discussion entitled "Certain United States Federal Income Tax Considerations" included in the Management Information Circular, dated January 25, 2021 (the "Circular"), which was posted on www.sedar.com on February 1, 2021.¹ The following summary does not address the effect on Premier Shareholders who exercised dissent rights under the Arrangement. The summary also does not address the effect on Premier Shareholders for whom Premier may be a Passive Foreign Investment Company ("PFIC"). U.S. Holders, as defined in the Circular, should consult their own U.S. tax advisors regarding the proper tax reporting.

Premier intended for the exchange by the holders of Premier common shares ("Premier Shareholders") of the Premier Shares for New Premier Shares and i-80 Shares to be treated as (i) a tax-deferred exchange by the Premier Shareholders of their Premier Shares for New Premier Shares, either under Section 1036 or Section 368(a)(1)(E) of the U.S. Tax Code, and (ii) a distribution of the i-80 Shares to the Premier Shareholders under Section 301 of the U.S. Tax Code. In general, a Premier Shareholder who is a U.S. Holder (as defined in the Circular) should have the same U.S. tax basis in its New Premier Shares as such Premier Shareholder had in its Premier Shares immediately prior to the Arrangement. To the extent that the value of the i-80 Shares on the date of the distribution exceeded the current and accumulated earnings and profits ("E&P") of Premier, the excess will be treated first as a non-taxable return of capital to the extent of a Premier Shareholder's U.S. tax basis in the Premier Shares, with any remaining amount being treated as a capital gain. A non-taxable return of capital generally reduces a shareholder's tax basis in the shares of the distributing corporation. Based on estimates currently available, the value of the i-80 Shares distributed by Premier exceeded its applicable E&P by \$0.58 per Premier Share. This amount is subject to change pending the final tax filings of Premier and Premier USA for 2021, which may affect Premier's E&P for 2021.

Premier intended for the exchange of the New Premier Shares for Equinox Shares pursuant to the Arrangement to qualify as a tax-deferred "reorganization" within the meaning of Section 368(a) of the U.S. Tax Code (a "Reorganization"). If the exchange of the New Premier Shares for Equinox Shares qualified as a Reorganization, the aggregate tax basis of a Premier Shareholder who is a U.S. Holder (as defined in the Circular) in the Equinox Shares should be equal to such Premier Shareholder's aggregate tax basis in the New Premier Shares surrendered.

Based on the discussion above, a Premier Shareholder who is a U.S. Holder should have an aggregate tax basis in its Equinox shares equal to its aggregate tax basis in the Premier Shares immediately prior to the

¹ The Circular refers to i-80 Gold Corp as "SpinCo" and i-80 Shares as "SpinCo Shares".

UPDATED

Arrangement, less \$0.58 per Premier share (being the amount of value of the i-80 Shares distributed in excess of Premier's E&P), but not below zero.

A Premier Shareholder's initial U.S. tax basis in its i-80 Shares generally will equal the value of the i-80 Shares on April 7, 2021. The value of an i-80 Share was estimated to be \$1.45 on April 7, 2021.

U.S. Holders should consult their own U.S. tax advisors regarding the proper tax reporting.

Line 16

Premier distributed i-80's common shares to Premier Shareholders with a value of \$140,000,000 as of April 7, 2021. Premier estimates its applicable E&P amount to be \$0. As such, the value of the distribution exceeded Premier's E&P by \$140,000,000. Premier had 240 million shares outstanding as of the Date of Action, immediately before the distribution. The amount of the distribution in excess of E&P was therefore \$0.58 per Premier Share. The amount of this quantitative effect is subject to change pending the final tax filings of Premier and Premier USA for 2021, which may affect Premier's E&P for 2021.

Premier estimated the value of the i-80 Shares distributed to be \$140,000,000 as of April 7, 2021. i-80 distributed 96,337,099 shares. Therefore, each i-80 Share had a value on April 7, 2021, of \$1.45.

