HIGH GRADE GOLD MINE IN THE USA

Kerr Mines Corporate Presentation
January 2019
FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking information, including statements regarding: the proposed timing, schedule, and costs for restarting production at the Copperstone Mine, rate of production, expected cash costs, expected increase in milling capacity, exploration potential at the Copperstone Mine, proposed debt restructuring and financing, share capitalization and director ownership. These forward-looking statements entail various risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Such statements are based on current expectations, are subject to a number of uncertainties and risks, and actual results may differ materially from those contained in such statements. These uncertainties and risks include, but are not limited to, the strength of the economy; the price of gold; operational, funding, and liquidity risks; the degree to which mineral resource and mineral reserve estimates are reflective of actual mineral resources and mineral reserves; and the degree to which factors which would make a mineral deposit commercially viable are present; assumptions with respect to the cost and availability of labour for the restart of operations are correct; results of exploration and validity of geological models; the risks and hazards associated with underground operations, and any specific risks or assumptions set out or referenced in this presentation. Risks and uncertainties about Kerr Mines Inc. and its business are more fully discussed in its disclosure materials, including the annual information form, technical reports, financial statements and MD&As, filed with the securities regulatory authorities in Canada and available at www.sedar.com and readers are urged to read these materials. Kerr Mines Inc. assumes no obligation to update any forward-looking statements or to update the reasons why actual results could differ from such statements unless required by law.

This presentation includes certain non-IFRS measures, including cash costs on a per gold ounce basis. Cash costs per gold ounce are defined as costs of production (including refining costs) divided by the total number of gold equivalent ounces produced. The Company reports total cash costs on a production basis. In the gold mining industry, these are common performance measures but do not have any standardized meaning, and are non-GAAP measures. As such, they are unlikely to be comparable to similar measures presented by other issuers. In reporting cash costs per gold ounce, the Company follows the recommendations of the Gold Institute standard. The Company believes that, in addition to conventional measures, prepared in accordance with IFRS, certain investors use this information to evaluate the Company’s performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Technical information in this presentation has been reviewed and approved by Michael R. Smith P. Geo., who is a qualified person that is independent of the Company, as defined in National Instrument 43-101.
MANAGEMENT

Claudio Ciavarella – Chief Executive Officer & Director
- CPA, 25 years as private business owner. CEO of Kerr Mines since April 2017
- Owns and operates international businesses in construction and manufacturing
- Investments in mining

Martin Kostuik – President and Director
- 25 years underground and open pit mining experience. President of Kerr Mines since April 2017
- CEO of Rupert Resources, Operations & Engineering at Barrick’s Goldstrike mine

David Thomas – VP Projects/Mine GM
- 30 years of mine building and operations experience including 5 underground gold projects with Newmont, Bema Gold (Kinross), Teck and others
- EPCM Manager for Newmont (worldwide) and Nordgold (Russia and Africa), EVP of Comstock Mining in Nevada

Michael R. Smith – Exploration and Development
- 38 years exploration and geology, Chief Mine Geologist, Barrick’s Goldstrike mine. Led the Arizona Vulture Gold Mine back into production. Executed 20 exploration projects adding $9 billion in gold resource value alone
- BS Geology Arizona State and MS Geology Mackay School of Mines

BOARD OF DIRECTORS

Fahad Al Tamimi - Chairman
- A businessman with global investment activities
- Former President and CEO of SaudConsult, the largest engineering firm in Saudi Arabia
- Investments in mining

Peter Damouni – Director
- Over 17 years of experience in investment banking and capital markets, with expertise in mining and oil and gas
- Led equity and debt financings valued over $5 billion

Ayman Arekat – Director
- Over 35 years of banking, finance and investment experience
- Previously with Chase Manhattan Bank, Merrill Lynch, Deutsche Bank, Investcorp and Abraaj Capital

James McVicar – Director
- Over 20 years of specialized experience in corporate finance and corporate/commercial matters for natural resources companies
- Director of Monarca Minerals

Invested team with significant industry experience
### CAPITAL STRUCTURE

**Shares & Balance Sheet**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticker Symbol</td>
<td>TSX: KER I OTC: KERMF</td>
</tr>
<tr>
<td>Shares Outstanding</td>
<td>277.0 million</td>
</tr>
<tr>
<td>Options</td>
<td>9.3 million</td>
</tr>
<tr>
<td>Warrants(^1)</td>
<td>22.2 million (exp July 2019)</td>
</tr>
<tr>
<td></td>
<td>21.2 million (exp Nov 2020)</td>
</tr>
<tr>
<td>Fully Diluted</td>
<td>329.7 million</td>
</tr>
<tr>
<td>52 week range</td>
<td>$0.105 - $0.34</td>
</tr>
<tr>
<td>Recent price</td>
<td>$0.12</td>
</tr>
<tr>
<td>Market Cap</td>
<td>$33.2 million</td>
</tr>
<tr>
<td>Cash &amp; Investments(^2)</td>
<td>$4.0 million</td>
</tr>
<tr>
<td>Sprott Resource Lending(^3)</td>
<td>US$2.0 million (drawn down)</td>
</tr>
</tbody>
</table>

