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Rob McEwen

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Could you provide some highlights from your operations in Timmins, Nevada and Mexico, as well as the creation of McEwen Copper to develop Los Azules and Elder Creek?

Our gold operations are performing much better than last year, with production costs per ounce falling and generating operating profits. We have a US$23 million exploration program principally focused on extending mine life and increasing production. While our treasury is strong enough to drive our current operations, we did not feel comfortable issuing additional capital at current prices to fund the advancement of Los Azules, since we do not believe the project's true value was being reflected in our share price. We created McEwen Copper to raise the necessary funds to move Los Azules forward from a Preliminary Economic Assessment (PEA) stage to a Pre-feasibility Study (PFS) stage. A series B private offering is currently underway. The plan is to take McEwen Copper public within 12 months. The other copper property in the portfolio is an early stage copper/gold exploration target in Nevada named Elder Creek.

You committed US$40 million out of an US$80 million target towards the Private Placement. When will the financing be completed and how far will it advance Los Azules?

The second tranche of this series B financing is expected to close shortly. This financing will fund the transformation of the project. Los Azules is currently considered remote due to the fact that snow in the high mountain passes renders the property inaccessible seven months of the year. The funds raised will be used to construct a new road that will provide

12-month year round access and for the completion of a PFS which involves a 10-drill, 53,000 metre drilling program, the establishment of two exploration camps, and associated studies.

Los Azules is one of the world's largest undeveloped high-grade open pit copper projects. Which are the project challenges and opportunities while operating in Argentina?

From a geopolitical standpoint, the left leaning political rhetoric in Chile and Peru has recently improved Argentina's profile as a destination for foreign investment in mining projects. If the PFS confirms the numbers generated by the earlier PEA, Los Azules will be an extremely robust project. The PEA was modeled using a US$3/lb copper price and producing 415 million lbs of copper concentrate at a cost of US$1.14/lb for the first 13 years of operations and continuing at a lower but quite profitable rate for the next 23 years. The payback period using today's copper price of US$4.20/lb is just over three years and the NPV discounted at 8% (post a production decision) is over US$5 Billion.

What is your opinion on investing in gold vs. copper?

I like both: gold as a store of value and copper for being a key component of the electrification of transportation and renewable energy technologies. I remain a very strong advocate of owning gold, shares of gold mining, and exploration companies. In light of the enormity of the global monetary stimulation by governments worldwide in response to COVID-19, one definitely should have some exposure to gold. The debasement of currencies is unprecedented.

The main reason why copper demand is growing is the world's quest for cleaner air. Copper is also an important component in renewable energy technologies. Another source of significant demand is the continuing urbanization of southeast Asia. In face of this growing demand the source of copper production is not keeping up. The capital cost of new mines is high and permitting new mines is taking longer. So, a shortfall in supply is likely, resulting in a higher copper price.

Could you provide some highlights from Gold Bar in Nevada?

Gold Bar is located in northeastern Nevada on the Cortez trend about 25 miles south of **Nevada Gold** Mines' large Cortez Hills mine, a joint venture between **Barrick** (61.5%) and **Newmont** (38.5%). Gold Bar currently has a six-year mine life. Gold Bar is on a large land package with multiple exploration targets. A reinterpretation of the geology has generated targets where there are windows into the lower plate that has been the source of the large deposits just to the north of us. We have an active exploration program on Gold Bar and on the adjoining Tonkin property. We are exploring for an elephant related to the elephant-sized ore bodies that exist immediately north and on trend.