Line 17

As described in the attached, Premier intended for the exchange of the Premier Shares for New Premier Shares and i-80 Shares to be treated as (i) a tax-deferred exchange by the Premier Shareholders of their Premier Shares for New Premier Shares, either under Section 1036 or Section 368(a)(1)(E) of the U.S. Tax Code, and (ii) a distribution of the i-80 Shares to the Premier Shareholders under Section 301 of the U.S. Tax Code. Premier intended for the exchange of the New Premier Shares for Equinox Shares pursuant to the Arrangement to qualify as a tax-deferred "reorganization" within the meaning of Section 368(a) of the U.S. Tax Code. Consequently, the federal income tax consequences to the Premier Shareholders should be determined under Code sections 61, 301, 354, 358, and 1221.

In addition, if Premier was a passive foreign investment company as defined under Code section 1297 (a "PFIC") to any Premier Shareholders who are U.S. Holders, Code sections 1291 to 1298 could apply.

Line 19

In general, the quantitative effect to the tax basis discussed above should be taken into account by Premier Shareholders in the taxable year which includes April 7, 2021 (e.g., a calendar-year shareholder would report the transaction on his or her federal income tax return filed for the 2021 calendar year).

The amount of the quantitative effect is subject to change pending the final tax filings of Premier and Premier USA for 2021, which may affect Premier's E&P for 2021. Premier will provide amended Form 8937 to furnish updated information as it becomes available.

These materials are important and require your immediate attention. They require securityholders of Premier Gold Mines Limited to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal or other professional advisor. If you have any questions, you may contact the proxy solicitation agent, Gryphon Advisors Inc., by telephone at 1-833-292-5847 (toll-free in North America) or 416-902-5565 (collect call outside North America), or by email at inquiries@gryphonadvisors.ca.



NOTICE OF MEETING

and

MANAGEMENT INFORMATION CIRCULAR

for the

SPECIAL MEETING OF SHAREHOLDERS AND OPTIONHOLDERS

to be held on

February 23, 2021

DATED AS OF JANUARY 25, 2021

The accompanying management information circular and proxy is first being mailed to shareholders and optionholders of Premier Gold Mines Limited on or about January 25, 2021.

The Board of Directors of Premier Gold Mines Limited UNANIMOUSLY recommends that shareholders and optionholders vote <u>FOR</u> the Arrangement Resolution.

Prohibited Investment Rules

Notwithstanding that the Equinox Gold Shares and/or SpinCo Shares may be "qualified investments" under the Tax Act for Registered Plans as described above, the holder of, or annuitant or subscriber under, a Registered Plan (the "**Controlling Individual**") will be subject to a penalty tax in respect of any Equinox Gold Shares or SpinCo Shares, as applicable, held in a Registered Plan if such shares are a "prohibited investment" for the particular Registered Plan. An Equinox Gold Share generally will be a "prohibited investment" for a Registered Plan if the Controlling Individual does not deal at arm's length with Equinox Gold for purposes of the Tax Act or the Controlling Individual has a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in Equinox Gold, while a SpinCo Share generally will be a "prohibited investment" for a Registered Plan if the Controlling Individual does not deal at arm's length with SpinCo for purposes of the Tax Act or the Controlling Individual has a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in SpinCo.

Notwithstanding the foregoing, an Equinox Gold Share or SpinCo Share, as applicable, generally will not be a "prohibited investment" for a Registered Plan if such share is "excluded property" as defined in subsection 207.01(1) of the Tax Act for a Registered Plan.

Shareholders who hold their Premier Shares through a Registered Plan should consult their own tax advisors as to whether any Equinox Gold Shares or SpinCo Shares receivable pursuant to the Arrangement will be a "prohibited investment" in their particular circumstances.

PART 19. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of certain anticipated U.S. federal income tax considerations applicable to a U.S. Holder (as defined below) with respect to the Arrangement and the ownership and disposition of Equinox Gold Shares and SpinCo Shares received pursuant to the Arrangement. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder as a result of the Arrangement. This summary does not take into account the individual facts and circumstances of any particular holder that may affect the U.S. federal income tax consequences to such holder, including specific tax consequences to a holder under an applicable income tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any holder. This summary does not address the U.S. federal net investment income, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences to U.S. Holders of the Arrangement or the ownership and disposition of Equinox Gold Shares and SpinCo Shares received pursuant to the Arrangement. Except as discussed below, this summary does not discuss reporting requirements. Each U.S. Holder should consult its own tax advisors regarding the U.S. federal, U.S. federal net investment income, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences of the Arrangement and the ownership and disposition of Equinox Gold Shares and SpinCo Shares received pursuant to the Arrangement.

