

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 40-F

- REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934.
 ANNUAL REPORT PURSUANT TO SECTION 13(a) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2015

Commission File Number: 001-35393

PRETIUM RESOURCES INC.

(Exact name of Registrant as specified in its charter)

British Columbia, Canada

(Province or other jurisdiction of incorporation or organization)

1040

(Primary Standard Industrial
Classification Code Number)

None

(I.R.S. Employer
Identification Number)

**1055 Dunsmuir Street, Suite 2300
Vancouver, British Columbia
Canada V7X 1L4
(604) 558-1784**

(Address and telephone number of Registrant's principal executive offices)

**CT Corporation System
111 Eighth Avenue
New York, New York 10011
(212) 894-8940**

(Name, address (including zip code) and telephone number (including area code)
of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class

Common Shares

Name of each exchange on which registered

New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

For Annual Reports indicate by check mark the information filed with this Form:

Annual information form Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

There were 145,068,405 Common Shares, of no par value, outstanding as of December 31, 2015.

Indicate by check mark whether the Registrant (1) has filed all reports to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes No

This Annual Report on Form 40-F shall be incorporated by reference into or as an exhibit to, as applicable, the registrant's Registration Statement on Form F-10 (File No. 333-197304) and Registration Statement on Form S-8 (File No. 333-203409) and under the Securities Act of 1933, as amended.

PRINCIPAL DOCUMENTS

The following documents have been filed as part of this Annual Report on Form 40-F as Appendices hereto:

A. Annual Information Form

The Annual Information Form of Pretium Resources Inc. (the "Company" or "Registrant") for the fiscal year ended December 31, 2015 is included as Appendix A of this Annual Report on Form 40-F.

B. Audited Annual Financial Statements

The Company's audited consolidated financial statements for the fiscal year ended December 31, 2015, including the auditor's report with respect thereto, are included as Appendix B of this Annual Report on Form 40-F.

C. Management's Discussion and Analysis

The Company's Management's Discussion and Analysis for the year ended December 31, 2015 is included as Appendix C of this Annual Report on Form 40-F.

CERTIFICATIONS AND DISCLOSURE REGARDING CONTROLS AND PROCEDURES

Certifications. See Exhibits 99.11, 99.12, 99.13 and 99.14 to this Annual Report on Form 40-F.

Disclosure Controls and Procedures. The Registrant maintains disclosure controls and procedures and internal control over financial reporting designed to ensure that information required to be disclosed in the Registrant's filings under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission (the "SEC"). The Registrant's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), after having evaluated the effectiveness of the Registrant's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report, have concluded that, as of such date, the Registrant's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Registrant in reports that the Registrant files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. However, as recommended by the SEC in its adopting release for the rules governing the disclosure and control procedures discussed above, the Registrant will continue to periodically evaluate its disclosure controls and procedures and will make modifications from time to time as deemed necessary to ensure that information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

The Registrant's disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives, and, as indicated in the preceding paragraph, the CEO and CFO believe that the Registrant's disclosure controls and procedures are effective at that reasonable assurance level, although the CEO and CFO do not expect that the disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Management's Annual Report on Internal Control Over Financial Reporting. The required disclosure is included under the heading "Management's Report on Internal Control over Financial Reporting" in the Registrant's Consolidated Financial Statements for the fiscal year ended December 31, 2015, filed as part of this Annual Report on Form 40-F in Appendix B.

Attestation Report of the Registered Public Accounting Firm. The required disclosure is included under the heading "Independent Auditor's Report" in the Registrant's Consolidated Financial Statements for the fiscal year ended December 31, 2015, filed as part of this Annual Report on Form 40-F in Appendix B.

Changes in Internal Control Over Financial Reporting. During the fiscal year ended December 31, 2015, there were no changes in the Registrant's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

NOTICES PURSUANT TO REGULATION BTR

None.

IDENTIFICATION OF THE AUDIT COMMITTEE

The Registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The members of the audit committee are: Messrs. Ross Mitchell, Peter Birkey and Shaoyang Shen.

AUDIT COMMITTEE FINANCIAL EXPERT

The board of directors of the Registrant has determined that each of Messrs. Ross Mitchell, Peter Birkey and Shaoyang Shen, members of the Registrant's audit committee, qualify as audit committee financial experts for purposes of paragraph (8) of General Instruction B to Form 40-F. The board of directors has further determined that each of Messrs. Ross Mitchell, Peter Birkey and Shaoyang Shen is also independent, as that term is defined in the Corporate Governance Listing Standards of the New York Stock Exchange (the "NYSE"). The Commission has indicated that the designation of each of Messrs. Ross Mitchell, Peter Birkey and Shaoyang Shen as an audit committee financial expert does not make any of them an "expert" for any purpose, impose any duties, obligations or liabilities on them that are greater than those imposed on members of the audit committee and the board of directors who do not carry this designation or affect the duties, obligations or liabilities of any other member of the audit committee or the board of directors.

ADDITIONAL DISCLOSURE

Code of Ethics.

The Registrant has adopted a "code of ethics" (as that term is defined in Form 40-F), entitled the "Code of Business Conduct and Ethics", that applies to all of its directors, officers, employees, and consultants including its principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. In 2015, there were no waivers, including implicit waivers, or amendments granted from any provision of the Code of Business Conduct and Ethics.

The Code of Business Conduct and Ethics is available for viewing on the Registrant's website at www.pretivm.com.

Corporate Governance Practices.

Our corporate governance practices are consistent with all applicable current Canadian regulatory guidelines and standards. We are classified as a foreign private issuer in connection with our listing on the NYSE and are not required to comply with most of the NYSE's corporate governance standards (the "NYSE Rules") and instead may comply with Canadian corporate governance practices. However, our corporate governance practices incorporate many best practices derived from the NYSE Rules and there are no significant differences between our corporate governance practices and the NYSE Rules.

Principal Accountant Fees and Services.

The required disclosure is included under the heading "Audit Committee Information—External Auditor Service Fees" at page 73 of the Registrant's Annual Information Form for the fiscal year ended December 31, 2015, filed as part of this Annual Report on Form 40-F in Appendix A.

Pre-Approval Policies and Procedures.

The Audit Committee pre-approves all audit services to be provided to us by our independent auditors. The Audit Committee's policy regarding the pre-approval of non-audit services to be provided to us by our independent auditors is that all such services shall be pre-approved by the Audit Committee. All non-audit services performed by our auditors for the fiscal year ended December 31, 2015 have been pre-approved by our Audit Committee.

Off-Balance Sheet Arrangements.

The Registrant has no off-balance sheet arrangements as defined under Form 40-F.

Tabular Disclosure of Contractual Obligations.

The required disclosure is included under the heading "Contractual Obligations" in the registrant's Management's Discussion and Analysis for the year ended December 31, 2015, filed as part of this Annual Report on Form 40-F in Appendix C.

Mine Safety Disclosure.

Not applicable.

UNDERTAKING

Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

Form F-X signed by the Registrant and its agent for service of process has been filed with the Commission together with Registrant's Registration Statement on Form 40-F (001-35393) in connection with its securities registered on such form.

Any changes to the name or address of the agent for service of process of the Registrant shall be communicated promptly to the Commission by an amendment to the Form F-X referencing the file number of the Registrant.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 28, 2016

Pretium Resources Inc.

By: /s/ ROBERT A. QUARTERMAIN
Name: Robert A. Quartermain
Title: Chief Executive Officer & Director

EXHIBIT INDEX

| Exhibit | Description |
|-----------------------|---|
| 99.1 | Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accountant |
| 99.2 | Consent of Tetra Tech |
| 99.3 | Consent of Snowden Mining Industry Consultants Inc. |
| 99.4 | Consent of AMC Mining Consultants (Canada) Ltd. |
| 99.5 | Consent of ERM Rescan |
| 99.6 | Consent of BGC Engineering Inc. |
| 99.7 | Consent of Alpine Solutions Avalanche Services |
| 99.8 | Consent of Valard Construction |
| 99.9 | Consent of Ian I. Chang M.A.Sc., P.Eng. |
| 99.10 | Consent of Kenneth C. McNaughton, M.A.Sc., P.Eng. |
| 99.11 | Certification of Chief Executive Officer pursuant to Section 302 of the <i>Sarbanes-Oxley Act of 2002</i> |
| 99.12 | Certification of Chief Financial Officer pursuant to Section 302 of the <i>Sarbanes-Oxley Act of 2002</i> |
| 99.13 | Certification of Chief Executive Officer pursuant to Section 906 of the <i>Sarbanes-Oxley Act of 2002</i> |
| 99.14 | Certification of Chief Financial Officer pursuant to Section 906 of the <i>Sarbanes-Oxley Act of 2002</i> |

APPENDIX A

PRETIUM RESOURCES INC. ANNUAL INFORMATION FORM FOR THE FISCAL YEAR

ENDED DECEMBER 31, 2015



ANNUAL INFORMATION FORM

(“AIF”)

of

PRETIUM RESOURCES INC.

(the “Company” or “Pretivm”)

2300, 1055 Dunsmuir Street, PO Box 49334

Vancouver, British Columbia

V7X 1L4

Telephone: 604-558-1784

Facsimile: 604-558-4784

Website: www.pretivm.com

E-mail: invest@pretivm.com

For the Year Ended December 31, 2015

Dated: March 28, 2016

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PRELIMINARY NOTES

Effective Date of Information

This AIF is dated March 28, 2016, and unless otherwise indicated, the information contained herein is current as of such date, other than certain financial information which is current as of December 31, 2015, being the date of the Company's most recently audited financial year end.

Currency

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

Note Regarding Forward Looking Information and Forward Looking Statements

This AIF contains "forward-looking information" and "forward looking statements" within the meaning of applicable Canadian and United States securities legislation (collectively herein referred to as "forward-looking statements"), including the "safe harbour" provisions of provincial securities legislation and the U.S. Private Securities Litigation Reform Act of 1995, Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"). Forward-looking statements may include, but are not limited to, information with respect to: the future price of silver and gold; the development and construction of a mine at the Brucejack Project (as defined below); our planned exploration and development activities; the adequacy of our financial resources; the estimation of mineral resources; realization of mineral resource estimates; the timeline for commercial production at the Brucejack Project; costs and timing of future exploration and development; results of future development, exploration and drilling programs; production and processing estimates; capital and operating cost estimates; statements relating to the economic viability of the Brucejack Project, including mine life, total tonnes mined and processed and mining operations; timing and receipt of approvals, consents and permits under applicable legislation; our relationship with community stakeholders; our executive compensation approach and practice; litigation risks; currency fluctuations; and environmental risks. Wherever possible, words such as "plans", "expects", "projects", "assumes", "budgeted", "strategy", "scheduled", "estimates", "forecasts", "anticipates", "believes", "intends" "modeled" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative forms of any of these terms and similar expressions, have been used to identify forward-looking statements.

Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation, risks related to:

-) uncertainty as to the outcome of legal proceedings including certain class action proceedings in the U.S. and Canada;
-) our ability to repay indebtedness;
- the effect of indebtedness on cash flow and business operations;
- our ability to satisfy commitments under stream and offtake agreements and the effect of restrictive covenants in such agreements;
- our ability to raise enough capital to fully fund the capital costs required to complete construction at the Brucejack Project;
- assumptions regarding expected operating costs and expenditures, production schedules, economic returns and other projections, including the 2016 Cost Update (as defined herein) and the Project Economics Update (as defined herein);
- our production estimates, including the accuracy thereof;
- the fact that we have no mineral properties in production and no history of production or revenue;
- the exploration, development and operation of a mine or mine property, including the potential for undisclosed liabilities on our mineral projects;
- our ability to obtain adequate financing for our planned exploration and development activities and to complete further exploration programs;
- our ability to achieve commercial production at the Brucejack Project in the timeline we anticipate;
- the operation and economic viability of the development of the Brucejack Project;
- dependency on the Brucejack Project for our future operating revenue;
- the accuracy of our resource and reserve estimates (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which they are based;
- our mineral resource estimates, including accuracy thereof and our ability to upgrade such mineral resource estimates and establish mineral reserve estimates;
- uncertainties relating to the interpretation of drill results and the geology, grade and continuity of our mineral resources;
- commodity price fluctuations, including gold price volatility;
- our history of negative operating cash flow, incurred losses and accumulated deficit;
- failure of counterparties to perform their contractual obligations;
- market events and general economic conditions;
- the inherent risk in the mining industry;
- the commercial viability of our current and any acquired mineral rights;
- availability of suitable infrastructure or damage to existing infrastructure;
- governmental regulations, including environmental regulations;
- delay in obtaining or failure to obtain required permits, or non-compliance with permits that are obtained;

- increased costs and restrictions on operations due to compliance with environmental laws and regulations;
- compliance with emerging climate change regulation;
- uncertainties relating to additional claims and legal proceedings;
- adequate internal control over financial reporting;
- increased costs of complying with the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”);
- potential opposition from non-governmental organizations;
- uncertainty regarding unsettled First Nations rights and title in British Columbia;
- uncertainties related to title to our mineral properties and surface rights;
- land reclamation requirements;
- our ability to identify and successfully integrate any material properties we acquire;
- currency fluctuations;
- competition in the mining industry for properties, qualified personnel and management;
- our ability to attract and retain qualified management;
- some of our directors’ and officers’ involvement with other natural resource companies;
- potential inability to attract development partners or our ability to identify attractive acquisitions;
- potential liabilities associated with our acquisition of material properties;
- our ability to comply with foreign corrupt practices regulations and anti-bribery laws;
- changes to relevant legislation, accounting practices or increasing insurance costs;
- our anti-takeover provisions could discourage potentially beneficial third party takeover offers;
- significant growth could place a strain on our management systems;
- future sales or issuances of our debt or equity securities;
- the trading price of our Common Shares (as defined below) is subject to volatility due to market conditions;
- share ownership by our significant shareholders;
- certain actions under U.S. federal securities laws may be unenforceable;
- we do not intend to pay dividends in the near future; and
- our being treated as a passive foreign investment company for U.S. federal income tax purposes.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Forward-looking statements involve statements about the future and are inherently uncertain, and our actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this AIF under the heading “Risk Factors” and elsewhere in this AIF.

Our forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made. In connection with the forward-looking statements contained in this AIF, we have made certain assumptions about our business, including about our planned exploration, development and production activities; the accuracy of our mineral resource estimates; capital and operating cost estimates; production and processing estimates; the results, costs and timing of future exploration and drilling; timelines and similar statements relating to the economic viability of the Brucejack Project; timing and receipt of approvals, consents and permits under applicable legislation; and the adequacy of our financial resources. We have also assumed that no significant events will occur outside of our normal course of business. Although we believe that the assumptions inherent in the forward-looking statements are reasonable as of the date of this AIF, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to the inherent uncertainty therein. We do not assume any obligation to update forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law. For the reasons set forth above, prospective investors should not place undue reliance on forward-looking statements.

Scientific and Technical Disclosure

Certain scientific and technical information relating to the Brucejack Project contained in this AIF is derived from, and in some instances is an extract from, the report entitled “Feasibility Study and Technical Report Update on the Brucejack Project, Stewart, BC” with an effective date of June 19, 2014 prepared for us by Tetra Tech and co-authored by Snowden Mining Industry Consultants Inc. (“**Snowden**”), AMC Mining Consultants (Canada) Ltd. (“**AMC**”, ERM Rescan, BGC Engineering Inc. (“**BGC**”), Alpine Solutions Avalanche Services (“**Alpine Solutions**”) and Valard Construction (“**Valard**”)(the “**Brucejack Report**”) in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”).

The Brucejack Report is the only current NI 43-101 compliant technical report with respect to the Brucejack Project and supersedes all previous technical reports.

Each co-author of the Brucejack Report listed in the section entitled “Interest of Experts” is a “qualified person” as defined in NI 43-101 and has reviewed, approved and verified certain scientific and technical information in this AIF that is derived from the Brucejack Report.

Scientific and technical information in this AIF not contained in the Brucejack Report has been reviewed, approved and verified by Mr. Kenneth C. McNaughton, M.A.Sc., P.Eng., our Vice President and Chief Exploration Officer and Ian I Chang M.A.Sc., P.Eng., our Vice President, Project Development, each of whom is a “qualified person” as defined in NI 43-101.

Reference should be made to the full text of the Brucejack Report, which has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Company's profile on SEDAR at www.sedar.com. Alternatively, copies of the Brucejack Report may be inspected during normal business hours at the Company's head office.

National Instrument 43-101 Definitions

Canadian reporting requirements for disclosure of mineral properties are governed by NI 43-101. The definitions given in NI 43-101 are adopted from those given by the Canadian Institute of Mining Metallurgy and Petroleum.

| | |
|-----------------------------------|--|
| Mineral Resource | The term "mineral resource" refers to a concentration or occurrence of diamonds, natural, solid, inorganic or fossilized organic material including base and precious metals, coal and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. |
| Measured Mineral Resource | The term "measured mineral resource" refers to that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity. |
| Indicated Mineral Resource | The term "indicated mineral resource" refers to that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed. |
| Inferred Mineral Resource | The term "inferred mineral resource" refers to that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. |
| Qualified Person | The term "qualified person" refers to an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development, production activities and project assessment, or any combination thereof, including experience relevant to the subject matter of the project or report and is a member in good standing of a self-regulating organization. |

Cautionary Note to US Investors

Technical disclosure contained or incorporated by reference in this AIF has not been prepared in accordance with the requirements of United States securities laws and uses terms that comply with reporting standards in Canada with certain estimates prepared in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all mineral reserve and mineral resource estimates contained in this AIF have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System.

Canadian standards, including NI 43-101, differ significantly from the requirements of the Securities and Exchange Commission (“SEC”), and mineral reserve and resource information contained or incorporated by reference in this AIF may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term “resource” does not equate to the term “reserves”.