**Shareholder Breakdown**

- Free Float 85.5M Shares or 31%
- Directors & Insiders 33%
- Family Offices & Funds 36%
- Middle East
- North America
- Diverse Shareholder Base

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\(^1\) July 2019 warrants exercisable at $0.30 and at Nov 2020 warrants exercisable at $0.21

\(^2\) Cash as at November 28, 2018 following the Private Placement

\(^3\) Sprott Resource Lending as at November 28, 2018 following the $2.7M (US$2M) convertible note. Up to $32.5M (US$25M) of senior secured project financing, subject to further due diligence

All figures denominated in Canadian dollars.
COPPERTONE MINE
High grade underground mine located in Arizona, USA

<table>
<thead>
<tr>
<th>Globally ranked in top 10 jurisdictions for Mining</th>
<th>Arizona Detachment Fault Corridor</th>
<th>Fully permitted, minor modifications in process</th>
<th>Access to skilled workforce</th>
</tr>
</thead>
</table>

Globally ranked in top 10 jurisdictions for Mining

Arizona Detachment Fault Corridor

Fully permitted, minor modifications in process

Access to skilled workforce

11,800 acres (4,775 hectares) land position
# KEY VALUE DRIVERS IN 2019

<table>
<thead>
<tr>
<th>Events</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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</thead>
<tbody>
<tr>
<td>Resource Expansion Drilling</td>
<td></td>
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<tr>
<td>Detailed Engineering &amp; Planning</td>
<td></td>
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<tr>
<td>Permit Modifications</td>
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<tr>
<td>Metallurgical Testwork</td>
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<tr>
<td>Leach Plant Design/Construction</td>
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<tr>
<td>Commissioning and Start-up</td>
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<tr>
<td>Resource/Reserve Expansion Update</td>
<td></td>
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<tr>
<td>Mine Development</td>
<td></td>
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<tr>
<td>Commence Mining</td>
<td></td>
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<tr>
<td>Commercial Production</td>
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*FIRST GOLD POUR IN Q1 2020*
# 2019 RESOURCE EXPANSION PROGRAM
Increasing High grade Resource and Mine life

## 2018 COPPERSTONE RESOURCE*

<table>
<thead>
<tr>
<th>Category</th>
<th>Grade</th>
<th>Contained Au</th>
</tr>
</thead>
<tbody>
<tr>
<td>M&amp;I Resource</td>
<td>7.63 g/t</td>
<td>276,100 oz</td>
</tr>
<tr>
<td>Inferred</td>
<td>6.81 g/t</td>
<td>145,700 oz</td>
</tr>
<tr>
<td>P&amp;P Reserve</td>
<td>6.79 g/t</td>
<td>175,093 oz</td>
</tr>
</tbody>
</table>


**Mine Life based on annual production of 38,000 oz

## 2019 RESOURCE EXPANSION TARGETS

<table>
<thead>
<tr>
<th>Expansion</th>
<th>Resource Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>M&amp;I Resource</td>
<td>415,000 oz</td>
</tr>
<tr>
<td>Inferred</td>
<td>140,000 oz</td>
</tr>
<tr>
<td>P&amp;P Reserve target</td>
<td>320,000 oz</td>
</tr>
</tbody>
</table>

**P&P Reserve target Mine life +8 years

2019 Target to increase mine life to +8 years
THE COPPERSTONE MINE – Long View

Historically produced over 500,000 oz in the open pit

2018 Resource Model - Proven & Probable, Measured & Indicated, Inferred

2019 Resource Expansion program drilling area

Measured & Indicated

Inferred

A Zone

B Zone

C Zone

D Zone

Inferred*
145,700 oz @ 6.81 g/t

M&I Resource*
276,100 oz @ 7.63 g/t

P&P Resource*
175,093 oz @ 6.79 g/t

Resource Statement*

Conversion of MII to P&P

2019 RESOURCE EXPANSION PROGRAM
Conversion, Accretion, In-Fill drilling

- 15,000m underground RC drilling
- Conversion to Indicated or better with 10,500m of drilling to add M&I Resource
- Accretion to grow resource pipeline with 3,700m of drilling to add Inferred for conversion later in program
- Accretion rate higher than 2017 due to increased knowledge and information – driving a more effective strategy
- In-Fill to validate three designed mining stopes with 1,700m of drilling
STRONG PFS RESULTS
Base Case Gold Price $1,250, Discount Rate 5%