No legal opinion from U.S. legal counsel or ruling from the IRS has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement and the ownership and disposition of Equinox Gold Shares or SpinCo Shares received pursuant to the Arrangement. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

Scope of Disclosure

Authorities

This summary is based on the U.S. Tax Code, U.S. Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, the Canada – U.S. Tax Treaty, and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this Circular. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis which could affect the U.S. federal income tax considerations described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

U.S. Holders

For purposes of this summary, the term "**U.S. Holder**" means a beneficial owner of Premier Shares (or, after the Arrangement, Equinox Gold Shares and SpinCo Shares) participating in the Arrangement or exercising Dissent Rights pursuant to the Arrangement that is:

- an individual who is treated as a citizen or resident of the United States for U.S. federal income tax purposes;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- trust that: (i) is subject to the primary supervision of a court within the U.S. and the control of one or more persons for all substantial decisions; or (ii) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person

Transactions Not Addressed

This summary does not address the U.S. federal income tax consequences of transactions effected prior or subsequent to, or concurrently with, the Arrangement (whether or not any such transactions are undertaken in connection with the Arrangement), and does not address the following:

- any conversion into Premier Shares, Equinox Gold Shares or SpinCo Shares of any notes, debentures or other debt instruments;
- any vesting, conversion, assumption, disposition, exercise, exchange, or other transaction involving any rights to acquire Premier Shares, Equinox Gold Shares or SpinCo Shares, including the Premier Options, Premier Warrants, Premier RSUs and Premier DSUs; and
- any transaction, other than the Arrangement, in which Premier Shares, Equinox Gold Shares or SpinCo Shares are acquired.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax considerations of the Arrangement or the ownership and disposition of Equinox Gold Shares and SpinCo Shares received pursuant to the

Arrangement applicable to U.S. Holders that are subject to special provisions under the U.S. Tax Code, including, but not limited to, U.S. Holders that: (a) are tax exempt organizations, qualified retirement plans, individual retirement accounts, or other tax deferred accounts; (b) are financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies; (c) are controlled foreign corporations or passive foreign investment companies; (d) are brokers or dealers in securities or currencies or holders that are traders in securities that elect to apply a mark-to-market accounting method; (e) have a "functional currency" other than the U.S. dollar; (f) own Premier Shares (or after the Arrangement, Equinox Gold Shares or SpinCo Shares) as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other integrated transaction; (g) acquired Premier Shares (or after the Arrangement, Equinox Gold Shares or SpinCo Shares) in connection with the exercise of employee stock options or otherwise as compensation for services; (h) hold Premier Shares (or after the Arrangement, Equinox Gold Shares or SpinCo Shares) other than as a capital asset within the meaning of Section 1221 of the U.S. Tax Code (generally, property held for investment purposes); (i) are partnerships and other pass-through entities (and investors in such partnerships and entities); (j) are subject to special tax accounting rules; (k) own, have owned or will own (directly, indirectly, or by attribution) 5% or more of the total combined voting power or value of the Premier's outstanding shares; or (l) are U.S. expatriates or former long term residents of the U.S. This summary also does not address the U.S. federal income tax considerations applicable to U.S. Holders who are: (a) persons that have been, are, or will be residents or deemed to be residents in Canada for purposes of the Tax Act; (b) persons that use or hold, will use or hold, or that are or will be deemed to use or hold Premier Shares (or after the Arrangement, Equinox Gold Shares or SpinCo Shares) in connection with carrying on a business in Canada; (c) persons whose Premier Shares (or after the Arrangement, Equinox Gold Shares or SpinCo Shares) constitute "taxable Canadian property" under the Tax Act; or (d) persons that have a permanent establishment in Canada for the purposes of the Canada-U.S. Tax Treaty. U.S. Holders that are subject to special provisions under the U.S. Tax Code, including holders described immediately above, should consult their own tax advisors regarding the U.S. and non-U.S. tax consequences relating to the Arrangement and the ownership and disposition of Equinox Gold Shares and SpinCo Shares received pursuant to the Arrangement.