Under U.S. standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made and volumes that are not “reserves” should not be disclosed. Among other things, all necessary permits would be required to be in hand or issuance imminent in order to classify mineralized material as reserves under the SEC standards. Accordingly, mineral reserves estimates included in this AIF may not qualify as “reserves” under SEC standards. The SEC’s disclosure standards normally do not permit the inclusion of information concerning “measured mineral resources”, “indicated mineral resources” or “inferred mineral resources” or other descriptions of the amount of mineralization in mineral deposits that do not constitute “reserves” by U.S. standards in documents filed with the SEC.

U.S. investors should also understand that “inferred mineral resources” have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an “inferred mineral resource” will ever be upgraded to a higher category. Under Canadian rules, estimated “inferred mineral resources” may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an “inferred mineral resource” exists or is economically or legally mineable. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in-place tonnage and grade without reference to unit measures. In addition, the definitions of “proven mineral reserves” and “probable mineral reserves” under reporting standards in Canada differ in certain respects from the standards of the SEC. Accordingly, information concerning mineral deposits set forth or incorporated by reference herein may not be comparable with information made public by companies that report in accordance with U.S. standards.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) on October 22, 2010. Our head office is located at Suite 2300, 1055 Dunsmuir Street, PO Box 49334, Vancouver, British Columbia, V7X 1L4 and our registered office is located at 2900, 550 Burrard Street, Vancouver, British Columbia, V6C 0A3.

Intercorporate Relationships

We have two wholly-owned subsidiaries, Pretium Exploration Inc. (“Pretium Exploration”) and 0890696 B.C. Ltd. (“089”), which hold our interests in the Brucejack Project and the assets related thereto. Both subsidiaries were incorporated under the BCBCA.

Employees

As at the conclusion of the financial year ended December 31, 2015, the Company, together with its subsidiaries, had 112 full time employees.

GENERAL DEVELOPMENT OF OUR BUSINESS

Overview

We are an exploration and development company that was formed for the acquisition, exploration and development of precious metal resource properties in the Americas. Our only material mineral project for the purposes of NI 43-101 is the Brucejack Project, a development stage project located in north-western British Columbia. We also have a 100% interest in the Snowfield Project (the “**Snowfield Project**”), which borders the Brucejack Project to the north.

The Brucejack Project is our only material project and we intend to focus our exploration and development efforts on the Brucejack Project and, in particular, on advancing engineering studies on the higher grade underground opportunities at the Brucejack Project and on expanding and increasing the quality of our mineral resources.

On June 30, 2014, we filed the Brucejack Report, which is a NI 43-101 compliant feasibility study on the Brucejack Project. The Brucejack Project’s Valley of the Kings Proven and Probable Mineral Reserves as set out in the Brucejack Report are 6.9 million ounces of gold (13.6 million tonnes grading 15.7 grams of gold per tonne) and West Zone Proven and Probable Mineral Reserves are 600,000 ounces of gold (2.9 million tonnes grading 6.9 grams of gold per tonne).

The Brucejack Report sets out a base case (US\$1,100/ounce gold, US\$17/ounce silver and exchange rate of 0.92 C\$/US\$) estimated pre-tax Net Present Value (5% discount) of US\$2.25 billion, with an internal rate of return of 34.7%. The Brucejack Report contemplates average annual production during the first eight years of 504,000 ounces of gold and during the 18 year Life of Mine (“**LOM**”) 404,000 ounces of gold, an estimated capital cost, including contingencies, of US\$746.9 million and an average processing rate of 2,700 tonnes/day with operating costs of C\$163.05 per tonne milled. See “*Details of the Brucejack Project — Mineral Resource and Mineral Reserve Estimates*”.

The Snowfield Project represents a longer term gold opportunity for our shareholders. Although we do not have a development plan as yet for the Snowfield Project, we plan to continue to explore the area and have budgeted for additional environmental studies which will benefit both the Brucejack and Snowfield Projects.

Acquisition of the Project Assets

We acquired the Brucejack Project, along with the Snowfield Project and other associated assets (together, the “**Project Assets**”), pursuant to an acquisition agreement dated October 28, 2010, as amended, with Silver Standard (the “**Acquisition Agreement**”), for an aggregate acquisition price of \$450 million, consisting of a cash payment of \$233,020,000 and the issuance of a total of 36,163,333 common shares (the “**Common Shares**”) in the capital of the Company (the “**Acquisition**”). We financed the cash portion of the Acquisition with part of the proceeds from our initial public offering, which closed concurrently with the acquisition of the Project Assets in December 2010.

We entered into an investor rights agreement dated December 21, 2010 (the “**Investor Rights Agreement**”) with Silver Standard that provides that, as long as Silver Standard and its affiliates hold at least 10% of our issued and outstanding Common Shares:

- Silver Standard is entitled to nominate to serve as members of our board of directors (the “**Board**”) the number of nominees equal to the lesser of (i) one less than the number which constitutes a majority of the Board and (ii) the percentage of issued and outstanding Common Shares and securities convertible or exchangeable into Common Shares held by Silver Standard multiplied by the number of directors comprising the Board (rounded to the nearest whole number);
- Silver Standard and its affiliates have the right to maintain their proportionate ownership of our Common Shares by participating pro rata in issuances of our Common Shares (save in respect of equity compensation plans); and
- Silver Standard and its affiliates have the right to sell our Common Shares by participating pro rata in prospectus offerings by us (to a maximum of 20% of any such offering).

The rights of Silver Standard and obligations of the Company under the Investor Rights Agreement will terminate and be of no force or effect if Silver Standard’s (and its affiliates’) percentage ownership of our outstanding Common Shares is less than 10% for any continuous period of at least 30 days.

To the best of our knowledge, as at December 31, 2015, Silver Standard held 11.7% of our issued and outstanding Common Shares. On March 1, 2016, we completed a marketed offering of Common Shares under a supplement to our Shelf Prospectus dated July 14, 2014 (see “Shelf Prospectus Offering” at page 17). As at the date of this AIF, to the best of our knowledge, Silver Standard holds approximately 9.82% of our outstanding Common Shares and as such should their percentage remain less than 10% for 30 consecutive days, the Investor Rights Agreement will be of no further force and effect as of March 31, 2016.

2013, 2014 and 2015 Developments

Exploration

2013 Exploration Activities

In 2013, our exploration activities consisted of the excavation of a 10,000-tonne bulk sample and a 15,000-meter (subsequently increased to a 16,789-meter) underground drill program. The 2013 Exploration Program was designed to test the full widths of two of the domains of mineralization used to estimate the November 2012 Valley of the Kings Mineral Resource. As a result, the Program targeted the full range of the projected resource block grades which span from zero grams of gold per tonne to in excess of 60 grams of gold per tonne.

The 2013 Exploration Program was successful in confirming the geological model for the Valley of the Kings, validating the robustness of the global high-grade Mineral Resource estimate and facilitating parameter optimization for the updated December 2013 Mineral Resource estimate which was filed in December 2013. The material excavated and processed from the bulk sample program produced a total of 5,741 ounces of gold as gravity and flotation concentrates.

2014 Exploration Activities

The 2014 exploration program at the Brucejack Project was focused on continuing resource definition in the Valley of the Kings with both surface and underground exploration.

The 2014 surface drill program consisted of infill drilling, exploration drilling at depth and condemnation drilling. The infill drill program, comprising 5,818 meters in three holes including 14 wedge holes, was successful in confirming the grade and continuity of Indicated and Inferred gold mineralization in an area defined by the 2013 Mineral Resource estimate block model.

The exploration drilling at depth, which consisted of four deep drill holes comprising 3,507 meters, was successful in confirming the continuity of gold mineralization in the Valley of the Kings below the area defined by the 2013 Mineral Resource estimate. Condemnation drilling for mine site infrastructure consisted of 25 drill holes comprising 2,679 meters.

Underground exploration in the Valley of the Kings continued with mapping and sampling coinciding with the advance of ramping and vent raise excavation.

2015 Exploration Activities

An infill drill program at the Brucejack Project's Valley of the Kings commenced in 2015 to target stope areas in years 1 through 3 of the current mine plan (1320-meter level to 1200-meter level).

The planned drill program was expanded to include extensions of Domain 20 which are adjacent to areas being mined in the early years of the 2014 Feasibility Study Mine Plan. When completed, roughly 200 vertical meters over a strike length of 250 meters will have been drilled at 7.5 to 10-meter centers.

The primary purpose of the drilling is grade control, with the additional benefit of infill drilling inferred and non-stope indicated resources in the same area. Results from the program continue to confirm the style and grade distribution of the gold mineralization in the area being tested, which includes the intersection of high grade and visible gold.

A grass-roots exploration program also commenced in 2015 which was comprised of prospecting, airborne EM, magnetic and radiometric surveys, and a surface drill program. The 2015 surface exploration drill program consisted of approximately 20,000 meters of drilling, which targeted porphyry/epithermal-style mineralization to the east of the Brucejack Project.

The 2015 regional exploration program was successful in expanding the size of the hydrothermal system that includes the Valley of the Kings and confirming the potential for additional mineralized zones to the east. With the discovery of the Flow Dome Zone, the program was successful in extending the strike length of the Valley of the Kings gold mineralization 1,000 meters to the east of the current Valley of the Kings Measured and Indicated Mineral Resource. Results from the 2015 program will be used to prioritize targets for follow-up regional exploration programs.

Environmental Assessment and Review

Major mining projects in British Columbia are subject to environmental assessment and review prior to certification and issuance of permits to authorize construction and operations. Environmental assessment (“**EA**”) is a means of addressing the potential for adverse environmental, social, economic, health, and heritage effects or the potential adverse effects on Aboriginal interests or rights prior to project approval. Depending on the scope of a project, assessment and permitting of major mines in British Columbia will proceed through the BC Environmental Assessment process (the “**BC EA**”) pursuant to the BC Environmental Assessment Act (the “**BCEAA**”) and the Canadian Environmental Assessment Act 2012 (the “**CEA Act**”).

At a provincial level, proposed mining developments that exceed a threshold criterion of 75,000 t/a (or 205 t/d) as specified in the Reviewable Project Regulations are required under the BCEAA to obtain an Environmental Assessment Certificate from the Ministry of Energy Mines and Natural Gas and Ministry of Environment before the issuance of any permits to construct or operate. At a federal level, proposed gold mine developments (other than placer mines) that exceed a threshold criterion of 600 t/d as specified under the Regulations Designating Physical Activities are required to complete an Environmental Impact Study pursuant to the CEA Act.

In respect of the BC EA process, in December 2012 we submitted the Project Description for the Brucejack Project to the British Columbia Environmental Assessment Office (“**BCEAO**”). In February 2013, the BCEAO issued a Section 10 order in respect of the Environmental Assessment Certificate (“**EAC**”) requirement for the Brucejack Project and a Section 11 order in July 2013 outlining the scope, procedures and methods for the environmental assessment process.

In September 2013, we held our initial meeting with the Working Group comprised of the representatives from provincial and federal government agencies, First Nations and communities participating in the review process. Participants from the Working Group also visited the Brucejack Project site. In late November 2013, we held public meetings in five communities in northwest British Columbia during the first public comment period.

On May 2, 2014, we received a copy of the approved Application Information Requirements from the BCEAO and on June 20, 2014, we filed our EAC application with the BCEAO, which was evaluated for completeness over a 30-day period by BCEAO with the involvement of the Working Group. On August 13, 2014, our EAC application was accepted for filing by the BCEAO and in September 2014, we held a second round of public meetings in five communities in northern British Columbia during the second public comment period.

As part of the application review process, we provided responses to both the Working Group and public comments.

The BCEAO had a maximum of 180 days from August 13, 2014, the date of our EAC application, to complete its review and prepare an assessment report for a decision by the Minister of Environment and the Minister of Energy and Mines. The Ministers then had 45 days following the receipt of the assessment report to make a decision.

In respect of the federal EA process, we submitted the Project Description for the Brucejack Project to the Canadian Environmental Assessment Agency (“CEA”) in January, 2013. In May 2013, CEA issued the EIS Guidelines that outline the federal permitting requirements for the Brucejack Project. We filed our EIS concurrently with our EAC application in August 2014.

During 2015, the Company received all major regulatory permits from the federal and provincial governments required to begin development work towards commercial production at the Brucejack Project:

-) On March 27, 2015, we were issued an Environmental Assessment Certificate for the Brucejack Project by the British Columbia Minister of the Environment and the Minister of Energy and Mines. The Ministers issued the certificate with certain conditions which would give them the confidence to conclude that the project would be constructed, operated and decommissioned in a way that ensures no significant adverse effects are likely to occur. The conditions were addressed prior to the start of mine construction.
-) On July 30, 2015, we received a positive Environmental Assessment Decision Statement from the Federal Minister of the Environment. The Decision Statement found that the Brucejack Project is not likely to cause significant adverse environmental effects. In reaching the Decision, the Minister considered the Project Recommendation and the Canadian Environmental Assessment Agency (“CEAA”) Environmental Assessment Report. The Report includes CEAA’s conclusions and recommendations on the potential environmental effects of the project, the proposed mitigation measures, the significance of any remaining adverse environmental effects and the follow-up program.

) On August 31, 2015, we announced that we had received a Mines Act Permit and Environmental Management Act Permit from the British Columbia Minister of Energy and Mines and Ministry of Environment approving our mine plan and reclamation program allowing commercial production at the Brucejack Project. The Mines Act Permit allows for the construction of a 2,700 tonnes per day doré and flotation plant, development of an underground mine, and associated facilities and other infrastructure. The Environmental Management Act Permit governs effluent discharge during construction and operation.

Engineering and Development of the Brucejack Project

In 2013, we filed a NI 43-101 compliant “Feasibility Study and Technical Report on the Brucejack Project” dated June 11, 2013, prepared by Tetra Tech. In June, 2014, we filed the Brucejack Report which supersedes the June 11, 2013 technical report.

Basic and detailed engineering activities continued in 2014. AMEC was awarded the EPCM contract and commenced work on engineering and procurement. Flow sheets and process design criteria were finalized as well as process and instrumentation diagrams. Plant and site layout refinements were underway, as well as the procurement of surface facilities and underground infrastructure. Teams in the technical areas required to advance the Project through development were staffed. Contracts including bulk earthworks, transmission line and long lead items were awarded.

Construction at the Brucejack Project commenced on September 5, 2015 with expected commissioning in the third quarter of 2017.

Activities were focused on bulk earth works, including the pads for the permanent camp and mill building, in preparation for facilities construction in the spring of 2016. Additional construction activities at site have included the excavation of diversion ditches and contact water pond and the widening of the haul road to accommodate construction traffic. Transmission line right-of-way clearing commenced and the contract for the transmission line towers was issued.

Underground development was ongoing in 2015, with an initial focus on underground exploration development. Upon receipt of final mine development permits, the focus switched to the development of mine infrastructure.

Construction Financing Package with Orion Mine Finance Group and Blackstone Tactical Opportunities

On September 21, 2015, we completed a US\$540,000,000 construction financing package (the “**Orion and Blackstone Financing**”) with the Orion Mine Finance Group (“**Orion**”) and Blackstone Tactical Opportunities (“**BTO**”) (collectively “**Orion and Blackstone**”).

The Orion and Blackstone Financing was comprised of a credit facility for US\$350,000,000 (the “**Credit Facility**”), a US\$150,000,000 prepayment under a callable gold and silver stream agreement (the “**Stream Agreement**”) and a private placement of Common Shares for US\$40,000,000 (the “**Private Placement**”).

Upon closing, we received US\$340,000,000 comprised of: (i) US\$150,000,000 as an initial advance under the Credit Facility; (ii) US\$150,000,000 as a deposit under the Stream Agreement (the “**Deposit**”); and (iii) US\$40,000,000, being the aggregate subscription price under the Private Placement. The US\$340,000,000 of aggregate gross proceeds from the Orion and Blackstone Financing will fund more than 70% of the estimated capital costs to develop an underground mine at the Brucejack Project based on the Brucejack Technical Report and more than 75% of the estimated cost based on the 2016 Cost Update (defined below).

The Credit Facility consisted of a credit agreement among the Company, as borrower, Pretium Exploration and 089, as guarantors, Orion and BTO, as lenders and Orion, as administrative agent, dated September 15, 2015 (the “**Credit Agreement**”) and an offtake agreement among Pretium Exploration, the Company, 089, Orion Co-Investments II (Stream) Limited (“**Orion Stream**”) and BTO, dated September 15, 2015 (the “**Offtake Agreement**”).

The Credit Agreement is a senior secured loan facility of US\$350,000,000 of which US\$150,000,000 was advanced at closing, leaving US\$200,000,000 available to be drawn in up to US\$50,000,000 tranches (with each tranche subject to a minimum amount of US\$5,000,000) beginning six months from the closing date of the Credit Agreement over a period of 18 months with each draw subject to an arrangement fee of 3%. The Credit Agreement has a fixed interest rate of 7.5%. Principal and accrued interest compounded quarterly is due at maturity on December 31, 2018. We have an option to extend maturity to December 31, 2019 on payment of 2.5% of the principal amount outstanding.

The Offtake Agreement applies to sales from the first 7,067,000 ounces of refined gold (less any delivered ounces pursuant to the Stream Agreement). Orion Stream and BTO will pay for refined gold based on a market referenced gold price in U.S. dollars per ounce during a defined pricing period before and after the date of each sale. The offtake obligation applies to 100% of refined gold produced at the Brucejack Project less the percentage of refined gold to be delivered pursuant to the Stream Agreement. Moreover, Pretium Exploration has the option to reduce the offtake obligation by one of the following options:

- i. Effective on December 31, 2018, Pretium Exploration can elect to reduce the offtake obligation to either i) 50% by paying US\$11 per ounce multiplied by 0.5, on the remaining undelivered gold ounces, or ii) 25% by paying US\$11 per ounce multiplied by 0.75, on the remaining undelivered gold ounces; or
- ii. Effective on December 31, 2019 Pretium Exploration can elect to reduce the offtake obligation to either i) 50% by paying US\$13 per ounce multiplied by 0.5, on the remaining undelivered gold ounces, or ii) 25% by paying US\$13 per ounce multiplied by 0.75, on the remaining undelivered gold ounces.

