O3 Mining Delivers Positive PEA for Garrison Project

O3 Mining Inc. (TSX.V: OIII)

Announced positive results from the independent PEA on its 100 percent owned Garrison project in the Kirkland Lake region in Ontario, Canada.

Using a gold price of US$1450, the after-tax NPV at a 5% discount rate is $321 million, the IRR 33%, and initial capex of C$267 million.

03 Mining	**TSX.V: OIII**
Stage	**Exploration**
Metal	**Gold**
Market Cap	**C$182 m @ $3.03**
Location	**Quebec + Ontario**

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DECEMBER 14, 2020

Toronto, December 14, 2020 – O3 Mining Inc. (TSX.V:OIII) ("O3 Mining" or the "Corporation") is pleased to announce positive results from the independent Preliminary Economic Assessment ("PEA") on its 100 percent owned Garrison project in the Kirkland Lake region in Ontario, Canada. The PEA has been prepared by Ausenco Engineering Canada Inc. ("Ausenco") in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").

Highlights of the PEA*

(All figures are stated in Canadian dollars unless otherwise stated)

- Long-term gold price: US$1,450/oz
- Exchange rate: C$1.00 = US$0.75
- After-tax net present value ("NPV") at 5% discount rate: $321 million
- After-tax internal rate of return ("IRR"): 33.0%
- After-tax payback period: 2.3 years
- Initial capital ("CAPEX"): $267 million for a 4.0 million tonne per year processing plant including mine pre-production, infrastructure (roads, power line relocation, tailings facility, ancillary buildings, and water)
- Life of mine ("LOM"): 12 years
- Average LOM strip ratio (waste: mined resource): 2.7
- Total mill feed of 47.3 million tonnes resulting in LOM gold production of 1.1 Million oz
- LOM Plan: 82% of total mill feed was sourced from

mineral resources classified in the Measured and Indicated category
- Average annual gold production of 121,000 oz in years 1 to 8 (94,000 oz for LOM)
- Average mill head grade of 1.04 g/t gold in years 1 to 8 (0.82 g/t for LOM)
- Average mill recovery: 89.8%
- Measured and Indicated Mineral Resource of 66.3 Mt at 0.86 g/t Au grade
- Cash Cost: US$721/oz
- **All-in Sustaining Cost ("AISC"): US$818/oz**

** Cautionary Statement: The reader is advised that the PEA summarized in this news release is intended to provide only an initial, high-level review of the project potential and design options. The PEA mine plan and economic model include numerous assumptions and the use of inferred mineral resources. Inferred mineral resources are considered to be too speculative to be used in an economic analysis except as allowed for by NI 43-101 for PEA studies. There is no guarantee that inferred mineral resources can be converted to indicated or measured mineral resources, and as such, there is no guarantee the project economics described herein will be achieved.*

O3 Mining is pleased to present the results of a PEA on its Garrison Project for an 11,000 tonnes per day open pit mining and Carbon in Leach processing operation with production spanning 12 years clearly demonstrating the potential for the company to become a major North American gold producer. The PEA delivers robust economics with an after-tax IRR of 33.0% and after-tax NPV of $321M at a US$1,450/oz gold price, with very attractive cash costs and AISC, low CAPEX and low capital intensity. The project will target production in excess of 121,000 ounces gold per year during years 1 to 8, while peaking at more than 155,000 ounces in Year 2.

Garrison has been in the shadow of our Marban and Alpha properties in Québec but as this PEA shows, it is an integral part of the value proposition of O3 Mining. Garrison came from Osisko Mining Inc., which completed first-class exploration work that defined the initial resource. We have worked with Ausenco to produce a high-quality PEA that focuses on capital efficiency and demonstrates the value of Garrison to O3 Mining. Today, Garrison is a 2.9-million-ounce deposit in the heart of one of the most recognised mining districts in Canada. We are thrilled that the PEA has shown a production profile of 121,000 ounces per year during the first eight years at very attractive economics. The Corporation is ready to maximize Garrison's value by advancing the studies to further de-risk the project,"

The Garrison PEA demonstrates an NPV of $321 million which follows hot on the heels of our Marban PEA (See Press Release September 8, 2020) in Québec which also demonstrated compelling project economics with an after-tax NPV of $423 million, an IRR of 25.2% with a 15 year mine life and an average annual gold production of 115,000 oz. Together these PEAs mark the transition of O3 Mining from an explorer to an up-and-coming gold developer with a total NPV of $744 million of fundamental value,"

Jose Vizquerra, President, CEO and Director of O3 Mining.

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Disclosure

The writer is a shareholder of 03 Mining, bought in the market at the prevailing price on the day of purchase.