If an entity that is classified as a partnership (or "pass through" entity) for U.S. federal income tax purposes holds Premier Shares (or after the Arrangement, Equinox Gold Shares and SpinCo Shares), the U.S. federal income tax consequences to such entity and the owners of such entity of participating in the Arrangement and the ownership and disposition of Equinox Gold Shares or SpinCo Shares received pursuant to the Arrangement generally will depend in part on the activities of the entity and the status of such owners. This summary does not address the tax consequences to any such owner or entity. Owners of entities that are classified as partnerships or pass-through entities for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement and the ownership and disposition of Equinox Gold Shares or SpinCo Shares received pursuant to the Arrangement.

U.S. Federal Income Tax Consequences of the Arrangement to U.S. Holders

Characterization of the Exchange of Premier Shares for New Premier Shares and SpinCo Shares

Premier intends, and this summary assumes, that the exchange by the Premier Shareholders of the Premier Shares for New Premier Shares and SpinCo Shares will properly be treated as (i) a tax-deferred exchange by the Premier Shareholders of their Premier Shares for New Premier Shares, either under Section 1036 or Section 368(a)(1)(E) of the U.S. Tax Code, combined with (ii) a distribution of the SpinCo Shares to the U.S. Holders under Section 301 of the U.S. Tax Code. In addition, except as discussed below, a U.S. Holder should have the same basis and holding period in its New Premier Shares as such Premier Shareholder had in its Premier Shares immediately prior to the Arrangement. There can be no assurance that the IRS will not challenge this view of the transfer of the SpinCo Shares to the Premier Shareholders and related transactions or that a U.S. court would not agree with the IRS if this treatment were challenged. Each U.S.

Holder should consult its own tax advisor regarding the proper U.S. federal income tax treatment of the receipt of SpinCo Shares in connection with the Arrangement.

Tax Consequences of the Transfer of the SpinCo Shares to Premier Shareholders

The distribution of SpinCo Shares (including any amount withheld for Canadian taxes) to a U.S. Holder pursuant to the Arrangement will be treated as a distribution to the U.S. Holder with respect to the U.S. Holder's Premier Shares in an amount equal to the fair market value on the Effective Date of the SpinCo Shares received. A distribution to a U.S. Holder will be taxable to the U.S. Holder as a dividend to the extent Premier makes the distribution out of its current or accumulated earnings and profits. Premier has retained U.S. tax advisors to assist it in calculating its earnings and profits in accordance with United States federal income tax principles, however as of the date of this Circular such calculation has not been completed. Based on Premier's analysis to date, U.S. Holders should anticipate that a portion of the value of the SpinCo Shares received by them pursuant to the Arrangement will be taxable as a dividend. Premier anticipates being able to provide further guidance to U.S. Holders regarding its estimated earnings and profits prior to the Meeting. The distribution of a New Premier Share in respect of each existing Premier Share should not be a taxable exchange and U.S. Holders will, subject to the discussion below concerning a non-taxable return of capital in connection with the distribution of SpinCo Shares, have the same adjusted tax basis in New Premier Shares as, and should include the holding period of, the existing Premier Shares held by such U.S. Holder. Therefore, the remainder of this discussion refers simply to Premier Shares.

A dividend received by a non-corporate U.S. Holder will be taxable at a preferential rate, provided that (1) the Premier Shares are readily tradable on an established securities market in the United States or Premier is otherwise treated as a "qualified foreign corporation" within the meaning of the U.S. Tax Code's provisions governing qualified dividend income, (2) Premier is not a passive foreign investment company ("PFIC") in the taxable year in which such dividends are paid or the preceding taxable year, (3) such U.S. Holder satisfies a holding period requirement, and (4) certain other requirements are met. Premier believes it is a qualified foreign corporation.

A dividend received by a corporate U.S. Holder will generally be taxable at regular rates and will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

To the extent that the fair market value of the SpinCo Shares exceeds the current and accumulated earnings and profits of Premier, the distribution of the SpinCo Shares pursuant to the Arrangement will be treated first as a non-taxable return of capital to the extent of a U.S. Holder's tax basis in the Premier Shares, with any remaining amount being taxed as a capital gain. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation.