Pursuant to the Stream Agreement among Orion Stream and BTO as purchasers, the Company and Pretium Exploration, as seller, Orion Stream, as purchaser's agent, Orion, as collateral agent, dated September 15, 2015, the Deposit was advanced at closing as prepayment in consideration of a callable stream that applies to 8% of the 7,067,000 ounces of refined gold and 26,297,000 ounces of refined silver produced at the Brucejack Project (the "**Refined Precious Metals**"). The Refined Precious Metals subject to the Stream Agreement will be reduced by the aggregate ounces of Refined Precious Metals sold and delivered prior to the applicable delivery start date.

Pretium Exploration may elect to repurchase all or a portion of the Refined Precious Metals stream by one of the following options:

- i. On December 31, 2018, Pretium Exploration can elect to repurchase the entire 8% stream by paying US\$237,000,000 or can elect to reduce the stream to 3% of Refined Precious Metals by paying US\$150,000,000, in which case the stream deliveries would commence January 1, 2019; or
- ii. On December 31, 2019, Pretium Exploration can elect to repurchase the entire 8% stream by paying US\$272,000,000 or can elect to reduce the stream to 4% of Refined Precious Metals by paying US\$150,000,000, in which case the stream deliveries would commence January 1, 2020.

If Pretium Exploration does not exercise the right to reduce or repurchase the Refined Precious Metals stream by December 31, 2019, US\$20,000,000 will be payable to Orion Stream and BTO and an 8% stream will apply to the Refined Precious Metals beginning January 1, 2020, with payment of US\$400 per ounce of gold and US\$4.00 per ounce of silver. If the market price of gold is greater than US\$400 per ounce, the excess will decrease the Deposit until it has been reduced to nil.

Subject to certain exceptions, the Stream Agreement contains restrictions on the transfer of production and transfers of property and assets. The Stream Agreement also contains a general prohibition regarding changes of control of Pretium or any of its subsidiaries. However, the Stream Agreement does not prohibit a transfer or change of control of Pretium or any of its subsidiaries if a change of control or transfer of substantially all assets of Pretium, Pretium Exploration or any other Pretium Entity (as defined in the Stream Agreement, which is available on SEDAR) occurs or is agreed to (a "**Triggering Event**") prior to the earlier of (i) January 1, 2020; and (ii) the date the Deposit is reduced to nil, and Pretium Exploration exercises its right at such time to purchase the stream obligation (the "**Purchase Right**") in exchange for consideration equal to the greater of (a) 13.6% of consideration received as a result of such Triggering Event which is attributable to the project, and (b) an amount equal to the product of \$150,000,000 and $(1.15)^D/365$, where "D" is the number of days from the date of the Agreement to the date of completion of such Triggering Event (the greater of such amounts, the "**Triggering Event Amount**"). If a Triggering Event occurs and Pretium Exploration has not exercised the Purchase Right, the Purchasers shall have the right at such time to require Pretium Exploration to purchase the Stream Agreement in exchange for consideration equal to the Triggering Event Amount. Once the Deposit is reduced to nil, there will be no consequences of a change of control of Pretium.

Under the Private Placement each of Orion and BTO subscribed for 3,848,004 of our Common Shares at US\$5.1975 per Common Share for aggregate proceeds at closing of US\$40,000,000. Orion and BTO are also entitled to maintain their proportionate ownership of our Common Shares by participating pro rata in issuances of our Common Shares (subject to certain exceptions) until the maturity date of the Credit Agreement.

Production Decision

Following receipt of all of the major regulatory permits required to begin development work at the Brucejack Project, and the completion of the Construction Financing with Orion and Blackstone, our Board of Directors approved a Production Decision for the Brucejack Project.

2016 Developments

Cost Update

On February 17, 2016, we announced an updated cost estimate for the Brucejack Project (the “**2016 Cost Update**”).

Based on the achievement of the 60% engineering milestone, a capital cost estimate was carried out in late 2015 (the “**Updated Estimate**”) to update the June 2014 Feasibility Study cost estimate (the “**Feasibility Study Estimate**”) for the Brucejack Project. The estimated total project capital cost to complete design, construction, installation and commissioning, including contingencies and working capital, is US\$696.8 million. Working capital for the three-month period of post-plant commissioning and initial gold production covers the cost of operations, but does not take into account any revenue generated during this period. The working capital estimate also covers the costs for prepayments related to electrical power and permitting, including US\$9 million in government fees and bonds.

Updated Capital Costs

Underground development is projected to cost US\$17.7 million less than estimated in the Feasibility Study Estimate. Underground mining equipment of US\$23.4 million has been deferred to sustaining capital due to the use of the third party mining contractor’s equipment.

The mill building design-build contract is US\$9.5 million less than estimated in the Feasibility Study Estimate. In addition to construction savings, the lower assumed Canadian dollar exchange rate resulted in a favorable foreign exchange difference of approximately US\$145 million.

Owner’s costs, excluding working capital, increased by US\$46.7 million, primarily as a result of additional environmental monitoring costs of US\$18.6 million, additional winter construction costs of US\$14.5 million due to receipt of permits in September and additional camp support costs of US\$10.8 million to cover an increase in overall man-hours during construction. The engineering, procurement and construction management contractor increased its costs by US\$18.4 million.

A summary of capital costs from the 2016 Cost Estimate in comparison with the estimate contained in the Brucejack Technical Report is presented in the table below.

| Capital Costs Summary Comparison | | |
|---|---|---|
| | Updated Estimate (US\$ million) ⁽¹⁾ | Feasibility Study Estimate (US\$ million) ^{(2) (3)} |
| Mine underground | 101.4 | 151.7 |
| Mine site ⁽⁴⁾ | 165.3 | 183.6 |
| Offsite Infrastructure | 81.0 | 85.9 |
| Total Direct Costs | 347.7 | 421.2 |
| Indirect Costs | 97.5 | 106.7 |
| Owner's Costs | 160.3 | 150.0 |
| Contingency ⁽⁵⁾ | 35.3 | 69.0 |
| Total Capital Cost | 640.8 | 746.9 |
| Working Capital | 56.0 | — ⁽⁶⁾ |
| Total Construction Cost | 696.8 | 746.9 |

(1) US\$0.75:C\$1

(2) US\$0.92:C\$1

(3) Certain costs were re-classified to conform to updated estimate categories/presentation.

(4) Includes mine site, mine site process, mine site utilities, mine site facilities, tailings facilities, mine site temporary facilities and surface mobile equipment.

(5) Contingency has been reduced to US\$35,300,000 based on 60% level of engineering and significant commitments now in place.

(6) Working capital was included in the financial model, but not in capital cost estimate.

Updated Project Economic Metrics

An updated summary of Brucejack economic results taking into account the 2016 Cost Update and the costs of the Orion Blackstone Financing (the "Project Economics Update") by metal price is shown in the table below.

Summary of Brucejack Economic Results by Metal Price – February 2016 Update^(7, 8)

| | Low Case | Base Case | High Case |
|---|---|---|---|
| Gold Price (US\$/ounce) | \$800 | \$1,100 | \$1,400 |
| Silver Price (US\$/ounce) | \$10.00 | \$14.00 | \$18.00 |
| Net Cash Flow (US\$) | \$2.21 billion (pre-tax) \$1.53 billion (post-tax) | \$4.31 billion (pre-tax) \$2.88 billion (post-tax) | \$6.42 billion (pre-tax) \$4.23 billion (post-tax) |
| Net Present Value⁽⁹⁾ (5.0% discount) (US\$) | \$1.09 billion (pre-tax) \$0.72 billion (post-tax) | \$2.36 billion (pre-tax) \$1.55 billion (post-tax) | \$3.63 billion (pre-tax) \$2.36 billion (post-tax) |
| Internal Rate of Return | 20.2% (pre-tax) 16.8% (post-tax) | 33.0% (pre-tax) 27.4% (post-tax) | 43.8% (pre-tax) 36.3% (post-tax) |
| Payback (from start of production period) | 4.9 years (pre-tax) 5.0 years (post-tax) | 3.4 years (pre-tax) 3.5 years (post-tax) | 2.7 years (pre-tax) 2.8 years (post-tax) |
| Exchange Rate (US\$:C\$) | 0.75 | 0.75 | 0.75 |

- (7) Includes impact from financing announced Sept 15, 2015.
- (8) Financing impact assumes repayment of debt facility at maturity, exercise of maximum buyout options for offtake and stream facilities at December 31, 2018.
- (9) NPV is discounted to December 31, 2015.

The estimates contained in the 2016 Cost Estimate and Project Economics Update are forward-looking statements and are subject to the risks and uncertainties outlined under “**Cautionary Note Regarding Forward-Looking Statements**” and “**Risk Factors**”.

Shelf Prospectus Offering

On March 1, 2016, we completed a marketed offering of 26,210,000 of our Common Shares at US\$4.58 per share, for gross proceeds of US\$120 million (the “**Shelf Prospectus Offering**”). The offering was done under a supplement to our short form base shelf prospectus dated July 14, 2014. The underwriters also exercised their over-allotment option and purchased an additional 2,174,000 Common Shares at US\$4.58 per share, for additional proceeds of US\$9,956,920 for total gross proceeds of US\$129,998,720.

The net proceeds of the marketed offering will be used to (i) fund development of the Brucejack Project, (ii) for working capital during start-up and (iii) for general corporate purposes.

Pursuant to the Private Placement, Orion is entitled to maintain its proportionate ownership interest in the Company by participating pro rata in issuances of our common shares. Orion has exercised its participation rights and is subscribing for 752,906 of our Common Shares at a price of US\$4.58 per Common Share in a non-brokered private placement scheduled to close on March 31, 2016.

Pursuant to a subscription agreement dated December 8, 2014 between Zijin Mining Group Co., Ltd. (“Zijin”) and the Company, Zijin is entitled to maintain its proportionate ownership interest in the Company by participating pro rata in issuances of the Company's common shares. Zijin has exercised its participation rights and is subscribing for 2,786,849 of our Common Shares at a price of US\$4.58 per Common Share in a non-brokered private placement scheduled to close on March 31, 2016.

The proceeds of the Orion and Zijin pro-rata private placements will be used to fund development of the Brucejack Project, for working capital during start-up and for general corporate purposes.

DESCRIPTION OF OUR BUSINESS

Unless stated otherwise, the scientific and technical information in this AIF is solely derived from, and in some instances is an extract from, the Brucejack Report. Reference should be made to the full text of the Brucejack Report, which is available electronically on the SEDAR website at www.sedar.com under our SEDAR profile, as the Brucejack Report contains additional assumptions, qualifications, references, reliances and procedures which are not fully described herein.

The “Resource Estimate” in the Brucejack Report has been prepared in compliance with NI 43-101 and Form 43-101F1 which require that all estimates be prepared in accordance with the “CIM Definition Standards on Mineral Resources and Mineral Reserves as prepared by the CIM Standing Committee on Reserve Definitions” and in effect as of the effective date of the Brucejack Report. The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

Details of the Brucejack Project

Project Description and Location

The Brucejack Project (also known as the “**Property**” in the Brucejack Report) consists of four mining leases and six mineral claims totalling 3,054 hectares. The mining leases require annual payments to remain in good standing and the mineral claims are in good standing until January 31, 2026.

The Brucejack Project is centred at approximately latitude 56°28'20"N by longitude 130°11'31"W, approximately 950 kilometres northwest of Vancouver, 65 kilometres north-northwest of Stewart, and 21 kilometres south-southeast of the Eskay Creek Mine.

We acquired our 100% outright interest in the Brucejack Project in December 2010, pursuant to the Acquisition Agreement with Silver Standard. The Brucejack Project is subject to a 1.2% net smelter returns royalty in favour of Franco-Nevada Corporation (“**Franco-Nevada**”) on production in excess of 503,386 ounces of gold and 17,907,080 ounces of silver.

Property Location Map



Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The Brucejack Project is located in the Boundary Range of the Coast Mountain Physiographic Belt along the western margin of the Intermontane Tectonic Belt. The terrain is generally steep with local reliefs of 1000 metres from valleys occupied by receding glaciers, to ridges at elevations of 1200 metres above sea-level. Elevations within the Brucejack Project area range from 1366 metres along Brucejack Lake to 1650 metres at the Bridge Zone. However, within several areas, the relief is relatively low to moderate.

We have completed construction of our approximately 74 kilometre exploration access road that links the Brucejack Camp to Highway 37 via the Knipple Glacier, Bowser Camp and Wildfire Camp. Personnel, equipment, fuel and camp provisions are driven to a staging area on the Knipple Glacier before being taken over the glacier to the Brucejack Camp. The area is easily accessible by helicopter from the town of Stewart, or seasonally from the settlement of Bell II. The flight time from Stewart is approximately 30 minutes and slightly less from Bell II.

Climate

The climate is typical of north-western British Columbia with cool, wet summers, and relatively moderate but wet winters. Annual temperatures range from +20°C to -20°C. Precipitation is high with heavy snowfall accumulations ranging from 10 metres to 15 metres at higher elevations and 2 metres to 3 metres along the lower river valleys. Snow packs cover the higher elevations from October to May. The optimum field season is from late June to mid-October.

Local Resources and Infrastructure

There are no local resources other than abundant water for any drilling work.

The nearest infrastructure is the town of Stewart, approximately 65 kilometres to the south, which has limited supplies and personnel. The towns of Terrace and Smithers are also located in the same general region as the Brucejack Project. Both are directly accessible by daily air service from Vancouver.

The nearest railway is the Canadian National Railway Yellowhead route, which is located approximately 220 kilometres to the southeast. This line runs east-west and terminates at the deep water port of Prince Rupert on the west coast of British Columbia. The most northerly ice-free shipping port in North America, in Stewart, is accessible to store and ship concentrates.

A high voltage, 138-kV transmission line currently services Stewart, BC and has sufficient capacity to provide power to the Brucejack Project. BC Hydro has started engineering work on a system upgrade to provide for the interconnection of the transmission line that will service the Brucejack Project with the 138kv transmission line servicing the town of Stewart.

History and Exploration

The exploration history of the area dates back to the 1880s when placer gold was located at Sulphurets and Mitchell Creeks. Placer mining was intermittently undertaken throughout the early 1900s and remained the main focus of prospecting until the mid-1930s.

In 1935, prospectors discovered copper-molybdenum mineralization on the Sulphurets property in the vicinity of the Main Copper zone, approximately six kilometres northwest of Brucejack Lake; however, these claims were not staked until 1960. From 1935 to 1959, the area was relatively inactive with respect to prospecting; however, it was intermittently evaluated by a number of different parties and several small copper and gold-silver occurrences were discovered in the Sulphurets-Mitchell Creek area. In 1960, Granduc and Alaskan prospectors staked the main claim group covering the known copper and gold-silver occurrences, which collectively became known as the Sulphurets property, starting the era of modern exploration. Various operators explored the area, and an underground program was completed on the West Zone between 1986 and 1991 by the Newcana Joint Venture among Granduc, Newhawk and Lacana Mining Corporation.

In 1999, Silver Standard acquired Newhawk and with it, Newhawk's 60% interest and control of the Brucejack Project. In 2001, Silver Standard acquired Black Hawk's 40% direct interest in the Brucejack Project, resulting in 100% interest in the Brucejack Project.

Silver Standard began initial work on the Brucejack Project in 2009 with drilling, rock-chip and channel sampling and re-sampling of historical drill core. The 2009 program tested five zones with 37 drillholes totalling 18,000 metres. A total of 12 drillholes were targeted at what would become the Valley of the Kings Zone (the "Valley of the Kings").

In 2010, Silver Standard's drill program was designed to continue definition of the bulk tonnage mineralization as well as to determine the nature and continuity of the high-grade mineralization observed at Valley of the Kings. Approximately one third of the 2010 drilling targeted the Valley of the Kings and included gold intersections of up to 5,840 g/t gold. The bulk tonnage drilling achieved its intended goal through the definition of more than 20 Moz at Brucejack (8 Moz in Measured and Indicated and 12.5 Moz gold in Inferred, at a 0.3 g/t AuEq cut-off; Ghaffari et al. 2011). The relatively dense drilling from the bulk tonnage drilling program, with drill spacings of 100 metres by 100 metres to 50 metres by 50 metres, formed the basis upon which the bulk tonnage resource model was built. Numerous high-grade intersections were defined as part of this drilling, allowing for the initial delineation of high-grade mineralization trends. In 2010, Silver Standard proceeded with the sale of the Snowfield and Brucejack projects to us.

Our 2011 diamond drill program was focused specifically on defining high grade resources. In 2011, 178 drillholes were completed totalling 72,805 metres in drillholes SU-110 to SU-288. This included 97 drillholes (41,219 metres) that targeted the Valley of the Kings, 16 drillholes (7,471 metres) that targeted the West Zone, and 21 drillholes (7,220 metres) that targeted the surrounding areas. The remaining drilling was focused on expansion of Shore Zone, testing for structurally controlled high grade mineralization in Galena Hill (now part of the Valley of the Kings) and Bridge Zones, as well as testing new target areas. The West Zone ramp was partially dewatered in late 2011 and early 2012. A geotechnical mapping program and updated survey was completed on the dewatered portion of the mine.

Our 2012 diamond drill program focused on defining the high grade resource for the Valley of the Kings, specifically targeting geological and structural features believed to be associated with high grade gold mineralization. Diamond drilling also focused on expanding the known extents of the Valley of the Kings Zone, both west of the Brucejack Fault and along trend to the east of the main mineralized zone. A total of 301 drillholes were completed, totalling 105,500 metres of drilling during the 2012 drilling program.

