

Goldboro Gold Deposit Development Open House Questions and Answers

Anaconda is a TSX-listed gold mining, exploration and development company, focused in the prospective Atlantic Canadian jurisdictions of Newfoundland and Nova Scotia. The Company operates the Point Rouse Project located in the Baie Verte Mining District in Newfoundland, comprised of the Pine Cove open pit mine, the fully-permitted Pine Cove Mill and tailings facility, the Stog'er Tight and Argyle deposits, and approximately 5,800 hectares of prospective gold-bearing property. Anaconda is also developing the recently acquired Goldboro Project in Nova Scotia, a high-grade Mineral Resource, with the potential to leverage existing infrastructure at the Company's Point Rouse Project.

Goldboro Project

The Goldboro Project is a mineral resource currently owned by Anaconda in Guysborough County, Eastern Nova Scotia, Canada. The deposit is in an area which has historically been mined and whose local environment has been impacted due to old tailings, waste rock piles, etc.

Anaconda Mining intends to develop the Goldboro Gold Project into a producing mine within next few years using surface mining and underground mining methods. It is anticipated that a gold concentrate can be produced onsite at Goldboro and shipped to Newfoundland via tanker truck, and processed in Anaconda's Pine Cove Mill.

As required by Nova Scotia Environment, a Community Liaison Committee ("CLC") has been established to ensure information sharing with the community. Anaconda wishes to express its gratitude to CLC for its help and support.

In order to inform the public about its intentions to develop the project and gather the feedback from the community an open house presentation was organized with a help of Community Liaison Committee. Anaconda presented its current plans to develop the project and received the feedback from the community. Anaconda representatives responded directly to the questions and concerns brought up during this event which are summarized here.

The following are public comments and questions raised at the February of 2018 Open House along with responses from Anaconda.

Will there be any impact on household well water in the community? What will the Company do to ensure the quality of household well water?

Anaconda has conducted hydrology and hydrogeology studies. According to the results, we do not anticipate any impact on household well water. However, we will be conducting baseline studies of household well water to identify current quality levels. We will also maintain a regular testing program with homeowners to monitor for any changes in water quality or composition.

Historic gold operations in the region left contaminated tailings including arsenic in tailings. What is your plan for tailings?

The area of the previous mine tailings from 100 years ago is currently contaminated. This pre-existing pollution is not Anaconda's legal responsibility.

It is Anaconda's responsibility to act in an environmentally sustainable way and remediate the site at the end of the Project so that it is equal to or better than it is today.

At Goldboro, new tailings produced by Anaconda will be finely crushed rock with gold and other elements removed. A tailings storage facility area will be created for the duration of the Project. This will later be addressed in our environmental reclamation of the area.

Anaconda will ensure that there are no long-lasting environmental effects due to the work performed on the site, as well as mitigate any currently contaminated areas in which the company deems it necessary to perform work for the operation of the Project.

When Anaconda is finished working in Goldboro, the area will be in better environmental condition than it is right now. That is our commitment.

Should residents be concerned about environmental arsenic contamination?

Anaconda will be creating a concentrate at Goldboro that will be shipped to our Point Rouse facility in Newfoundland for further processing and the pouring of gold doré bars.

Arsenic is naturally found in the geology in this area so the concentrate will contain gold, arsenic and other elements. Anaconda has a process to remove the arsenic at our plant in Newfoundland before water and tailings are released into the environment.

Anaconda will NOT be releasing post-production arsenic into the environment in Nova Scotia or Newfoundland.

What is stopping Anaconda from taking the gold out of the ground and walking away/leaving an environmental mess?

All mining companies, Anaconda included, are required to submit an environmental reclamation plan at the beginning of the Project. With that comes a financial bond that is determined by the provincial government and held with them to ensure that adequate funds are in place to ensure environmental remediation take place.

Anaconda has a solid reputation for environmental stewardship at our current operations in Newfoundland and we will extend the same commitment in Nova Scotia.

What can we expect in terms of noise pollution? What will the company do to mitigate against noise pollution?

There will be some noise during the work day while the open pit is in operation for the first three years until we transition to underground mining methods. However, there are engineering designs being considered to reduce noise as much as possible. There will be no drilling and blasting during the night time hours. It is not expected that drilling should create noise that will be noticed in the town.

Blasting activities will be scarcely heard in the town and as the pit is developed and increases in depth, the audibility of blasts will decrease.

Anaconda is also committed to holding further town hall meetings and information sessions to explain the blasting process so all those involved are comfortable with the activity.

Anaconda will be conducting additional sound testing during the summer of 2018.

What can we expect in terms of lights at night? Will it be noticeable or disruptive to homes nearby?