A U.S. Holder's initial tax basis in its SpinCo Shares generally will equal the fair market value of the SpinCo Shares on the Effective Date. A U.S. Holder's holding period in its SpinCo Shares generally will begin on the Effective Date.

Exchange of Premier Shares for the Equinox Gold Shares

The exchange of Premier Shares for Equinox Gold Shares pursuant to the Arrangement (the "**Premier Share Exchange**") is intended to qualify as a tax-deferred "reorganization" within the meaning of Section 368(a) of the U.S. Tax Code (a "**Reorganization**"), provided that Dissenting Shareholders, if any, are paid by Premier for their Premier Shares with Premier funds which are not directly or indirectly provided by Equinox Gold or any affiliate of Equinox Gold. Neither Premier nor Equinox Gold has sought or obtained

either a ruling from the IRS or an opinion of legal counsel regarding any of the tax consequences of the Arrangement. Accordingly, there can be no assurance that the IRS will not challenge the treatment of the Premier Share Exchange as a Reorganization or that the U.S. courts will uphold the status of the Premier Share Exchange as a Reorganization in the event of an IRS challenge. The tax consequences of the Premier Share Exchange qualifying as a Reorganization or as a taxable transaction are discussed below. U.S. Holders should consult their own U.S. tax advisors regarding the proper tax reporting of the Premier Share Exchange.

Tax Consequences if the Premier Share Exchange Qualifies as a Reorganization

If the Premier Share Exchange qualifies as a Reorganization, and subject to the PFIC rules discussed below, the following U.S. federal income tax consequences will result for U.S. Holders who receive Equinox Gold Shares pursuant to the Premier Share Exchange:

- a U.S. Holder should not recognize gain or loss on the exchange of Premier Shares for Equinox Gold Shares;
- the aggregate tax basis of a U.S. Holder in the Equinox Gold Shares should be equal to such U.S. Holder's aggregate tax basis in the Premier Shares surrendered in exchange therefor; and
- the holding period of a U.S. Holder for the Equinox Gold Shares should include such U.S. Holder's holding period for the Premier Shares surrendered in exchange therefor.

Tax Consequences if the Premier Share Exchange is a Taxable Transaction

In general, if the Premier Share Exchange does not qualify as a Reorganization, and subject to the PFIC rules discussed below, the following U.S. federal income tax consequences will result for U.S. Holders:

- a U.S. Holder will recognize gain or loss on the exchange of Premier Shares for Equinox Gold Shares in an amount equal to the difference, if any, between (a) the fair market value of the Equinox Gold Shares received in exchange for the Premier Shares and (b) the adjusted tax basis of such U.S. Holder in the Premier Shares surrendered;
- the aggregate tax basis of a U.S. Holder in the Equinox Gold Shares will be equal to the fair market value of such Equinox Gold Shares on the date of receipt; and
- the holding period of a U.S. Holder for the Equinox Gold Shares will begin on the day after the date of receipt.

Subject to the PFIC rules discussed below, any gain or loss described in clause (a) immediately above would be capital gain or loss, which would be long-term capital gain or loss if such Premier Shares are held for more than one year on the date of the exchange. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to complex limitations under the U.S. Tax Code.

Passive Foreign Investment Company Rules - Pre-January 1, 2016 Shareholders Not Addressed

Premier believes that it was not a PFIC for tax years ending on December 31, 2016 through 2020, and based on current business plans and financial expectations, Premier does not expect to be a PFIC for its current tax year ending December 31, 2021. The determination of whether any corporation was, or will be, a PFIC

for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, cannot be predicted with certainty as of the date of this document. No opinion of legal counsel or ruling from the IRS concerning the status of Premier as a PFIC has been obtained or is currently planned to be requested. Accordingly, there can be no assurance that the IRS will not challenge any determination made by Premier concerning its PFIC status. Each U.S. Holder should consult its own tax advisors regarding the PFIC status of Premier and the tax consequences to such U.S. Holder if Premier is a PFIC.