An underground exploration program commenced in 2012 which was designed to, amongst other things, access the Valley of the Kings deposit underground, excavate a 10,000 tonne underground bulk sample and demonstrate continuity of the high-grade gold mineralization. The initial phase of the underground program involved widening a portion of the historical West Zone underground workings to five metres by five metres so that the historical West Zone portal and underground workings can be used for access to the Valley of the Kings with production sized mining equipment. In late December 2012, the widening of the historical West Zone underground workings was completed and excavation commenced of the access ramp from the West Zone workings to the Valley of the Kings.

Our 2013 surface diamond drill program focused on further defining the high grade resource for the Valley of the Kings as well as the geological and structural features believed to be associated with gold mineralization. A total of 24 surface diamond drillholes (5,200 metres) of the 37 surface drillholes (5,770 metres; drillholes SU-590 to SU-626) completed during the 2013 drilling program were focussed on the Valley of the Kings.

In 2013, we also excavated a bulk sample from within the Valley of the Kings to further evaluate the geological interpretation and Mineral Resource estimate. The location of the proposed bulk sample was selected to be representative of the grade and character of the overall mineralization of the Valley of the Kings.

Underground development reached the bulk sample area in May 2013 and underground drilling to support the bulk sample program began in mid-May. A total of 409 drillholes (38,840 metres) were completed with 200 of these drillholes (16,640 metres) testing the bulk sample area. The remainder (209 drillholes totalling 22,200 metres) were testing targets outside of the bulk sample area.

The design of the bulk sample was limited by provincial legislation to a maximum allowable bulk sample size of 10,000 tonnes. The bulk sample was collected as a series of nominal 100 tonne rounds in underground development. We elected to process the bulk sample both through a sample tower on site and at a custom mill (Contact Mill) in Montana, USA. The results of assaying of the samples from the sample tower provided, in Snowden's opinion, an unacceptable degree of variation in the results.

In 2014, exploration focused on resource definition in the Valley of the Kings with both surface and underground exploration.

The 2014 surface drill program consisted of infill drilling, exploration drilling at depth and condemnation drilling. The infill drill program, comprising 5,818 metres in three holes including 14 wedge holes, was successful in confirming the grade and continuity of Indicated and Inferred gold mineralization in an area defined by the 2013 Mineral Resource estimate block model.

The exploration drilling at depth, which consisted of four deep drill holes comprising 3,507 metres, was successful in confirming the continuity of gold mineralization in the Valley of the Kings below the area defined by the 2013 Mineral Resource estimate. Condemnation drilling for mine site infrastructure consisted of 25 drill holes comprising 2,679 metres.

Underground exploration in the Valley of the Kings has continued to date with mapping and sampling coinciding with the advance of ramping and vent raise excavation.

Geological Setting

The Brucejack Property is located on the eastern limb of the broad McTagg anticlinorium, the northern closure of the Stewart-Iskut culmination. As a result, rocks on the Brucejack Property are tilted, as well as folded, and generally display a progressive younging towards the east. Volcanic arc-related rocks of the Triassic Stuhini Group form the core of the anticlinorium, and are successively replaced outwards by volcanic arc-related rocks of the Lower Jurassic Hazleton Group and clastic basin-fill sedimentary rocks of the Middle to Upper Jurassic Bowser Lake Group.

Geology on the Brucejack Property can generally be characterized as a northerly-trending, broadly arcuate, concave-westward structural-stratigraphic belt of variably altered rocks. This belt is bisected on the western side of the Brucejack Property by a prominent topographic lineament, the Brucejack Fault. This belt is characterised by a broad band of variably but generally intensely quartz-sericite-pyrite altered rocks of up to several hundred metres or more across, and approximately five kilometres in strike extent. The quartz-sericite-pyrite alteration typically contains between two and 20% pyrite, and, depending on the alteration intensity, can preclude protolith recognition. Most of the defined mineral resources on the Brucejack Property are located within the intensely altered zone.

Mineralization

Gold (\pm silver) mineralization is hosted in predominantly sub-vertical vein, vein stockwork, and subordinate vein breccia systems of variable intensity, throughout the alteration band. The stockwork systems display both parallel and discordant relationships to stratigraphy. The stockwork systems are relatively continuous along strike (several tens of metres to several hundreds of metres).

Several mineralization zones have been explored to varying degrees, including (from south to north): Bridge Zone, Valley of the Kings Zone, West Zone, Gossan Hill, Shore Zone, and SG Zone (Ireland et al. 2013). There are numerous relatively unexplored mineralization showings within the alteration band across the Brucejack Property that are between the main mineralization zones, highlighting the exceptional exploration potential of the Brucejack Property.

High grade gold mineralization in the Valley of the Kings, the current focus of the Project, occurs in a series of west-northwest (and subordinate west-southwest) trending sub-vertical corridors of structurally reoriented vein stockworks and vein breccias. Stockwork mineralization displays both discordant and concordant relationships to the volcanic pile stratigraphy. Gold is typically present as gold-rich electrum within deformed quartz-carbonate (\pm adularia?) vein stockworks, veins, and subordinate vein breccias, with grades ranging up to 41,582 g/t gold and 27,725 g/t silver over 0.5 m.

Recent underground exploration carried out as a part of the bulk sample program confirmed the location of corridors of stockwork-style mineralization and the lithological contacts in this part of the deposit (within the Valley of the Kings). In addition the work resulted in the recognition of sub-vertical north-northeasterly trending deformed, curvilinear, and sheared quartz-carbonate veins containing abundant visible electrum. These structures are interpreted as structurally-controlled fluid conduits that were active during development of the porphyry system and associated volcanic pile in the early Jurassic, and which were reactivated during Cretaceous deformation.

The Valley of the Kings deposit is currently defined over 1,200 metres in east-west extent, 600 metres in north-south extent, and 650 metres in depth. The West Zone appears to form the northern limb of an anticline that links up with the Valley of the Kings in the south, and the southern limb of a syncline that extends further to the north. This zone, which is currently defined over 590 metres along its northwest strike, 560 metres across strike, and down to 650 metres in depth, is open to the northwest, southeast, and at depth to the northeast.

Mineralized Zones

The current resources as presented in this AIF are comprised of two different zones on the Brucejack Project, being the Valley of the Kings Zone and the West Zone.

Valley of the Kings Zone

Exploration drilling by Silver Standard (2009, 2010) and the Company (2011 to present), as well as surface mapping, has been successful in outlining a series of corridors of high grade mineralization associated with deformed quartz stockworks and intense quartz-sericite-pyrite alteration in an east-west trending and east-southeast plunging tight syncline developed in almost the full sequence of lower Hazelton Group rocks.

The Valley of the Kings mineralized zone trends approximately west-northwest to east-southeast. Its orientation mirrors that of Electrum Ridge, a pronounced topographic feature near the southern margin of the zone, and drilling to date has extended its strike to over 800 metres. The zone is up to 150 metres wide and was originally thought to be bound to the west by the Brucejack Fault. Recent drilling in the current 2012 drill program, together with the presence of significant intervals of gold mineralization, in the Waterloo Zone, indicates that the Valley of the Kings continues west across the fault, thereby making the zone open to the west, as well as to the east and at depth.

High-grade gold and silver mineralization within the Valley of the Kings occurs as electrum, which is generally hosted in deformed quartz-carbonate and quartz-adularia veins and vein stockworks. While quartz veining and stockworks are common throughout the zone, the majority of gold intersections are confined to corridors within a zone 75 metres to 100 metres wide on the southern limb of the syncline. The orientation of these corridors is subparallel to the fold axis. Gold to silver ratios within the Valley of the Kings are typically 2:1 or higher. Variations in this ratio, which could be a function of thermal gradients developed at the time of mineralization, are suggested by a visible increase in the proportion of silvery electrum (at the expense of more gold-coloured electrum) with a concomitant increase in the proportion of vein-hosted adularia towards the eastern parts of the zone. Additional precious metals-bearing minerals found in the Valley of the Kings, typically in trace quantities, include silver sulphides, acanthite, pyrrargyrite and tetrahedrite, and associated with base metal-bearing sulphides include sphalerite and galena.

Low grade bulk tonnage mineralization, associated with disseminated anhedral pyrite, forms a halo within the altered rocks, surrounding the high grade mineralization corridors.

West Zone

The West Zone gold-silver deposit is hosted by a northwesterly trending band of intensely altered Lower Jurassic latitic to trachyandesitic volcanic and subordinate sedimentary rocks, as much as 400 metres to 500 metres thick, which passes between two more competent bodies of hornblende plagioclase hornblende phric flows. The stratified rocks dip moderately to steeply to the northeast and are intensely altered, particularly in the immediate area of the precious metals mineralization. The West Zone appears to form the northern limb of an anticline that links up with the Valley of the Kings to the south, and the southern limb of a syncline that extends further to the north.

The West Zone deposit itself comprises at least 10 quartz veins and mineralized quartz stockwork ore shoots, the longest of which has a strike length of approximately 250 metres and a maximum thickness of about around 6 metres. Most mineralized shoots have vertical extents that are greater than their strike lengths. Veins and stockworks in this zone display clear evidence of post-mineral ductile and brittle deformation. The West Zone is open along strike to the southeast, and at depth to the northeast.

In terms of hydrothermal alteration, the West Zone is marked by a central silicified zone that passes outwards to a zone of sericite ± quartz ± carbonate and then an outer zone of chlorite ± sericite ± carbonate. The combined thickness of the alteration zones across the central part of the deposit is between 100 metres and 150 metres.

Gold in the West Zone occurs principally as electrum in quartz veins and is associated with, in decreasing order of abundance, pyrite, sphalerite, chalcopyrite, and galena. Besides being found with gold in electrum, silver occurs in tetrahedrite, pyrargyrite, polybasite and, rarely, stephanite and acanthite. Gangue mineralogy of the veins is dominated by quartz, with accessory adularia, albite, sericite, and minor carbonate and barite. The increased abundance of silver in the West Zone may suggest that this zone was formed down temperature gradient from the Valley of the Kings.

Drilling

The input data for the West Zone Mineral Resource estimate consisted of 756 drillholes (63,208 metres) including 439 underground drillholes (24,688 metres), 269 historical surface drillholes (21,321 metres) and 48 surface drillholes (17,199 metres) completed since 2009.

The input data for the Valley of the Kings Mineral Resource estimate comprised 932 drillholes totalling 218,238 metres. The drilling consisted of:

-) 9 historic drillholes (579 metres);
-) 490 surface drillholes drilled between 2009 and 2012 (173,619 metres);
-) 24 surface drillholes drilled in 2013 (5,200 metres); and

) 409 underground drillholes drilled in 2013 (38,840 metres).

Drillhole paths were surveyed at a nominal 50 metre interval using a Reflex EZ single shot instrument. There was no apparent drilling or recovery factor that would materially impact the accuracy and reliability of the drilling results.

The drill collars were surveyed by McElhanney Surveying from Terrace, BC. McElhanney Surveying used a total station instrument and permanent ground control stations for reference and have completed all the surveying on the project since 2009. All underground drill collars were surveyed by Procon.

Historical drill core sizes for surface drillholes were NQ (47.6 millimetre diameter) and BQ (36.5 millimetre diameter). Core size for drillholes collared from an underground exploration ramp at West Zone was AQ (27 millimetre diameter).

Core sizes for our surface collared drillholes are PQ (85 millimetre diameter), HQ (63.5 millimetre diameter) and NQ (47.6 millimetre diameter). Approximately 50% to 60% of the Company's core is HQ size. All drillcore collected from the underground drilling in 2013 was HQ size.

Sampling, Analysis, Data Verification and Security

Split PQ samples weigh approximately 10 kilograms. HQ samples are around 6 kilograms, and NQ are 3 kilograms to 4 kilograms. These weights assume a nominal 1.5 metre sample length. In general, the average sample size submitted to the analytical laboratory, ALS Chemex ("ALS") was 6.5 kilograms.

Samples at ALS were crushed to 70% passing 2 millimetres, (-10 mesh). Samples were riffle split and 500 g were pulverized to 85% passing 75 µm (-200 mesh). The remaining coarse reject material was returned to us for storage in our Stewart warehouse.

Gold was determined using fire assay on a 30 g aliquot with an atomic absorption finish. In addition, a 33 element package was completed using a four acid digest and ICP-AES analysis, which included the silver. Density determinations were done by ALS using the pycnometer method on pulps from the drilling program.

Snowden analysed the quality assurance and quality control ("QAQC") for the Brucejack Project. The Brucejack drillhole and QAQC database is managed by GeoSpark Consulting Inc. ("GeoSpark"), who also manage the routine analysis of the QAQC results for the Company. GeoSpark supplied Snowden with a QAQC database, in Microsoft Access format, containing the QAQC results for all drilling up to 5 December 2013.

The QAQC protocols included the use of field duplicates, standards and blanks. The quality control samples were included at a nominal rate of one field duplicate, one standard and one blank for every 20 samples. Check assays, in the form of pulp duplicates, were also completed by a different laboratory and compared with the primary laboratory.

Procedures undertaken by the Company have been under the supervision and security of our staff, as far as drill core sampling prior to dispatch. Laboratory sample reduction and analytical procedures have been conducted by independent accredited companies with acceptable practices. We ensure quality control is monitored through the insertion of blanks, certified reference materials and duplicates.

Mineral Processing and Metallurgical Testing

Several metallurgical test programs were carried out to investigate the metallurgical performance of the mineralization. The main test work was completed from 2009 to early 2014. The samples tested were generated from various drilling programs, including the samples tested by the bulk sample processing programs. The metallurgical test programs conducted on the Brucejack mineralization included head sample characteristics, gravity concentration, gold/silver bulk flotation, cyanidation, table concentrate melting and the determination of various process related parameters. The early test work focused on developing the flowsheet for gravity concentration, bulk flotation, and flotation concentrate cyanidation. The test work also studied the metallurgical responses of the samples to the gravity concentration flowsheet for gravity concentration followed by whole ore leaching. The later test work concentrated on the gravity-flotation concentration flowsheet.

In general, the Valley of the Kings Zone and West Zone mineralization is moderately hard. The mineral samples tested responded well to the conventional combined gravity and flotation flowsheet. The gold in the mineralization was amenable to centrifugal gravity concentration. On average, 40 to 50% of the gold in the samples were recovered by the gravity concentration. The flotation tests results indicated that bulk flotation can effectively recover the gold remained in the gravity concentration tailings using potassium amyl xanthate as a collector at the natural pH. Two stages of cleaner flotation would significantly upgrade rougher flotation concentrate. The gold in the mineralization showed better metallurgical performance, compared to silver. On average, approximately 96 to 97% of the gold and 91 to 92% of the silver were recovered to the gravity concentrate and bulk flotation concentrate at the grind size of 80% passing approximately 70 to 80 μm . There was a significant variation in metallurgical performances among the samples tested. This may be a result of the nugget gold effect. The industrial runs on the 10,000-t bulk sample for the 2013 bulk sample processing program and the 1,200-t high-grade Cleo mineralization conducted in 2014 showed that the gravity/flotation process flowsheet as designed for the Brucejack mineralization suited the treatment of the bulk sample. The results also showed that the gravity/flotation flowsheet adapted well for the varying mineralization and the wide range feed grades that were experienced during processing of the bulk sample.

Cyanide leach tests were also conducted to investigate the gold and silver extractions from various samples, including head samples, flotation concentrates, flotation tailings and gravity concentrates. In general, most of the sample responded reasonably well to direct cyanidation, excluding a few of samples containing higher contents of graphite (carbon), arsenic, or electrum. Cyanide leach process was not recommended for the feasibility study.

The test results suggest that the gold and silver recovery flowsheet for the mineralization should include gravity concentration, bulk rougher and scavenger flotation, rougher and scavenger concentrate regrinding, followed by cleaner flotation.

Mineral Processing

The process flowsheet developed for the Brucejack Property mineralization is a combination of conventional bulk sulphide flotation and gravity concentration to recover gold and silver. The processing plant will produce a gold-silver bearing flotation concentrate and gold-silver doré that will be produced by melting the gravity concentrate produced from the gravity concentration circuits. Based on the LOM average, the recovery process is estimated to produce approximately 5,600 kg of gold and 1,900 kg of silver as doré per year and 44,000 t of gold-silver bearing flotation concentrate per year from the mill feed, grading 14.1 g/t gold and 57.7 g/t silver. The estimated gold recoveries to the doré and flotation concentrate are 43.3% and 53.4%, respectively, totalling 96.7%. The estimated silver recoveries reporting to the doré and flotation concentrate are 3.5% and 86.5%, respectively, totalling 90.0%. The LOM average gold and silver contents of the flotation concentrate are anticipated to be approximately 157 g/t gold and 1,000 g/t silver. The flotation concentrate will be shipped off site to a smelter for further treatment to recover the gold and silver.