CAPEX Costs 22.7M
Sprott CAPEX Finance Facility

Recoveries to Doré:95%
Excellent gold recoveries

38,000 oz Gold Production p.a.
Mine expansion plans

38,000 oz Gold Production p.a.
Mine expansion plans

Average Gold grade M&I 7.6 g/t
High grade mine

Pre-Tax IRR: 41.7%
High IRR

Operating Margin
EBITDA of US$89.1M
Payback in 2.3 years

CAPEX Costs
38,000 oz Gold Production p.a.
EBITDA of US$89.1M

$1,600
$1,200
$800
$400
$0

$1,600
$1,200
$800
$400
$0

AISC* $875oz
Sustaining & all other costs: $191 oz
Cash Cost $684 oz

*AISC is All In Sustainable Costs
### PROJECT ENHANCEMENTS NOT CAPTURED IN PFS
#### NPV<sub>5</sub> & IRR Sensitives*

<table>
<thead>
<tr>
<th>Gold Price US$/oz</th>
<th>US$1,150 / oz</th>
<th>US$1,250 / oz</th>
<th>US$1,350 / oz</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPV&lt;sub&gt;5&lt;/sub&gt;</td>
<td>US$ 52.6 M</td>
<td>US$ 80.4 M</td>
<td>US$ 108.2 M</td>
</tr>
<tr>
<td>IRR</td>
<td>32.2%</td>
<td>45.9%</td>
<td>59.7%</td>
</tr>
<tr>
<td>NPV&lt;sub&gt;5&lt;/sub&gt; in PFS</td>
<td>US$ 14.2 M</td>
<td>US$ 27.1 M</td>
<td>US$ 40.0 M</td>
</tr>
<tr>
<td>IRR in PFS</td>
<td>24.0%</td>
<td>41.7%</td>
<td>59.9%</td>
</tr>
</tbody>
</table>

- The 2019 Resource Expansion program is focused on creating shareholder value
- US$2M is invested into the program and expected to more than double the NPV of the project

* NPV is calculated on a pre-tax basis

#### 2019 Resource Expansion program = 2X NPV
UPSIDE OPPORTUNITIES
2019 targets designed to unlocked significant value

2019 Resource Expansion program (8 year Mine Life)
- US$27.1M

US$1,250 / oz

US$50M

US$25M

US$100M

US$150M

NPV5

US$27.8M

US$53.3M

US$108.2M

Near term upside

Resource Expansion program (10 year Mine Life)
- +US$36.2M
- +US$144.4M

Copperstone A & B zones and the Footwall Zone

US$1,350 / oz
2019 PATH TO PRODUCTION
Metallurgical test work, permit modifications & infrastructure

Metallurgical Test Work
• Optimize leach process—Recoveries, reagents and other consumables
• Validate economics of SART which produces copper as a by-product

Permit Amendments
• Mine Plan of Operations for throughput
• Air Quality to include new processing plant
• Aquifer Protection Permit for water management

Infrastructure in place
- Crushing and grinding circuit
- Tailings pond
- Assay lab & dry
- Warehouse
- Powerlines
- Offices
- Core storage
- Mechanical repair shop
- 4km of underground access and two portals. Existing underground electrical, ventilation, water management, compressed air
DETACHMENT FAULT SYSTEM - SCALE POTENTIAL

Multiple parallel zones inherent in Detachment fault systems

Source: USGS Keith R Long Preliminary descriptive deposit model for detachment fault related model

Source: Michael R. Pawlowski P. Geo, January 2005
Schematic cross-section of the Moon Mountain Detachment Fault and the Copperstone Listric Fault (depth unknown), Solid heavy lines are observed faults; broken lines and projected faults
THE COPPERSTONE MINE — Cross Section View
Measured & Indicated & Inferred Resources Copperstone and Footwall Zones

- Historic Adit
- Inferred
- Existing workings
- Proposed workings
- Measured & Indicated
- Proven & Probable
- Open

Footwall Zone
Copperstone Zone
Pathway to +1M oz

150m = 500k oz
108m = 400k oz
MULTI-MILLION OUNCE RESOURCE POTENTIAL

Parallel Zones to the Copperstone Zone

1) Copperstone Zone: 276,073 oz M&I and 53,137 oz Inferred
2) Footwall Zone: 62,000 oz Inferred
3) Footwall Zone South Extension: 30,574 oz Inferred and intercepts of + 8 g/t
4) South West target Has same geophysical signature as Copperstone Zone and intercepts of 8 g/t to 32 g/t
5) Blue Pearl Targets Three Targets of same geophysical signature and size as Copperstone Orebody

Tremendous exploration prospects targeting multi-million ounce potential
2019 INVESTMENT HIGHLIGHTS & CATALYSTS
Focussed on Shareholder returns

• Mine Life Extension
  – Conversion, Accretion, In-Fill drilling
  – Resource Upgrade
  – Reserve Expansion to +8 year mine life

• Permit Modifications

• Project Financing

• Processing & Gold Production
  – Processing Plant Commissioning and Start-up
  – Mine Development
  – Commence Mining

• Pathway to +1Moz