Premier has not made, and has no plans to make, a formal determination as to whether it was a PFIC for tax years prior to January 1, 2016. U.S. Holders should be aware that Premier may have been a PFIC for tax years prior to January 1, 2016. If Premier was a PFIC at any time during a U.S. Holder's holding period for Premier Shares, then (absent certain elections) it would continue to be a PFIC as to such U.S. Holder and as to those Premier Shares. The tax consequences to U.S. Holders for whom Premier may be a PFIC are beyond the scope of this discussion. Therefore, this discussion addresses only the U.S. federal income tax consequences of U.S. Holders who purchased their Premier Shares after December 31, 2015.

U.S. Holders who acquired Premier Shares before January 1, 2016, or after that date by gift or inheritance, should consult their own tax advisors regarding the PFIC rules.

U.S. Holders Exercising Dissent Rights

A U.S. Holder that exercises Dissent Rights in the Arrangement and is paid Canadian dollars in exchange for all of its Premier Shares generally will recognize gain or loss in an amount equal to the difference, if any, between (i) the U.S. dollar value of the Canadian dollars received by such U.S. Holder in exchange for Premier Shares (other than amounts, if any, that are or are deemed to be interest for U.S. federal income tax purposes, which amounts will be taxed as ordinary income), and (ii) the tax basis of such U.S. Holder in such Premier Shares surrendered. Any gain or loss recognized by the U.S. Holder with respect to those Premier Shares would generally be capital gain or loss, which will be long-term capital gain or loss if such Premier Shares have been held for more than one year. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to complex limitations under the U.S. Tax Code.

U.S. Federal Income Tax Consequences to U.S. Holders Related to the Ownership and Disposition of Equinox Gold Shares and SpinCo Shares

The following discussion is subject to the rules described below under the heading "Passive Foreign Investment Company Rules Relating to the Ownership of Equinox Gold Shares and SpinCo Shares."

Distributions

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to a SpinCo Share or Equinox Gold Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of the distributing company, as computed for U.S. federal income tax purposes. A dividend generally will be taxed to a U.S. Holder at ordinary income tax rates. To the extent that a distribution exceeds the current and accumulated "earnings and profits" of the distributing company, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the shares of the distributing company and thereafter as gain from the sale or exchange of such shares. See the discussion below under the heading "Sale or Other Taxable Disposition

of Shares." However, the distributing company may not maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should therefore assume that any distribution with respect to the SpinCo Shares or Equinox Gold Shares will constitute ordinary dividend income. Dividends received by corporate U.S. Holders on SpinCo Shares or Equinox Gold Shares generally will not be eligible for the "dividends received deduction." A dividend received by a non-corporate U.S. Holder will be taxable at a preferential rate, provided that (1) the shares of the distributing company are readily tradable on an established securities market in the United States or the distributing company is otherwise treated as a "qualified foreign corporation" within the meaning of the U.S. Tax Code's provisions governing qualified dividend income, (2) the distributing company is not a PFIC in the taxable year in which such dividends are paid or the preceding taxable year, (3) such U.S. Holder satisfies a holding period requirement, and (4) certain other requirements are met.

The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules.

Sale or Other Taxable Disposition of Shares

Upon the sale or other taxable disposition of SpinCo Shares or Equinox Gold Shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the U.S. dollar value of cash received plus the fair market value of any property received and such U.S. Holder's adjusted tax basis in such shares sold or otherwise disposed of. Gain or loss recognized on such sale or other disposition generally will be long-term capital gain or loss if, at the time of the sale or other disposition, the shares have been held for more than one year.

Preferential tax rates apply to long-term capital gain of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gain of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

Passive Foreign Investment Company Rules Relating to the Ownership of Equinox Gold Shares and SpinCo Shares

A non-U.S. entity treated as a corporation for U.S. federal income tax purposes will be treated as a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to a "look through" rule, either: (i) at least 75% of its gross income is "passive" income; or (ii) at least 50% of the average value of its assets is attributable to assets that produce, or are held for the production of, passive income. For purposes of these tests, "passive income" includes dividends, interest, gains from the sale or exchange of investment property, rents and royalties other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business, and the excess of gains over losses from transactions in commodities other than excess gains over losses from transactions in commodities that are active business gains or losses from sales of inventory, or property or supplies used a trade or business.