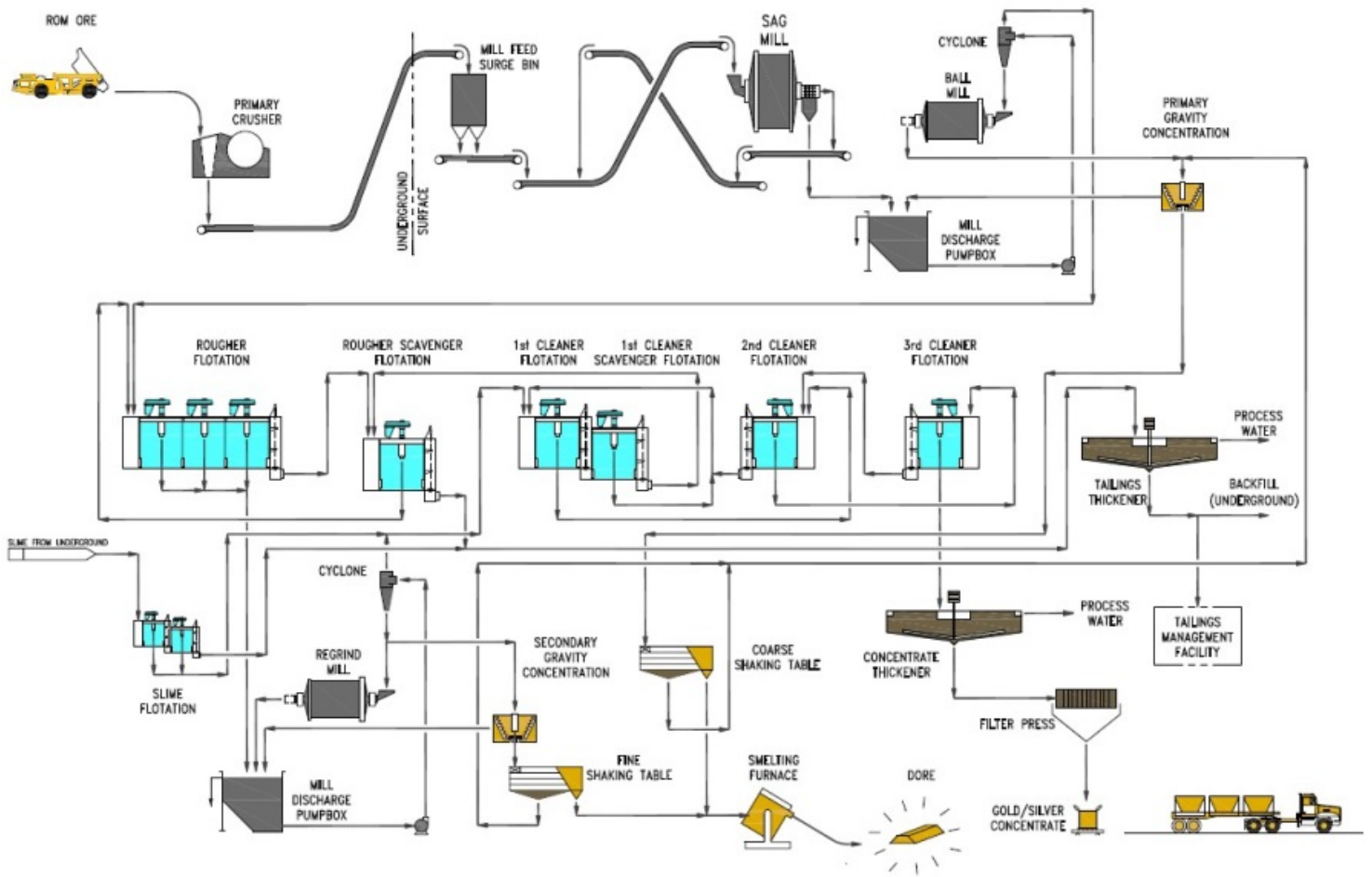
The process plant will consist of:

-) one stage of crushing (located underground);
-) a surge bin with a live capacity of 2,500 t on surface;
-) a semi-autogeneous grinding (SAG) mill and ball mill primary grinding circuit integrated with gravity concentration;
-) rougher flotation and rougher/scavenger flotation followed by rougher flotation concentrate regrinding; and
-) cleaner flotation processes.

A gravity concentration circuit will also be incorporated in the bulk concentrate regrinding circuit. The final flotation concentrate will be dewatered, bagged, and trucked to the transload facility in Terrace, British Columbia. It is expected that the flotation concentrate will be loaded in bulk form into rail cars for shipping to a smelter located in eastern Canada. The gravity concentrate will be refined in the gold room on site to produce gold-silver doré.

A portion of the flotation tailings will be used to make paste for backfilling the excavated stopes in the underground mine, and the balance will be stored in Brucejack Lake. The water from the thickener overflows will be recycled as process make-up water. Treated water from the water treatment plant will be used for mill cooling, gland seal service, reagent preparation, and make-up water.

BRUCEJACK FEASIBILITY STUDY UPDATE PROCESS FLOWSHEET



Mining Method

The underground mine design is largely unchanged from the previous feasibility study, supporting the extraction of 2,700 t/d of ore via transverse long hole open stoping (“LHOS”) and longitudinal LHOS. Paste backfill and modern trackless mobile equipment will be used. Mine access will be by a main decline from a surface portal close to the concentrator. A second decline will be dedicated to conveying crushed ore directly to the concentrator via two conveyors with a combined length of 800 m. There will be a two-year pre-production development period, with steady-state production being reached by the end of Year 2 of an 18-year LOM. The development and production sequence prioritizes high-grade areas while ramping up overall mine tonnage to the steady state, averaging approximately 980,000 t/a through to Year 16.

Geotechnical designs and recommendations are based on the results of site investigations, and geotechnical assessments that include rock mass characterization, structural geology interpretations, excavation and pillar stability analyses, and ground support design.

The groundwater flow system was conceptualized to provide inflow estimates to mine workings. These estimates referenced results of site investigations and hydrogeologic testing and were used to size dewatering equipment and as input to the process water balance.

Underground manpower will consist of technical staff, mining crews, mechanics, electricians, and other support personnel. Pre-production manpower will be supplied by a contractor, except personnel required for maintenance and technical support. Total manpower required for full production is 351, with up to 176 personnel on site at any given time.

The ventilation system is designed to meet British Columbia regulations. Permanent surface fans will be located at the portals of the twin, intake declines. All intake air entering the mine will be heated above freezing point.

Paste fill distribution design is based on a dual pumping system. A positive displacement pump in the paste fill plant will provide paste to all of the West Zone and the lower zones of the Valley of the Kings. The paste plant pump will also feed a booster pump located near the main access point to the Valley of the Kings area located on 1,320 Level.

Ore will be trucked from working areas to an underground crusher and then transferred to surface via two, 1.07 metres wide conveyors. Waste rock will be disposed in the underground mine whenever possible, with the balance trucked to surface for disposal in Brucejack Lake.

The mine will be dewatered using a dirty water system of sumps and pumps. Submersible and centrifugal pumps will be used for development and permanent mine operations. Solids captured in the main collection sump will be pumped to the mill for residual gold recovery. For underground worker safety, both permanent and portable refuge stations are planned. The emergency warning system will include phones, cap lamp warning system, and stench gas.

The total project initial mining capital during the pre-production period, including a 10% contingency, is estimated at \$240 million. Sustaining mining capital of \$280 million has been estimated for the production period. The total underground operating cost over the LOM is estimated to be \$1,512 million, at an average LOM cost of \$91.34/t.

Mineral Resource and Mineral Reserve Estimates

The West Zone resource estimate remains unchanged from the Mineral Resource estimate announced April 3, 2012, and filed on SEDAR April 30, 2012 (see Table 2 below).

In December 2013, Snowden completed a Mineral Resource estimate for the Valley of the Kings Zone of the Brucejack Project.

This December 2013 estimate was an update of the previous November 2012 Mineral Resource estimate and included over 40,000 metres of additional drilling, including 24 surface drillholes (5,200 metres) and 409 underground drillholes (38,840 metres) drilled in support of the underground bulk sample. In addition to the drilling, a 10,000 tonne bulk sample was processed through a mill and detailed test work has been carried out to both validate the previous Mineral Resources and refine the estimation process for the updated Mineral Resource.

The result of the test work is an improved confidence in both the geological model and the grade estimate, with the definition of Measured Resources as part of the December 2013 Mineral Resource.

Bulk Sample Test Work

In 2013, Pretivm excavated a bulk sample from within the Valley of the Kings to further evaluate the geological interpretation and provide a comparison with the results from the Mineral Resource estimate. The location of the proposed bulk sample was selected to be representative of the grade and character of the typical mineralization in the Valley of the Kings.

The design of the bulk sample was limited by provincial legislation to a maximum allowable bulk sample size of 10,000 t. The bulk sample was collected as a series of nominal 100-t rounds in underground development. Pretivm elected to process the bulk sample both through a sample tower on site and at a custom mill (Contact Mill) in Montana, U.S.A. In Snowden's opinion, the results of assaying of the samples from the sample tower provided an unacceptable degree of variation in the results due to the coarse gold nature of the mineralization and this information was not used further.

Prior to the December 2013 Mineral Resource estimate, the mill results from the underground bulk sample processing were used to investigate the local accuracy of the November 2012 Mineral Resource estimate within the Valley of the Kings, and to determine whether the estimation methodology could be improved for the December 2013 Mineral Resource estimate.

A series of statistical tests were run to determine whether any bias exists between the surface diamond drilling, underground diamond drilling, underground channel samples, and chip samples. No significant difference/bias, based on the statistical analysis, was evident between the different sample types.

However, additional test work in the estimation did display some bias caused by directional drilling in the area of the bulk sample. The underground drilling had been aligned in a north-south orientation which is consistent with the orientation of some high-grade mineralization identified in the bulk sample, resulting in under sampling of this mineralization. Removal of the underground drillholes resulted in an increase in the grade of the local estimate.

While there is no bias evident between the channel samples and the drilling, the location of numerous channel samples in the centre of some of the higher-grade mineralization does result in a local overestimation around the bulk sample crosscuts. Consequently, the decision was made not to use the channel samples for the final mineral resource estimate.

The final metal and tonnes from the mill accounting were compared to those predicted by the November 2012 Mineral Resource estimate for each drive to assess the effectiveness of the resource modelling process. This test work has in part relied on comparisons between the test estimates and results from the bulk sample processing. However, readers of this AIF and the Brucejack Report should be warned that there is a significant difference in the sample support for the resource estimate (each block in the resource estimate represents 2,700 t whereas the bulk sample packages are around 100 t), and the grade is not homogenous throughout any block. In other words, the grade can vary from a high-grade side of the block to a low-grade side of the block, whereas the block grade represents an average of the whole block. If the bulk sample happens to take a high-grade part of the block, then the comparison will look like the resource estimate under-estimated the grade, and conversely if the bulk sample takes a low-grade part of the block, then the comparison will look like the resource estimate over-estimated the grade in the block. Whilst it is not entirely valid to compare the results of the bulk sample with the resource estimate (given the different sample support) locally, it does provide the best opportunity to fine-tune the estimate to some hard data. The reader should be warned that the results are only used to give some local perspective to the grade estimates.

The results indicated that the November 2012 Mineral Resource underestimated the total metal content in the bulk sample by about 10%. In more detail, the November 2012 Mineral Resource estimated high-grade into lower-grade areas, and low-grade into the high-grade areas, a result of extrapolating the high-grade values around the high-grade core. This extrapolation of high-grade values was based on the nature of the mineralization and the interpreted continuity of the high grades.

Based on the bulk sample comparisons, Snowden concluded that the November 2012 Mineral Resource was a good representation of the contained metal within the Valley of the Kings deposit and satisfactory for mining studies based around bulk underground mining, but that it was not locally accurate at the 10 metre block scale. As a result further test work was undertaken to adjust the estimation method for the December 2013 Mineral Resource, to produce an estimate that is more responsive to the local scale grade variations.

Mineral Resource Estimate

The mineralization in the Valley of the Kings exists as steeply dipping semi-concordant (to stratigraphy) and discordant pod-like zones hosted in stockwork vein systems within the volcanic and volcanoclastic sequence. High grade mineralization zones appear to be spatially associated, at least in part, with intensely silicified zones resulting from local silica flooding and over-pressure caprock formation. High grade mineralization occurs both in the main east-west trending vein stockwork system, as well as in the rarer north-south trending part of the system. Snowden notes that the Company has taken these various observations into consideration in its interpretation of the mineralization domains for the Valley of the Kings.

A threshold grade of 0.3 g/t Au was found to generally identify the limits to the broad zones of mineralization as represented in the drill cores at West Zone and the Valley of the Kings. In the Valley of the Kings, a 1 g/t Au to 3 g/t Au threshold grade was used together with the Company's interpretation of the lithological domains, to interpret high grade corridors within the broader mineralized zones, and define a series of mineralized domains for estimation.

All data was composited to the dominant sample length of 1.5 meter prior to analysis and estimation. Statistical analysis of the gold and silver data was carried out by lithological domain (at the Valley of the Kings) and mineralized domain. Review of the statistics indicated that the grade distributions for the mineralization within the different lithologies are very similar and as a result these were combined for analysis. This is in agreement with field observations which indicate that the stockwork mineralization is superimposed on the stratigraphic sequence. The summary statistics of composite samples from all domains exhibit a strong positive skewness with high coefficient of variation and some extreme grades.

Because of the extreme positive skew in the histograms of the gold and silver grades within the high grade domains, Snowden elected to use a non-linear approach to estimation, employing the use of indicator and truncated distribution kriging. In this approach, the proportion of high grade in a block was modelled, as was the grade of the high grade portion, and the grade of the low grade portion.

The high grade population, which contains a significant number of samples with extreme grades, required indicator kriging methods for grade estimation. The low grade population was estimated using ordinary kriging on the truncated (low grade; <5 g/t Au and <50 g/t Ag) part of the grade distribution.

Density was estimated using simple kriging of specific gravity measurements determined on sample pulps by ALS Chemex.

Grade estimates and models were validated by: undertaking global grade comparisons with the input drillhole composites; visual validation of block model cross sections; grade trend plots; and comparing the results of the model to the bulk sample cross cuts.

The resource classification definitions (Measured, Indicated, Inferred) used for this estimate are those published by the Canadian Institute of Mining, Metallurgy and Petroleum in their document "CIM Definition Standards".

In order to identify those blocks in the block model that could reasonably be considered as a Mineral Resource, the block model was filtered by a cut-off grade of 5 g/t AuEq. The gold-equivalent calculation used is: $AuEq = Au + (Ag/53)$. These blocks were then used as a guide to develop a set of wireframes defining coherent zones of mineralization which were classified as Measured, Indicated or Inferred and reported (Table 1 and Table 2).

Classification was applied based on geological confidence, data quality and grade variability. Areas classified as Measured Resources at West Zone are within the well-informed portion where the resource is informed by 5 meter by 5 meter or 5 meter by 10 meter spaced drilling. Measured Resources within Valley of the Kings are informed by 5 meter by 10 meter to 10 meter by 10 meter underground fan drilling and restricted to the vicinity of the underground bulk sample.

Areas classified as Indicated Resources are informed by drilling on a 20 meter by 20 meter to 20 meter by 40 meter grid within West Zone and Valley of the Kings. In addition, some blocks at the edge of the areas with 20 meter by 20 meter to 20 meter by 40 meter drilling, were downgraded to Inferred where the high grades appear to have too much influence. The remainder of the Mineral Resource is classified as Inferred Resources where there is some drilling information (and within around 100 metres of drilling) and the blocks occur within the mineralized interpretation.

Areas where there is no informing data and/or the lower grade material is outside of the mineralized interpretation are not classified as a part of the Mineral Resource.

Resource Reporting

The Mineral Resources are reported above a cut-off grade of 5 g/t gold equivalent (AuEq) which reflects the potential economics of a high grade underground mining scenario. The AuEq value for each block is consistent with the November 2012 Mineral Resource. In that evaluation, the AuEq value was calculated according to the formula ($AuEq = Au + Ag/53$) based upon prices of US\$1,590/oz and US\$30/oz for gold and silver respectively. Recoveries for gold and silver are assumed to be similar.

High grade Mineral Resources for the Valley of the Kings and the West Zone are summarized in Table 1 and Table 2 respectively (below).

Table 1
Valley of the Kings Mineral Resource estimate
based on a cut-off grade of 5 g/t AuEq – December 2013⁽¹⁾⁽⁴⁾⁽⁵⁾

| Category | Tonnes (millions) | Gold (g/t) | Silver (g/t) | Contained ⁽³⁾ | |
|-------------------------|-------------------|------------|--------------|--------------------------|--------------|
| | | | | Gold (Moz) | Silver (Moz) |
| Measured | 2.0 | 19.3 | 14.4 | 1.2 | 0.9 |
| Indicated | 13.4 | 17.4 | 14.3 | 7.5 | 6.1 |
| M + I | 15.3 | 17.6 | 14.3 | 8.7 | 7.0 |
| Inferred ⁽²⁾ | 5.9 | 25.6 | 20.6 | 4.9 | 3.9 |

- (1) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues. The Mineral Resources in this AIF were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
- (2) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.
- (3) Contained metal and tonnes figures in totals may differ due to rounding.
- (4) The Mineral Resource estimate stated in Table 1 and Table 2 is defined using 5 metre by 5 by 5 metre blocks in the well drilled portion of West Zone (5 metre by 10 metre drilling or better) and 10 metre by 10 metre by 10 metre blocks in the remainder of West Zone and in Valley of the Kings.
- (5) The gold equivalent value is defined as $AuEq = Au + Ag/53$.

Table 2
West Zone Mineral Resource estimate
based on a cut-off grade of 5 g/t AuEq – April 2012 ⁽¹⁾⁽⁴⁾⁽⁵⁾

| Category | Tonnes (millions) | Gold (g/t) | Silver (g/t) | Contained ⁽³⁾ | |
|-------------------------|-------------------|------------|--------------|--------------------------|--------------|
| | | | | Gold (Moz) | Silver (Moz) |
| Measured | 2.4 | 5.85 | 347 | 0.5 | 26.8 |
| Indicated | 2.5 | 5.86 | 190 | 0.5 | 15.1 |
| M+I | 4.9 | 5.85 | 267 | 0.9 | 41.9 |
| Inferred ⁽²⁾ | 4.0 | 6.44 | 82 | 0.8 | 10.6 |

(1), (2), (3), (4) and (5) - See footnotes to Table 1.

Mineral Reserve Estimates

The mine design and Mineral Reserve estimate have been completed to a level appropriate for feasibility studies. The Mineral Reserve estimate stated herein is consistent with CIM Standards on Mineral Resources and Mineral Reserves. As such, the Mineral Reserves are based on Measured and Indicated Resources and do not include any Inferred Resources.

The Mineral Reserves were developed from the resource model “bjbm_1313_v11_cut”, which was provided to AMC by Snowden, on behalf of Pretivm, in February 2014.

A net smelter return (NSR) cut-off grade of \$180/t of ore was used to define the Mineral Reserves (as used in previous studies). The NSR for each block in the resource model was calculated as the payable revenue for gold and silver, less refining, concentrate treatment, transportation, and insurance costs. The metal price assumptions are US\$1,100/oz gold and US\$17/oz silver. Costs assume a C\$ to US\$ exchange rate of 0.92.