Lighting on the Site will primarily be for security purposes at night around the major mine facilities. The lights used will be unnoticeable by anyone not on the Site.

What will be done to protect the foundations of nearby homes from blasting activities?

In discussions with the blasting contractor, it is of our opinion that the likelihood of blasting damage to houses is extremely unlikely.

In discussions with the town, provincial agencies, and our contractors, Anaconda has committed to doing the required due diligence to ensure that houses in a determined proximity are assessed to ensure that if there is damage, the proper avenues will be called upon to deal with the claims as needed. This will include baseline studies of the homes closest to the Site.

Under no circumstance will blasting be performed in a manner that will damage property those living in the community of Goldboro. There are many examples of mines both underground and at surface operating within municipal boundaries.

We are confident the Project can be operated in a manner that does not result in property damage.

Local roads are already in very bad condition. What kind of trucking will be involved? Will it further damage the roads, what can the company do about that?

There will be large trucks operating on the Site but except during the bulk sample in the summer of 2018, there will be no large equipment operating outside of the Site. For the transport of the concentrate to Newfoundland, trucks will leave from site and travel to Sydney, Cape Breton to board the ferry. The rate of trucks leaving the Site is estimated to be approximately one per day, or five to seven per week. This will have minimal impact upon the local highways.

The gravel section of Goldbrook road will be maintained by Anaconda.

Community roads fall within the responsibility of the provincial and municipal governments.

Will the company be using the dock? Will the company be doing any upgrades to the dock?

No, Anaconda does not plan to use the dock as the method of ore transportation to Newfoundland. Use of the dock was considered for shipping whole ore but an alternative was chosen.

The current mine plan foresees the construction of a concentrator at the Goldboro Site with a gold concentrate to be trucked to Newfoundland on the ferry from North Sydney. This was determined to be the more economical option in our Preliminary Economic Assessment.

The dock may be used for the bulk sample however this is an isolated circumstance.

What kind and how many jobs will be available?

Anaconda anticipates there will up to 200 jobs at peak production. These positions will vary from engineers, geologists, administration, heavy equipment, mining, security, labour etc. We are not yet hiring for these positions.

Will local people be considered first for jobs?

At Anaconda our experience is that it is good for the community and good for the company to hire local. For example, most of our workforce in Newfoundland lives within a 30-minute drive of the Site. However, we must also balance that with ensuring that we hire people with the necessary skills and experience to efficiently and safely do the work, which often is very specialized.

Will there be a work camp? If not, where will workers live?

It is not our preference to establish a work camp. Ideally entrepreneurs in the area will see housing as an economic opportunity. There is also potential for bus services from areas like Antigonish. Details like this will be determined as we get closer to the start of the Project.

Will you be shipping out whole ore or is the company going to build a mill here?

Anaconda is planning an underground bulk sample in the summer of 2018. For the bulk sample, whole ore will be shipped via barge from Goldboro to the Point Rouse Project in Newfoundland. It is anticipated that this is the only time that whole ore will be shipped from Goldboro.

In the long term, Anaconda plans to build a concentrator at the Site. Gold and other elements will be converted into a concentrate and transported to Newfoundland for final processing.

What is the remediation plan for the open pit? Will it be filled in?

The open pit will only be in operation for three years, so it will be relatively small. It is intended that there will be grading along the perimeter of the pit and once exhausted will become a pond. This will be further outlined in the Site remediation plan.

Will residents able to continue to use Goldbrook Road that goes through the site?

Anaconda recognizes that the community uses this road for recreational purposes. As with any mining operation there will be security measures established to ensure safety of employees, contractors and the public.

There may be times when the road will be temporarily closed for safety purposes, however the company will aim to maintain public accessibility as much as possible.

Will the company engage the local fire department as first responders?

Yes. Anaconda Mining maintains emergency response plans that include local first responders. We also work with first responders to ensure that they have the equipment and training that they need to provide us with assistance.

Have there been considerations of the LNG pipelines proximity to the mine? It that safe?

Yes. Anaconda has considered the pipeline in our vicinity and it has factored into our mine design process. Currently the designs involve staying a safe distance away from the pipeline on surface and ensuring that any underground mining done in the area does not compromise ground stability underneath the pipeline.



Anaconda representatives are available to answer any further questions or concerns that community may have that are associated with Goldboro project development and operation. Inquiries can be directed to VP Public Relations Lynn Hammond and COO Gordana Slepcev.

Lynn Hammond
Vice President Public Relations
Lhammond@AnacondaMining.com
709.330.1260

Gordana Slepcev, P.Eng. M.Sc.
Chief Operating Officer
GSlepcev@AnacondaMining.com
709.800.7332 x 131