Based on its current business plans and financial expectations (including the acquisition of Premier), Equinox Gold believes that it should not be classified as a PFIC in its current tax year or in the foreseeable future. However, Equinox Gold has not requested, and does not intend to request, a ruling from the IRS or an opinion of counsel with respect to whether Equinox Gold would be classified as a PFIC. No assurance can be given as to whether Equinox Gold is or may be classified as a PFIC. In the event that Equinox Gold is classified as a PFIC for U.S. federal income tax purposes, U.S. Holders may have adverse tax consequences with respect to distributions received in respect of Equinox Gold Shares, or upon the disposition of Equinox Gold Shares. U.S. Holders should consult their own tax advisors regarding the potential application of the PFIC rules to the ownership and disposition of Equinox Gold Shares.

Based on SpinCo's current business plans and financial expectations (including the acquisition of Premier USA), Premier believes that SpinCo should not be classified as a PFIC in its current tax year or in the foreseeable future. However, Premier has not requested, and does not intend to request, a ruling from the IRS or an opinion of counsel with respect to whether SpinCo would be classified as a PFIC. No assurance can be given as to whether SpinCo is or may be classified as a PFIC. In the event that SpinCo is classified as a PFIC for U.S. federal income tax purposes, U.S. Holders may have adverse tax consequences with respect to distributions received in respect of SpinCo Shares, or upon the disposition of SpinCo Shares. U.S. Holders should consult their own tax advisors regarding the potential application of the PFIC rules to the ownership and disposition of SpinCo Shares.

If Equinox Gold or SpinCo were a PFIC in any tax year during which a U.S. Holder held shares in such corporation, such holder generally would be subject to special rules with respect to "excess distributions" made by such corporation on its shares and with respect to gain from the disposition of its shares. An "excess distribution" generally is defined as the excess of distributions with respect to the Equinox Gold Shares or SpinCo Shares received by a U.S. Holder in any tax year over 125% of the average annual distributions such U.S. Holder has received from Equinox Gold or SpinCo, as applicable, during the shorter of the three preceding tax years, or such U.S. Holder's holding period for such shares. Generally, a U.S. Holder would be required to allocate any excess distribution or gain from the disposition of such shares ratably over its holding period for such shares. Such amounts allocated to the year of the disposition or excess distribution would be taxed as ordinary income, and amounts allocated to prior tax years would be taxed as ordinary income at the highest tax rate in effect for each such year and an interest charge at a rate applicable to underpayments of tax would apply.

While there are U.S. federal income tax elections that sometimes can be made to mitigate these adverse tax consequences (including the "QEF Election" under Section 1295 of the Code and the "Mark to Market Election" under Section 1296 of the Code), such elections are available in limited circumstances and must be made in a timely manner.

U.S. Holders should be aware that, for each tax year, if any, that Equinox Gold or SpinCo is a PFIC, such corporation can provide no assurances that it will satisfy the record keeping requirements or make available to U.S. Holders the information such U.S. Holders require to make a QEF Election with respect to such corporation or any subsidiary that also is classified as a PFIC.

Certain additional adverse rules may apply with respect to a U.S. Holder if Equinox Gold or SpinCo is a PFIC, regardless of whether the U.S. Holder makes a QEF Election with respect to such corporation. These rules include special rules that apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. U.S. Holders should consult their own tax advisors regarding the potential application of the PFIC rules to the ownership and disposition of Equinox Gold Shares and SpinCo Shares, and the availability of certain U.S. tax elections under the PFIC rules.

Additional Considerations Relevant to U.S. Holders

Foreign Tax Credit

A U.S. Holder that pays (whether directly or through withholding) Canadian income tax in connection with the Arrangement or in connection with the ownership or disposition of Equinox Gold Shares or SpinCo Shares may be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a tax year. The foreign tax credit rules are complex

and involve the application of rules that depend on a U.S. Holder's particular circumstances. Each U.S. Holder should consult its own U.S. tax advisor regarding the foreign tax credit rules.