The NSR contributions for both flotation concentrate and doré were calculated individually, combined, and assigned to each block in the resource model.

Dilution and Recovery Estimates

In the evaluation of Mineral Reserves, modifying factors were applied to the tonnages and grade of all mining shapes (both stoping and development) to account for the dilution and ore losses that are experienced at all mining operations.

Ore dilution includes overbreak into the design hanging wall and design footwall, and also into adjacent backfilled stopes. Diluting materials are assumed to carry no metal values in the estimation of Mineral Reserve grades.

The largest component of dilution at Brucejack will be paste backfill due to its inherently weaker strength compared to the hanging wall and footwall rock masses for any given dimensions of exposure.

Ore losses (recovery factors) are related to the practicalities of extracting ore under varying conditions, including difficult mining geometry, problematic rock conditions, losses in fill, and blasting issues.

The dilution factors were calculated from standard overbreak assumptions that are based on AMC's experience and benchmarking of similar long-hole open stope operations.

-) Longhole stopes (primary, secondary, tertiary) carry 1.0 metre of dilution from paste or country rock overbreak into the design hanging wall and design footwall, and 0.3 metre of backfill dilution from the floor.
-) Secondary or tertiary stopes carry an additional 1.0 metres of backfill dilution on each wall that exposes a primary stope.
-) Sill pillar stopes are treated as secondary stopes, given the additional backfill dilution that can be expected from the roof.
-) Ore cross-cuts carry 0.5 metre of dilution from rock overbreak into the design hanging wall and design footwall.
-) Production slashing of secondary stopes carries 0.5 metres of backfill dilution on each wall that exposes a primary stope.

Mineral Reserves

Mineral Reserves tabulated by zone and by reserve category are presented below.

The mining blocks divide the Mineral Reserves into logical parcels consistent with the mining sequence, and form the basis of the LOM development and production schedule.

Brucejack Mineral Reserves* by Zone and by Reserve Category (June 19, 2014)

| Zone | | Ore Tonnes (Mt) | Grade | | Metal | |
|--------------------------|--------------|-----------------------|-------------|-------------|-------------|-------------|
| | | | Au (g/t) | Ag (g/t) | Au (Moz) | Ag (Moz) |
| Valley of the Kings Zone | Proven | 2.1 | 15.6 | 12 | 1.1 | 0.8 |
| | Probable | 11.5 | 15.7 | 10 | 5.8 | 3.9 |
| | Total | 13.6 | 15.7 | 11 | 6.9 | 4.6 |
| West Zone | Proven | 1.4 | 7.2 | 383 | 0.3 | 17.4 |
| | Probable | 1.5 | 6.5 | 181 | 0.3 | 8.6 |
| | Total | 2.9 | 6.9 | 279 | 0.6 | 26.0 |
| Total Mine | Proven | 3.5 | 12.2 | 161 | 1.4 | 18.2 |
| | Probable | 13.0 | 14.7 | 30 | 6.1 | 12.5 |
| | Total | 16.5 | 14.1 | 58 | 7.5 | 30.7 |

Note: *Rounding of some figures may lead to minor discrepancies in totals. Based on C\$180/t cut-off grade, US\$1,100/oz gold price, US\$17/oz silver price, C\$/US\$ exchange rate = 0.92.

Brucejack Mineral Reserves* by Mining Block (June 19, 2014)

| Mining Block | Ore Tonnes (Mt) | NSR (\$/t) | Grade | | Contained Metal | |
|----------------------------|-----------------------|---------------|-------------|-------------|-----------------|-------------|
| | | | Au (g/t) | Ag (g/t) | Au (Moz) | Ag (Moz) |
| Valley of the Kings Upper | 4.3 | 578 | 16.9 | 12 | 2.3 | 1.6 |
| Valley of the Kings Middle | 5.7 | 503 | 14.9 | 10 | 2.7 | 1.9 |
| Valley of the Kings Lower | 3.7 | 530 | 15.5 | 9 | 1.8 | 1.1 |
| Valley of the Kings | 13.6 | 534 | 15.7 | 11 | 6.9 | 4.6 |
| WZ Upper | 0.6 | 304 | 4.2 | 407 | 0.1 | 8.0 |
| WZ Lower | 2.3 | 350 | 7.6 | 245 | 0.6 | 18.1 |
| WZ | 2.9 | 340 | 6.9 | 279 | 0.6 | 26.0 |
| Mining Block Total | 16.5 | 500 | 14.1 | 58 | 7.5 | 30.7 |

Note: *Rounding of some figures may lead to minor discrepancies in totals. Based on C\$180/t cut-off grade, US\$1,110/oz gold price, US\$17/oz silver price, C\$/US\$ exchange rate = 0.92.

Project Infrastructure

The Brucejack Project will require the development of a number of infrastructure items. The locations of project facilities and other infrastructure items were selected to take advantage of local topography, accommodate environmental considerations, and ensure efficient and convenient operation of the mine haul fleet.

Project infrastructure will include:

-) a 79 km access road at Highway 37 and travelling westward to Brucejack Lake with the last 12 km of access road to the mine site traversing the main arm of the Knipple Glacier;
-) internal site roads and pad areas;
-) grading and drainage;
-) avalanche hazard assessment;
-) mill building and process plant;
-) mine site operation camp;
-) transmission line and substation;
-) ancillary facilities;
-) water supply and distribution;
-) water treatment plant;
-) waste disposal;
-) tailings delivery system;
-) Brucejack Lake outlet control;
-) communications;
-) power supply and distribution;
-) fuel supply and distribution; and
-) off-site infrastructure including the Bowser Airstrip and Camp and the Knipple Transfer Station facilities.

Avalanche Hazard Assessment

An avalanche hazard assessment has been completed for the Brucejack Project. Mine site facilities and access routes are exposed to approximately 14 avalanche paths or areas, and the preliminary transmission line alignment crosses several avalanche paths. Avalanche magnitude and frequency varies depending on location. Potential consequences of avalanches reaching the Brucejack mine facilities, transmission line, worksites, and roads include damage to infrastructure, worker injury (or fatality), and project delays. Potential consequences of static snow loads on transmission towers include damage to towers and foundations, and potential loss of electrical service to the mine. Without mitigation to the effects of avalanches and static snow loading, there is a high likelihood of some of the above consequences affecting operations on an annual basis.

Avalanche mitigation for the Brucejack Project includes location planning, in order to avoid placement of facilities in avalanche hazard areas. For areas where personnel and infrastructure may be exposed, an avalanche management program will be implemented for mine operations during avalanche season (October through June). The program will utilize an Avalanche Technician team to determine periods of elevated avalanche hazard and provide recommendations for closures of hazard areas. The options for reducing control include explosive control, or waiting for natural settlement. Areas that are expected to have increased frequency of hazard and consequences will be evaluated for the installation of the remote avalanche control system (“**RACS**”) in order to allow for avalanche explosive control during reduced visibility (darkness and during storms). An allowance has been made in the capital and operating cost estimates for six RACs.

Transmission Line

For the Brucejack transmission line, we retained Valard to review potential routes and develop an initial design for the transmission line to the Brucejack Project site, based on Valard’s current experience in the area. To this end, Valard reviewed potential routes and determined the preferred route to be an extension from an existing transmission line from a hydro generation facility to the south (near Stewart, British Columbia) to the Brucejack Project site. Based on the terrain and the expected construction conditions, single steel monopole towers are recommended for the design.

Site review indicates that the hazards in the area can be avoided through diligent siting of the tower structures and any structures exposed to hazards are expected to be designed to accommodate impact pressures. Worker risks are expected to be controlled by way of an active snow avalanche risk program.

Tailings Delivery System

Approximately one half of the tailings produced by mine operations will be stored underground as paste backfill and approximately one half will be placed on the bottom of Brucejack Lake. Tailings will be pumped from the tailings thickener at the process plant by slurry pipeline to the lake in a manner which will minimize suspended solids concentrations at the lake outlet. Fine particulate solids may also be suspended in the lake surface layer if fine waste rock is placed in the lake. Investigations on minimizing or eliminating this source of suspended solids in the lake outflow are underway.

Environmental

We are committed to operating the mine in a sustainable manner and according to our guiding principles. Every reasonable effort will be made to minimize long-term environmental impacts and to ensure that the Brucejack Project provides lasting benefits to local communities while generating substantial economic and social advantages for shareholders, employees, and the broader community. We respect the traditional knowledge of the Aboriginal peoples who have historically occupied or used the Brucejack Project area.

The Brucejack Project area ecosystem is relatively undisturbed by human activities. Our objective is to retain the current ecosystem integrity as much as possible during the construction and operation of the Brucejack Project. Upon closure and reclamation of the Brucejack Project, the intent will be to return the disturbed areas to a level of productivity equal to or better than that which existed prior to project development, and for the end configuration to be consistent with pre-existing ecosystems to the extent possible.

2014 Capital Cost Estimate

The Brucejack Report estimated total initial capital cost for the design, construction, installation, and commissioning of the Brucejack Project as US\$746.9 million (the "2014 Capital Cost Estimate"). A summary breakdown of the initial capital cost, including direct costs, indirect costs, owner's costs, and contingency is provided below.

Summary of 2014 Capital Cost Estimate

| Major Area | Area Description | Capital Cost (US\$ million) |
|-----------------------------------|--------------------------------------|-----------------------------|
| Direct Costs | | |
| 11 | Mine Site | 21.5 |
| 21 | Mine Underground | 179.5 |
| 31 | Mine Site Process | 53.8 |
| 32 | Mine Site Utilities | 30.5 |
| 33 | Mine Site Facilities | 53.5 |
| 34 | Mine Site Tailings | 3.5 |
| 35 | Mine Site Temporary Facilities | 33.4 |
| 36 | Mine Site (Surface) Mobile Equipment | 14.6 |
| 84 | Off Site Infrastructure | 89.1 |
| Subtotal Direct Costs | | 479.4 |
| 91 | Indirect Costs | 127.5 |
| 98 | Owner's Costs | 71.0 |
| 99 | Contingency | 69.0 |
| Total Initial Capital Cost | | 746.9 |

Note: Numbers may not add due to rounding.

The purpose of the 2014 Capital Cost Estimate was to provide feasibility-level input to the Brucejack Project financial model.

The 2014 Capital Cost Estimate is a Class 3 feasibility cost estimate prepared in accordance with the standards of the Association for the Advancement of Cost Engineering International (the "AACE"). The estimated degree of project definition meets or exceeds 30%. The accuracy of this estimate is deemed to be -15%/+20%. There was no deviation from the AACE's recommended practices in the preparation of this estimate.

The 2014 Capital Cost Estimate was prepared with a base date of Q2 2014 and did not include any escalation beyond this date. The quotations used for were obtained in Q2 2014, with a validity period of 90 days.

The 2014 Capital Cost Estimate used U.S. dollars as the base currency. Foreign exchange rates were applied as required. Duties and taxes and taxes are not included in the estimate. This estimate is divided into four general sections (direct costs, indirect costs, owners' costs and contingency) and was developed based largely on first principles from a design, planning, and cost basis.

Operating Costs

In the Brucejack Report, the total LOM average operating cost for the Brucejack Project was estimated at \$163.05/t ore milled which includes for:

-) mining;
-) process;
-) general and administration (G&A);
-) surface services;
-) backfill, including paste preparation; and
-) water treatment.

The operating costs exclude sustaining capital costs, off-site costs (such as shipping and smelting costs), taxes, or other government imposed costs, unless otherwise noted.

A total of 593 personnel were projected to be required for the Brucejack Project. The unit cost estimates are based on the LOM ore production and a mine life of 18 years. The currency exchange rate used for the estimate was 1.00:0.92 (C\$/US\$). The operating cost for the Brucejack Project has been estimated in Canadian dollars within an accuracy range of ±15%.

Economic Analysis

In the Brucejack Report, Tetra Tech prepared an economic evaluation of the Brucejack Project based on a pre-tax financial model. For the 18-year LOM and 16.55 Mt of mine plan tonnage, the following pre-tax financial parameters were calculated:

-) 34.7% internal rate of return ("IRR");
-) 2.7-year payback on the US\$746.9 million initial capital; and
-) US\$2,251 million net present value (NPV) at a 5% discount rate.

A post-tax economic evaluation of the Brucejack Project was prepared with the inclusion of applicable taxes. The following post-tax financial parameters were calculated:

-) 28.5% IRR;
-) 2.8-year payback on the US\$746.9 million initial capital; and
-) US\$1,445 million NPV at a 5% discount rate.

The base case metal prices and exchange rate used for the Brucejack Technical Report are as follows:

-) gold – US\$1,100/oz
-) silver – US\$17.00/oz
-) exchange rate – 0.92:1.00 (US\$:C\$).

Project Execution Plan

The Brucejack Project will take approximately 33 months to complete from the start of basic engineering, through construction, to introduction of first material into the mill. A further two months is planned for commissioning and production ramp-up. The Brucejack Project execution schedule was developed to a Level 2 detail of all activities required to complete the Brucejack Project.

The Brucejack Project will transition from the study phase to basic engineering during the third quarter of 2014 and will move forward in the following phases:

-) Stage I – early works including mine development, the EAC application, permitting, access road upgrades, preliminary power transmission line right-of-way, basic engineering, and the procurement of long-lead equipment.
-) Stage II – full project execution (following permit approval), including detailed engineering, procurement, construction team mobilization, construction, and commissioning.

2016 Capital Cost and Project Economics Update

On February 17, 2016, we announced the 2016 Cost and Project Economics Update. On achieving our 60% engineering milestone, a capital cost estimate was carried out to update the aforementioned cost estimate. The estimated total project capital cost to complete design, construction, installation and commissioning, including contingencies and working capital, is US\$696.8 million.

Working capital for the three-month period of post-plant commissioning and initial gold production covers the cost of operations, but does not take into account any revenue generated during this period. The working capital estimate also covers the costs for prepayments related to electrical power and permitting, including US\$9 million in government fees and bonds.

A summary of capital costs from the 2016 Cost Estimate in comparison with the estimate contained in the Brucejack Technical Report is presented in the table below.

Capital Costs Summary Comparison

| | Updated Estimate (US\$ million) ⁽¹⁾ | Feasibility Study Estimate (US\$ million) ^{(2) (3)} |
|--------------------------------|---|---|
| Mine underground | 101.4 | 151.7 |
| Mine site ⁽⁴⁾ | 165.3 | 183.6 |
| Offsite Infrastructure | 81.0 | 85.9 |
| Total Direct Costs | 347.7 | 421.2 |
| Indirect Costs | 97.5 | 106.7 |
| Owner's Costs | 160.3 | 150.0 |
| Contingency ⁽⁵⁾ | 35.3 | 69.0 |
| Total Capital Cost | 640.8 | 746.9 |
| Working Capital | 56.0 | — ⁽⁶⁾ |
| Total Construction Cost | 696.8 | 746.9 |

(1) US\$0.75:C\$1

(2) US\$0.92:C\$1

(3) Certain costs were re-classified to conform to updated estimate categories/presentation.

(4) Includes mine site, mine site process, mine site utilities, mine site facilities, tailings facilities, mine site temporary facilities and surface mobile equipment.

(5) Contingency has been reduced to US\$35,300,000 based on 60% level of engineering and significant commitments now in place.

(6) Working capital was included in the financial model, but not in capital cost estimate.

The 2016 Updated Summary of Brucejack Economic Results by metal price is shown in the table below.

Summary of Brucejack Economic Results by Metal Price – February 2016 Update^(7, 8)

| | Low Case | Base Case | High Case |
|---|---|---|---|
| Gold Price (US\$/ounce) | \$800 | \$1,100 | \$1,400 |
| Silver Price (US\$/ounce) | \$10.00 | \$14.00 | \$18.00 |
| Net Cash Flow (US\$) | \$2.21 billion (pre-tax) \$1.53 billion (post-tax) | \$4.31 billion (pre-tax) \$2.88 billion (post-tax) | \$6.42 billion (pre-tax) \$4.23 billion (post-tax) |
| Net Present Value⁽⁹⁾ (5.0% discount) (US\$) | \$1.09 billion (pre-tax) \$0.72 billion (post-tax) | \$2.36 billion (pre-tax) \$1.55 billion (post-tax) | \$3.63 billion (pre-tax) \$2.36 billion (post-tax) |
| Internal Rate of Return | 20.2% (pre-tax) 16.8% (post-tax) | 33.0% (pre-tax) 27.4% (post-tax) | 43.8% (pre-tax) 36.3% (post-tax) |
| Payback (from start of production period) | 4.9 years (pre-tax) 5.0 years (post-tax) | 3.4 years (pre-tax) 3.5 years (post-tax) | 2.7 years (pre-tax) 2.8 years (post-tax) |
| Exchange Rate (US\$:C\$) | 0.75 | 0.75 | 0.75 |

(7) Includes impact from financing announced Sept 15, 2015.

(8) Financing impact assumes repayment of debt facility at maturity, exercise of maximum buyout options for offtake and stream facilities at December 31, 2018.

(9) NPV is discounted to December 31, 2015.

RISK FACTORS

Investing in the securities of the Company is speculative and involves a high degree of risk due to the nature of our business and the present stage of its development. The following risk factors, as well as risks currently unknown to us, could materially adversely affect our future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking information relating to the Company, or our business, property or financial results, each of which could cause purchasers of our securities to lose part or all of their investment. You should carefully consider the following risk factors along with other risk factors included elsewhere in the AIF.

Risks Related to the Business of the Company

The Company is subject to lawsuits that could divert its resources and result in the payment of significant damages and other remedies.

The Company is engaged as a defendant in several class action lawsuits filed by certain shareholders of the Company. Litigation resulting from these claims could be costly and time-consuming and could divert the attention of management and key personnel from our business operations. We cannot assure that we will succeed in defending any of these claims and those judgments will not be entered against us with respect to the litigation resulting from such claims. If we are unsuccessful in our defense of these claims or unable to settle the claims in manner satisfactory to us, we may be faced with significant monetary damages or injunctive relief against us that could have a material adverse effect on our business and financial condition.