Receipt of Foreign Currency

The amount of any distribution or proceeds paid in Canadian dollars to a U.S. Holder in connection with the ownership of Equinox Gold Shares or SpinCo Shares, or on the sale, exchange or other taxable disposition of Equinox Gold Shares or SpinCo Shares, or any Canadian dollars received in connection with the Arrangement (including, but not limited to, U.S. Holders exercising Dissent Rights under the Arrangement), will generally be included in the gross income of a U.S. Holder as translated into U.S. dollars calculated by reference to the exchange rate prevailing on the date of actual or constructive receipt of such amount, regardless of whether the Canadian dollars are converted into U.S. dollars at that time. If the Canadian dollars received are not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the Canadian dollars equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who receives payment in Canadian dollars and engages in a subsequent conversion or other disposition of the Canadian dollars may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method. Each U.S. Holder should consult its own U.S. tax advisor regarding the U.S. federal income tax consequences of receiving, owning, and disposing of Canadian dollars.

Information Reporting and Backup Withholding Tax

Under U.S. federal income tax law, certain categories of U.S. Holders of Premier Shares, Equinox Gold Shares and SpinCo Shares must file information returns with respect to their investment in, or involvement in, Premier, Equinox Gold or SpinCo. For example, U.S. return disclosure obligations (and related penalties) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain thresholds. The definition of "specified foreign financial assets" includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their Premier Shares and SpinCo Shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns under these rules, including the requirement to file an IRS Form 8938.

Payments made within the U.S. or by a U.S. payor or U.S. middleman, of (a) distributions on the Equinox Gold Shares or SpinCo Shares, (b) proceeds arising from the sale or other taxable disposition of Equinox Gold Shares or SpinCo Shares, or (c) any payments received in connection with the Arrangement (including, but not limited to, U.S. Holders exercising Dissent Rights under the Arrangement) generally may be subject to information reporting and backup withholding tax, currently at a rate of 24%, if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on an IRS Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a

timely manner. Each U.S. Holder should consult its own tax advisor regarding the information reporting and backup withholding rules in their particular circumstances and the availability of and procedures for obtaining an exemption from backup withholding.

The discussion of reporting requirements set forth above is not intended to constitute an exhaustive description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisors regarding the information reporting and backup withholding rules.

PART 20. MANAGEMENT CONTRACTS

Management services for the Corporation are not, to any material degree, performed by persons other than the directors and executive officers of the Corporation.

PART 21. INFORMATION CONCERNING THE CORPORATION

Premier is a reporting issuer in each of the provinces of Canada. Premier's head office is located at 1100 Russell Street, Thunder Bay, Ontario P7B 5N2. The Corporation's telephone number is (807) 346-1390.

Premier is a growth-oriented, Canadian-based, mining company involved in the exploration, development and production of gold and silver deposits in Canada, the United States and Mexico. Premier manages a high-quality pipeline of precious metal projects in safe, proven and accessible mining jurisdictions and is focused on profitable low-cost production from its two producing gold mines and the ongoing development of several advanced-stage, multi-million ounce gold deposits. Premier also has the option to acquire additional mines upon meeting certain earn-in requirements. Within this structure, the South Arturo Mine located in Nevada, U.S.A. and the Mercedes Mine located in Sonora, Mexico are the Corporation's material producing mines and the largest contributors to cash flow.

Further information regarding the business of Premier, its corporate structure, operations and its mineral properties can be found in Premier's annual information form for the year ended December 31, 2019 dated March 30, 2020 and Premier's interim financial statements for the three and nine months ended September 30, 2020.

PART 22. INFORMATION CONCERNING SPINCO

Pursuant to the Plan of Arrangement and the SpinCo Contribution Agreement, Premier will transfer all of the Premier USA Ownership Interests to SpinCo in consideration for SpinCo Shares, with the result that Premier USA will become a wholly-owned subsidiary of SpinCo. Following the transfer Premier will, pursuant to the Plan of Arrangement, distribute the SpinCo Distribution Shares, representing 70% of the issued and outstanding SpinCo Shares, to Participating Premier Shareholders as part of the Arrangement Per Share Consideration, so that on completion of the Arrangement, former Premier Shareholders will own 70% of SpinCo and the Combined Company Gold will own 30% of SpinCo (prior to giving effect to the SpinCo Financing and the Permitted Purchase).

After completion of the Arrangement, the business and operations of SpinCo will be managed and operated as a stand-alone corporation. The principal executive office of SpinCo will be located at Suite 1501 - 700 West Pender Street Vancouver, British Columbia V6C 1G8.