As of the date hereof, we are aware of legal proceedings in Ontario and in New York, as more particularly described in the section entitled "Legal Proceedings" on page 73 of this AIF and in our Management's Discussion & Analysis of our financial condition and results of operations for the year ended December 31, 2015.

Our indebtedness may adversely affect our cash flow and our ability to operate our business.

The Company has a substantial amount of indebtedness as a result of its entering into the Credit Agreement. As a result of this indebtedness, we are required to use a portion of our cash flow to service principal and interest on our debt. The Company's indebtedness could have adverse consequences for the Company, including: limiting our ability to obtain additional financing for working capital, capital expenditures, exploration and development, debt service requirements, acquisitions and general corporate or other purposes; restricting our flexibility and discretion to operate our business; having to dedicate a portion of the Company's cash flows from future mining operations, if any, to the payment of interest on its indebtedness and not having such cash flows available for other purposes; exposing the Company to increased interest expense on borrowings at variable rates; limiting our ability to adjust to changing market conditions; placing us at a competitive disadvantage compared to competitors that have less debt or greater financial resources; making the Company vulnerable in a downturn in general economic conditions; and preventing our ability to make expenditures that are important to our growth and strategies.

The ability of the Company to meet its debt service requirements will depend on its ability to generate cash from mining activities. There can be no assurance that we will generate cash flow in amounts sufficient to pay outstanding indebtedness or to fund any other liquidity needs. If the cash generated from mining activities is insufficient to meet the obligations to pay interest and principal under the Credit Agreement the lenders may exercise their rights under the security arrangements of the Credit Agreement, which could result in a loss or substantial reduction in the value of the principal assets of the Company.

The future performance of the Company will be affected by a range of economic, competitive, governmental, operating and other business factors, many of which cannot be controlled, such as general economic and financial conditions in the industry or the economy at large. A significant reduction in operating cash flows resulting from changes in economic conditions, increased competition or other events could increase the need for additional or alternative sources of liquidity and could have a material adverse effect on the business, financial condition or results of operations, as well as the Company's ability to service its debt and other obligations. If we are unable to service our indebtedness or fulfil our other obligations under the Credit Agreement, we will be forced to adopt an alternative strategy that may be less attractive to the Company and include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing indebtedness or seeking equity capital. In addition, any failure to make scheduled payments of interest and principal on outstanding indebtedness is likely to result in a reduction of credit rating, which could harm our ability to incur additional indebtedness on acceptable terms.

We may be unable to satisfy our commitments under the Stream Agreement and Offtake Agreement and failure to do so may have a material and adverse effect on the Company.

Our ability to make deliveries under the Stream Agreement and Offtake Agreement is dependent on our ability to successfully complete construction and place the Brucejack Project into production, as well as the Company's financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control.

If the Company's cash flows and capital resources are insufficient to complete construction and place the Brucejack Project into production, we could face substantial liquidity problems and could be forced to reduce or delay investment and capital expenditures or to dispose of material assets or operations, or seek additional debt or equity capital. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternatives may not allow us to meet our delivery obligations under the Stream Agreement and Offtake Agreement. If the Company does not meet its delivery obligations within the term of the Stream Agreement the uncredited balance of the Deposit paid to the Company under the Stream Agreement shall be due and owing. Failure to otherwise fulfill our commitments under these agreements could result in adverse impacts to Pretium. See "General Development of Our Business".

If metal prices improve over time, the Offtake Agreement and Stream Agreement may reduce the Company's ability to sell its resources later at higher market prices due to its obligations under these agreements.

The Stream Agreement, Offtake Agreement and Credit Agreement contain restrictive covenants that will limit our ability to operate our business.

The restrictive covenants contained in the Stream Agreement, Offtake Agreement and Credit Agreement could have adverse consequences for the Company, including: limiting our ability to obtain additional financing for working capital, capital expenditures, exploration and development, debt service requirements, acquisitions and general corporate or other purposes; restricting our flexibility and discretion to operate our business; limiting our ability to adjust to changing market conditions; making us vulnerable in a downturn in general economic conditions; and making us unable to make expenditures that are important to our growth and strategies. The restrictive covenants contained in the Stream Agreement, Offtake Agreement and Credit Agreement will limit our operating flexibility and could prevent us from taking advantage of business opportunities. Our failure to comply with these covenants may result in an event of default. If such event of default is not cured or waived, we may suffer adverse effects on our operations, business or financial condition, including being required to return non-offset portions of the Deposit. In such a case, there can be no assurance that the assets of the Company would be sufficient to repay any non-offset portions of the Deposit in full.

Actual capital costs, operating costs and expenditures, production schedules and economic returns may differ significantly from those we have anticipated.

Our expected capital costs, operating costs and expenditures, production schedules, economic returns and other projections for the Brucejack Report which are contained in the Brucejack Technical Report, the 2016 Cost Update and Project Economics Update are based on assumed or estimated future metals prices, cut-off grades, operating costs, capital costs and expenditures and other factors that each may prove to be inaccurate. Therefore, the Brucejack Technical Report, the 2016 Cost Update and Project Economics Update may prove to be unreliable if the assumptions or estimates do not reflect actual facts and events. For example, significant declines in market prices for base and precious metals or extended periods of inflation would have an adverse effect on the economic projections set forth in the Brucejack Technical Report, the 2016 Cost Update and Project Economics Update.

Any material reductions in estimates of mineralization or increases in capital costs and expenditures, or in our ability to maintain a projected budget or renew a particular mining permit, could also have a material adverse effect on projected production schedules and economic returns, as well as on our overall results of operations or financial condition. There is also a risk that rising costs for labour and material could have an adverse impact on forecasted construction costs and that shortages of labour and material could have a negative impact on any mine development schedule. An increase in any of these costs, or a lack of availability of commodities and goods, may have an adverse impact on our financial condition and results of operations.

The Company may be required to seek additional debt or equity capital in order to complete construction at the Brucejack Project and we may not be able to access capital on commercially reasonable terms or at all and, even if successful, we may not be able to raise enough capital to allow us to fully fund the capital costs required to complete construction at the Brucejack Project.

There is uncertainty relating to production estimates.

We have prepared estimates of future production and future production costs for the Brucejack Project. No assurance can be given that production estimates will be achieved. These production estimates are based on, among other things: the accuracy of reserve estimates; the accuracy of assumptions; metallurgical characteristics; and the accuracy of estimated rates and costs of mining and processing. Actual production may vary from estimates for a variety of reasons, including, among other things: actual ore mined varying from estimates of grade, tonnage, dilution, metallurgical and other characteristics; short-term operating factors relating to the ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; risk and hazards associated with mining; natural phenomena, such as inclement weather conditions, underground floods, earthquakes, pit wall failures and cave-ins; and unexpected labour shortages or strikes. Failure to achieve production estimates could have an adverse impact on our future cash flows, earnings, results of operations and financial condition.

We have no history of commercial production and no revenue from operations. We cannot provide assurance that we will generate any operating revenues at our mineral properties in the future.

We have not commenced commercial production on any of our mineral resource properties. As such, we are subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There can be no assurance that significant losses will not occur in the near future or that we will be profitable in the future. Our operating expenses and capital expenditures may increase in the future as consultants, personnel and equipment costs associated with advancing exploration, development and commercial production of our properties increase. We expect to continue to incur losses unless and until such time, if ever, we enter into commercial production and generate sufficient revenues to fund our continuing operations. The development of the Brucejack Project will require the commitment of substantial resources. There can be no assurance that we will generate any revenues. If we are unable to generate significant revenues at the Brucejack Project, we will not be able to earn profits or continue operations. We cannot provide investors with any assurance that we will ever develop a mine at the Brucejack Project.

We have no mineral properties in production and the development of our properties will be subject to all of the risks associated with establishing new mining operations.

Development of our mineral properties will require the construction and operation of mines, processing plants and related infrastructure. As a result, we are and will continue to be subject to all of the risks associated with establishing new mining operations, including:

- the timing and cost, which can be considerable, of the construction of mining and processing facilities;

- the availability and cost of skilled labour, mining equipment and principal supplies needed for operations;
- the availability and cost of appropriate smelting and refining arrangements;
- the need to obtain and maintain necessary environmental and other governmental approvals and permits and the timing of the receipt of those approvals and permits;
- the availability of funds to finance construction and development activities;
- potential opposition from non-governmental organizations, First Nations, environmental groups, local groups or other stakeholders which may delay or prevent development activities; and
- potential increases in construction and operating costs due to changes in the cost of labour, fuel, power, materials and supplies.

The costs, timing and complexities of developing our projects may be greater than anticipated because the majority of such property interests are not located in developed areas, and, as a result, our property interests may not be served by appropriate road access, water and power supply and other support infrastructure. Cost estimates may increase as more detailed engineering work is completed on a project. It is common in new mining operations to experience unexpected costs, problems and delays during construction, development and mine start-up. Accordingly, we cannot provide assurance that our activities will result in profitable mining operations at our mineral properties.

We may not have sufficient funds to develop our mineral properties or to complete further exploration programs.

We currently generate no operating revenue, and must primarily finance exploration activity and the development of mineral properties by other means. In the future, our ability to continue exploration, and development and production activities, if any, will depend on our ability to obtain additional external financing. Any unexpected costs, problems or delays could severely impact our ability to continue exploration and development activities. Our access to financing is always uncertain.

The sources of external financing that we may use for these purposes include project or bank financing, or public or private offerings of equity and debt or any combination thereof such as the Orion and Blackstone Financing. In addition, we may enter into one or more strategic alliances or joint ventures, decide to sell certain property interests, or utilize one or a combination of all of these alternatives. The financing alternative, or alternatives, we choose may not be available on acceptable terms, or at all. If additional financing is not available, we may have to postpone the further exploration or development of, or sell, one or more of our principal properties. Furthermore, even if we raise sufficient additional capital, there can be no assurance that we will achieve profitability or positive cash flow. In addition, any future equity offering will further dilute your equity interest in us and any future debt financing will require us to dedicate a portion of our cash flow to payments on indebtedness and will limit our flexibility in planning for or reacting to changes in our business.

We are dependent on the Brucejack Project for our future operating revenue.

Our only material property for the purposes of NI 43-101 is the Brucejack Project, which has a limited life based on mineral resource estimates. Mineral resources are not mineral reserves and do not have demonstrated economic viability. In order to be able to develop a mine and commence production, we will be required to replace and expand our mineral resources and obtain mineral reserves.

In the absence of additional mineral projects, the Company will be solely dependent upon the Brucejack Project for its revenue and profits, if any. In addition, development costs are difficult to predict and may render the development of the Brucejack Project financially unfeasible. It is uncertain whether the Brucejack Project will ever, or on the timeline we anticipate, achieve commercial production. Should the development of the Brucejack Project turn out to be not possible or practicable, for political, engineering, technical, economic, legal or other reasons, our business and financial position will be significantly and adversely affected.

Mineral resource and reserve calculations are only estimates.

Any figures presented for mineral resources in this AIF, any figures for mineral resources which may be presented in the future or any figures for mineral reserves that may be presented by us in the future are and will only be estimates. There is a degree of uncertainty attributable to the calculation of mineral reserves and mineral resources. Until mineral reserve estimates or mineral resource estimates are actually mined and processed, the quantity of metal and grades must be considered as estimates only and no assurances can be given that the indicated levels of metals will be produced. In making determinations about whether to advance any of our projects to development, we must rely upon estimated calculations as to the mineral resources and grades of mineralization on our properties.

The estimating of mineral reserves and mineral resources is a subjective process that relies on the judgment of the persons preparing the estimates. The process relies on the quantity and quality of available data and is based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. By their nature, mineral resource estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate.

Estimated mineral reserves or mineral resources may have to be recalculated based on changes in mineral prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence mineral reserve or resource estimates. The extent to which resources may ultimately be reclassified as proven or probable mineral reserves is dependent upon the demonstration of their profitable recovery. Any material changes in mineral resource estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital. We cannot provide assurance that mineralization can be mined or processed profitably.

Our mineral resource estimates have been determined and valued based on assumed future metal prices, cut-off grades, operating costs and other assumptions that may prove to be inaccurate. Extended declines in market prices for gold and silver may render portions of our mineralization uneconomic and result in reduced reported mineral resources, which in turn could have a material adverse effect on our results of operations or financial condition. We cannot provide assurance that mineral recovery rates achieved in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale. In addition, if our projects produce concentrate for which there is no market, specifically, with respect to concentrate containing rhenium, this may have an impact on the economic model for the Brucejack Project. A reduction in any resources that may be estimated by us in the future could have an adverse impact on our future cash flows, earnings, results of operations and financial condition.

No assurances can be given that any mineral resource estimates for the Brucejack Project will ultimately be reclassified as proven or probable mineral reserves. The failure to establish proven and probable mineral reserves could restrict our ability to successfully implement our strategies for long-term growth and may impact future cash flows, earnings, results of operation and financial condition.

Uncertainty exists related to mineral resources.

There is a risk that inferred mineral resources referred to in this AIF cannot be converted into measured or indicated mineral resources as there may be limited ability to assess geological continuity. In addition, there is no assurance that any mineral resources will, as a result of continued exploration, be determined to have sufficient geological continuity so as to be upgraded to constitute proven and probable mineral reserves.

Changes in the market price of gold and other metals, which in the past have fluctuated widely, may materially and adversely affect our revenues and the value of our mineral properties.

Our profitability and long-term viability will depend, in large part, on the market price of gold and silver. The market prices for these metals are volatile and are affected by numerous factors beyond our control, including:

- global or regional consumption patterns;
- the supply of, and demand for, these metals;
- speculative activities;
- the availability and costs of metal substitutes;
- expectations for inflation; and
- political and economic conditions, including interest rates and currency values.

We cannot predict the effect of these factors on metal prices. A decrease in the market price of gold and other metals could affect our ability to finance the exploration and development of any of our mineral properties. The market price of gold and other metals may not remain at current levels.

Future production, if any, from our mining properties is dependent on mineral prices that are adequate to make these properties economic. A sustained period of declining gold and other metal prices would adversely affect our financial performance, financial position, results of operations and trading value of our Common Shares.

We have a history of negative operating cash flow and a significant accumulated deficit. We may continue to incur losses and to experience negative operating cash flow for the foreseeable future.

We have incurred net losses in each fiscal year since our inception. For the year ended December 31, 2015, we had a net loss of \$0.5 million and at December 31, 2015, we had an accumulated deficit of \$76.3 million. We expect to incur losses unless and until such time as our mineral projects generate sufficient revenues to fund continuing operations. We have incurred construction related expenses in recent periods and we plan to incur further expenses as cash flows allow. The planned increases in construction related expenses may result in larger losses in future periods.

The exploration and development of our mineral properties will require the commitment of substantial financial resources that may not be available. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners and the acquisition of additional property interests, some of which are beyond our control. Our business strategies may not be successful and we may not be profitable in any future period. Our operating results have varied in the past and they may continue to fluctuate in the future. In addition, our operating results may not follow any past trends.

The Company had negative operating cash flow for the financial years ended December 31, 2015 and December 31, 2014. The Company anticipates that it will continue to have negative cash flow until such time, if at all, that profitable commercial production is achieved. We cannot provide assurance that we will ever achieve profitability. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

If our counterparties to the Credit Agreement, Stream Agreement and Offtake Agreement default on their contractual obligations the Company may be materially and adversely affected.

If a counterparty does not meet its contractual obligations under the Credit Agreement, Stream Agreement or Offtake Agreement, or if they become insolvent, the Company's future operating results may be materially adversely impacted. A portion of the loan facility made available to the Company under the Credit Agreement may be drawn in tranches over an 18 month period. Pursuant to the Stream Agreement and Offtake Agreement, the Company has agreed to sell refined gold and refined silver to Orion Stream and BTO. See "General Development of Our Business". If Orion, Orion Stream or BTO do not meet their respective obligations under the Credit Agreement, Stream Agreement or Offtake Agreement, this could have a material and adverse impact the operations of the Company and its financial situation.

General market events and conditions may adversely affect our business and industry.

In 2007 and into 2008, the U.S. credit markets began to experience serious disruption due to a deterioration in residential property values, defaults and delinquencies in the residential mortgage market (particularly, sub-prime and non-prime mortgages) and a decline in the credit quality of mortgage-backed securities. These problems led to a slow-down in residential housing market transactions, declining housing prices, delinquencies in non-mortgage consumer credit and a general decline in consumer confidence. These conditions continued and worsened in 2008 and early 2009, causing a loss of confidence in the U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks and other financial institutions and insurers, and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by the U.S. and other governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. Since such time, there has been no broad and consistent improvement in general economic indicators, including employment levels, announced corporate earnings, economic growth and consumer confidence. Recent economic events have created further uncertainty in global financial and equity markets. If the current crisis persists or worsens, it could lead to increased political uncertainty and financial turmoil. Any or all of these market events and conditions may adversely affect our business and industry.

General economic conditions may adversely affect our growth, profitability and ability to obtain financing.

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the gold mining industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market confidence and liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our growth and profitability. A number of issues related to economic conditions could have a material adverse effect on our financial condition and results of operations, specifically:

- the global credit/liquidity crisis could impact the cost and availability of financing and our overall liquidity;
- the volatility of gold and other metal prices would impact our revenues, profits, losses and cash flow;
- continued recessionary pressures could adversely impact demand for our production;
- volatile energy, commodity and consumables prices and currency exchange rates would impact our production costs; and
- the devaluation and volatility of global stock markets would impact the valuation of our equity and other securities.

Mining is inherently risky and subject to conditions or events beyond our control.

The development and operation of a mine or mine property is inherently dangerous and involves many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome, including:

- unusual or unexpected geological formations;
- metallurgical and other processing problems;
- metal losses;
- environmental hazards;
- power outages;
- labour disruptions;
- industrial accidents;
- periodic interruptions due to inclement or hazardous weather conditions;
- flooding, explosions, fire, rockbursts, cave-ins and landslides;
- mechanical equipment and facility performance problems;
- avalanches; and
- the availability of materials and equipment.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, including to our employees, environmental damage, delays in mining, increased production costs, asset write downs, monetary losses and possible legal liability. We may not be able to obtain insurance to cover these risks at economically feasible premiums, or at all. Insurance against certain environmental risks, including potential liability for pollution and other hazards as a result of the disposal of waste products occurring from production, is not generally available to companies within the mining industry. We may suffer a material adverse impact on our business if we incur losses related to any significant events that are not covered by our insurance policies.

We cannot provide assurance that we currently hold or will successfully acquire commercially mineable mineral rights.

Exploration for and development of gold properties involves significant financial risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish mineral reserves by drilling, constructing mining and processing facilities at a site, developing metallurgical processes and extracting gold from ore. We cannot ensure that our current exploration and development programs will result in profitable commercial mining operations.

The economic feasibility of development projects is based upon many factors, including the accuracy of mineral resource and mineral reserve estimates; metallurgical recoveries; capital and operating costs; government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting and environmental management and protection; and gold prices, which are highly volatile. Development projects are also subject to the successful completion of feasibility studies, issuance of necessary governmental permits and availability of adequate financing.

Most exploration projects do not result in the discovery of commercially mineable ore deposits, and no assurance can be given that any anticipated level of recovery of ore reserves, if any, will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of mineral reserves, mineral resources, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, the metallurgy of the mineralization forming the mineral deposit, unusual or unexpected geological formations and work interruptions. If current exploration programs do not result in the discovery of commercial ore, we may need to write-off part or all of our investment in existing exploration stage properties.

Material changes in ore reserves, if any, grades, stripping ratios or recovery rates may affect the economic viability of any project. Our future growth and productivity will depend, in part, on our ability to develop commercially mineable mineral rights at our existing properties or identify and acquire other commercially mineable mineral rights, and on the costs and results of continued exploration and potential development programs. Mineral exploration is highly speculative in nature and is frequently non-productive. Substantial expenditures are required to:

- establish ore reserves through drilling and metallurgical and other testing techniques;
- determine metal content and metallurgical recovery processes to extract metal from the ore; and
- construct, renovate or expand mining and processing facilities.

In addition, if we discover ore, it would take several years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production may change. As a result of these uncertainties, there can be no assurance that we currently hold or will successfully acquire commercially mineable (or viable) mineral rights.

Suitable infrastructure may not be available or damage to existing infrastructure may occur.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants for capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploitation or development of our projects. If adequate infrastructure is not available in a timely manner, we cannot assure you that the exploitation or development of our projects will be commenced or completed on a timely basis, or at all, or that the resulting operations will achieve the anticipated production volume, or that the construction costs and operating costs associated with the exploitation and/or development of our projects will not be higher than anticipated. In addition, unusual weather phenomena, sabotage, government, First Nations or other interference in the maintenance or provision of such infrastructure could adversely affect our operations and profitability. In addition, there are risks associated with the construction of an underground mining project relating to, among other things, supervision of the contractors, cost estimating, delivery and operation of equipment, and disposal of waste rock.

We are subject to significant governmental regulations.

Our exploration and development activities are subject to extensive federal, provincial and local laws, regulations and policies governing various matters, including:

- environmental protection;
- the management and use of toxic substances and explosives;
- management of tailings and other wastes;
- the management of natural resources and land;
- the exploration and development of mineral properties;
- mine construction;
- mine production and post-closure reclamation;
- exports;
- price controls;
- taxation and mining royalties;
- labour standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in significant expenditures. We may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause us to incur additional expense or capital expenditure restrictions or suspensions of our activities and delays in the exploration and development of our properties.

We require further rights and permits in order to conduct current and anticipated future operations, and delays in obtaining or failure to obtain such rights and permits, or a failure to comply with the terms of any such permits that we have obtained, could adversely affect our business.

Our current and anticipated future operations, including further exploration, development and commencement of production on our mineral properties, require permits from various governmental authorities. Obtaining or renewing governmental permits is a complex and time-consuming process. The duration and success of efforts to obtain and renew permits are contingent upon many variables not within our control. Shortages of personnel in various levels of government could result in delays or inefficiencies. Backlog within permitting agencies affected by the number of other large-scale projects currently in a more advanced stage of development could slow down the review process and adversely affect the permitting timeline of our projects. Negative public and stakeholder opinion is another factor that could affect the permitting timeline. As well, the specific permitting requirements that will ultimately apply to any project are difficult to correctly assess at the exploration and development stage. In addition, our future development plans may require us to obtain the necessary surface rights from the owners of such rights in order to complete the development of our projects.

We cannot provide assurance that all rights and permits that we require for our operations, including any for construction of mining facilities or conduct of mining, will be obtainable or renewable on reasonable terms, or at all. In particular, we will require environmental assessments under federal and provincial legislation and specific permits and authorizations, including for the disposal of tailings from the Brucejack Project into Brucejack Lake. Delays or a failure to obtain such required permits, or the expiry, revocation or failure to comply with the terms of any such permits that we have obtained, would adversely affect our business.

Our activities are subject to environmental laws and regulations that may increase our costs and restrict our operations.

All of our exploration, development and production activities are subject to regulation by governmental agencies under various environmental laws. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Environmental legislation is evolving and the general trend has been towards stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on our behalf and may cause material changes or delays in our intended activities. Future changes in these laws or regulations could have a significant adverse impact on some portion of our business, requiring us to re-evaluate those activities at that time.

Environmental hazards may exist on our properties that are unknown to us at the present time and have been caused by previous owners or operators or that may have occurred naturally. We may be liable for remediating such damage.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed. Such enforcement actions may include the imposition of corrective measures requiring capital expenditure, installation of new equipment or remedial action.

Compliance with emerging climate change regulations could result in significant costs and the effects of climate change may present physical risks to our operations.

Governments at all levels may be moving towards enacting legislation to address climate change concerns, such as requirements to reduce emission levels and increase energy efficiency, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. Where legislation has already been enacted, such regulations may become more stringent, which may result in increased costs of compliance. There is no assurance that compliance with such regulations will not have an adverse effect on our results of operations and financial condition. Furthermore, given the evolving nature of the debate related to climate change and resulting requirements, it is not possible to predict the impact on our results of operations and financial condition.

Extreme weather events (such as increased periods of snow and increased frequency and intensity of storms) have the potential to disrupt our exploration and development plans. Our emergency plans for managing extreme weather conditions may not be sufficient and extended disruptions could have adverse effects on our results of operations and financial condition.

We may be subject to claims and legal proceedings that could materially adversely impact our financial position, financial performance and results of operations.

Due to the nature of the Company's business, we may be subject to a variety of regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of the Company's business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of discovery of new evidence or advancement of new legal theories, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. There can be no assurances that these matters will not have a material adverse effect on our business.

We may fail to maintain adequate internal control over financial reporting pursuant to the requirements of the Sarbanes-Oxley Act.

During our 2015, 2014 and 2013 fiscal years, we documented and tested our internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act ("**SOX**"). SOX requires an annual assessment by management of the effectiveness of our internal control over financial reporting and, for fiscal years commencing with our fiscal year ended December 31, 2012, an attestation report by our independent auditors addressing the effectiveness of internal control over financial reporting. We may fail to maintain the adequacy of our internal control over financial reporting as such standards are modified, supplemented or amended from time to time, and we may not be able to conclude, on an ongoing basis, that we have effective internal control over financial reporting in accordance with Section 404 of SOX. Our failure to satisfy the requirements of Section 404 of SOX on an ongoing, timely basis could result in the loss of investor confidence in the reliability of our financial statements, which in turn could harm our business and negatively impact the trading price or the market value of our securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. Future acquisitions of companies, if any, may provide us with challenges in implementing the required processes, procedures and controls in our acquired operations. No evaluation can provide complete assurance that our internal control over financial reporting will detect or uncover all failures of persons within our Company to disclose material information otherwise required to be reported. The effectiveness of our processes, procedures and controls could also be limited by simple errors or faulty judgments. In addition, as we continue to expand, the challenges involved in implementing appropriate internal control over financial reporting will increase and will require that we continue to monitor our internal control over financial reporting. Although we intend to expend substantial time and incur substantial costs, as necessary, to ensure ongoing compliance, we cannot be certain that we will be successful in complying with Section 404 of SOX.

We are subject to increased regulatory compliance costs relating to the Dodd-Frank Act.

In July 2010, the Dodd-Frank Act was enacted, representing an overhaul of the framework for regulation of U.S. financial markets. The Dodd-Frank Act calls for various regulatory agencies, including the SEC and the Commodities Futures Trading Commission, to establish regulations for implementation of many of the provisions of the Dodd-Frank Act. If we fail to comply with new laws, regulations and standards, regulatory authorities may initiate legal proceedings against us and our business may be harmed. For example, in December 2011, the SEC approved amendments to require companies in the mining industry to disclose in their periodic reports filed with the SEC substantial additional information about safety issues relating to their mining operations. This heightened scrutiny could generate negative publicity for the mining industry, increase the cost of compliance with mining regulations or result in the passage of new laws and regulations, any of which could negatively affect our business results. We may also need to incur additional costs and invest additional resources, including management's time, in order to comply with new regulations and additional reporting and disclosure obligations.

We face potential opposition from non-governmental organizations.

In recent years, communities and non-governmental organizations ("NGOs") have become more vocal and active with respect to mining activities at or near their communities. These communities and NGOs have taken such actions as road closures, work stoppages, and law suits for damages. These actions relate not only to current activities but often in respect of decades old mining activities by prior owners of mining properties. Such actions by communities and NGOs may have a material adverse effect on our results of operations or financial condition.

There is uncertainty related to unsettled First Nations rights and title in British Columbia and this may create delays in project approval or interruptions in project progress.

The nature and extent of First Nations rights and title remains the subject of active debate, claims and litigation in British Columbia. First Nations in British Columbia have made claims of aboriginal rights and title to substantial portions of land and water in the province, including areas where the Company's operations are situated, creating uncertainty as to the status of competing property rights. The Supreme Court of Canada has held that aboriginal groups may have a spectrum of aboriginal rights in lands that have been traditionally used or occupied by their ancestors. Such aboriginal rights and title are not absolute and may be infringed by government in furtherance of a legislative objective, subject to meeting a justification test. The effect of such claims on any particular area of land will not be determinable until the exact nature of historical use, occupancy and rights to such property have been clarified by a decision of the Courts or definition in a treaty. First Nations in the province are seeking settlements including compensation from governments with respect to these claims, and the effect of these claims cannot be estimated at this time. The federal and provincial governments have been seeking to negotiate settlements with aboriginal groups throughout British Columbia in order to resolve many of these claims. Any settlements that may result from these negotiations may involve a combination of cash, resources, grants of conditional rights to undertake traditional pursuits (like hunting, gathering, trapping and fishing) on public lands, and some rights of self-government. The issues surrounding aboriginal title and rights are not likely to be resolved in the near future.

In a landmark decision in 2004, the Supreme Court of Canada determined that there is a duty on government to consult with and, where appropriate, accommodate First Nations where government decisions may impact on claimed, but as yet unproven, aboriginal rights or title. This decision also provided much needed clarification of the duties of consultation and accommodation. This decision was re-enforced in a 2010 decision of the Supreme Court of Canada, in which the Court re-affirmed and re-stated the test for determining when the duty to consult arises. The Court has made clear that third parties are not responsible for consultation or accommodation of aboriginal interests and that this responsibility lies with government. However, government permits, including environmental and mine permits, will not be granted by provincial and federal agencies unless they are satisfied that the duty to consult and accommodate has been fully met. In 2005, the Supreme Court of Canada confirmed that this duty exists with respect to claimed treaty rights.

Additional uncertainty has arisen due to the recent decision of the Supreme Court of Canada in *Tsilhqot'in Nation v. British Columbia* (2014 SCC 44), which recognized the Tsilhqot'in Nation as holding Aboriginal Title to approximately 1,900 square kilometers of territory in the interior of British Columbia. This decision represents the first successful claim for Aboriginal Title in Canada and may lead other First Nations in British Columbia to pursue Aboriginal Title in their traditional land-use areas.

A portion of the Brucejack Project lies within traditional First Nation territory and in the Nass Area, as defined in the *Nisga'a Final Agreement* between the Nisga'a First Nation and the federal and provincial governments, which came into effect on May 11, 2000. However, there may be overlapping claims by other First Nations. Given the unsettled nature of land claims and treaty rights in British Columbia, as well as the rights of the Nisga'a under the *Nisga'a Final Agreement*, there can be no guarantee that there will not be delays in project approval, unexpected interruptions in project progress, requirements for First Nations consent, cancellation of permits and licences, or additional costs to advance the Company's projects.

In order to facilitate mine permitting, construction and the commencement of mining activities, the Company may deem it necessary and prudent to try to obtain the cooperation and approval of the local First Nations groups. Any cooperation and approval may be predicated on our committing to take measures to limit the adverse impacts on local First Nations groups and ensuring that some of the economic benefits of the construction and mining activity will be enjoyed by the local First Nations groups. There can be no guarantee that any of our efforts to secure such cooperation or approval would be successful or that the assertion of First Nations rights and title, or claims of insufficient consultation or accommodation, will not create delays in project approval or unexpected interruptions in project progress, requirements for First Nations consent, cancellation of permits and licences, or result in additional costs to advance our projects.

Our properties may be subject to uncertain title.

We cannot provide assurance that title to our properties will not be challenged. We hold mineral claims which constitute our property holdings. We may not have, or may not be able to obtain, all necessary surface rights to develop a mineral property. Title insurance is generally not available for mineral properties and our ability to ensure that we have obtained a secure claim to individual mining properties may be severely constrained. We have not conducted surveys of all of the claims in which we hold direct or indirect interests. A successful claim contesting our title to a property could cause us to lose our rights to explore and, if warranted, develop that property or undertake or continue production thereon. This could also result in our not being compensated for our prior expenditures relating to such property.

Land reclamation requirements may be burdensome.

Land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance. Reclamation may include requirements to treat ground and surface water to drinking water standards, control dispersion of potentially deleterious effluent and reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out reclamation obligations imposed on us in connection with exploration, development and production activities, we must allocate financial resources that might otherwise be spent on further exploration and development programs. The actual costs of reclamation and mine closure are uncertain and planned expenditures may differ from the actual expenditures required. Therefore, the amount that we are required to spend may be materially higher than our estimates. Any additional amounts we are required to spend on reclamation and mine closure may have a material adverse effect on our financial performance, financial condition and results of operations.

We may fail to identify attractive acquisition candidates or may fail to successfully integrate acquired material properties.

We may actively pursue the acquisition of exploration, development and production assets consistent with our acquisition and growth strategy. The identification of attractive candidates and integration of acquired properties, assets or entities involve inherent risks, including but not limited to:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of our key employees or key employees of any business acquired;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, companies or securities.

Any one or more of these factors or other risks could cause us not to realize the anticipated benefits of an acquisition of properties or companies, and could have a material adverse effect on our financial condition. We may not be able to successfully overcome these risks and other problems associated with acquisitions, and this may adversely affect our business, financial condition or results of operations.

In connection with any future acquisitions, we may incur indebtedness or issue equity securities, resulting in increased interest expense or dilution of the percentage ownership of existing shareholders. Acquisition costs, additional indebtedness or issuances of securities in connection with such acquisitions, may adversely affect the price of our Common Shares and negatively affect our results of operations.

We may be adversely affected by future fluctuations in foreign exchange rates.

Our potential profitability is exposed to the financial risk related to the fluctuation of foreign exchange rates. The minerals that could be produced from our projects are priced in U.S. dollars but, since our only projects are located in Canada, the majority of our estimated expenditures are in Canadian dollars. A significant change in the currency exchange rates between the Canadian dollar relative to the U.S. dollar will have an effect on the potential profitability of our projects and therefore our ability to continue to finance our operations. To the extent that the actual Canadian dollar to U.S. dollar exchange rate is less than or more than the rate estimated in any future development plans, the profitability of our projects will be affected. Accordingly, our prospects may suffer due to adverse currency fluctuations.

The mining industry is very competitive.

We compete with other exploration and producing companies, many of which are better capitalized, have greater financial resources, operational experience and technical capabilities or are further advanced in their development or are significantly larger and have access to greater mineral reserves, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. If we require and are unsuccessful in acquiring additional mineral properties or qualified personnel, we will not be able to grow at the rate we desire, or at all.

Our competitors may be able to devote greater resources to the expansion and efficiency of their operations or respond more quickly to new laws and regulations or emerging technologies than we can. We may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on our business, financial condition or results of operations.

We may experience difficulty attracting and retaining qualified management to grow our business.

We are dependent on the services of key executives and other highly skilled and experienced personnel to advance our corporate objectives as well as the identification of new opportunities for growth and funding. Robert A. Quartermain, Joseph J. Ovsenek, Kenneth McNaughton and Tom Yip are currently our key executives. It will be necessary for us to recruit additional skilled and experienced management and personnel. Our inability to do so, or the loss of Mr. Quartermain or any of our key executives, or our inability to attract and retain suitable replacements for such executives or the additional highly skilled employees required for our activities, would have a material adverse effect on our business and financial condition.

Some of our directors and officers have conflicts of interest as a result of their involvement with other natural resource companies.

Certain of our directors and officers also serve as directors or officers, or have significant shareholdings in, other companies involved in natural resource exploration and development or mining-related activities. To the extent that such other companies may participate in ventures that we may also participate in, or in ventures that we may seek to participate in, our directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In all cases where our directors and officers have an interest in other companies, such other companies may also compete with us for the acquisition of mineral property investments. Such conflicts of our directors and officers may result in a material and adverse effect on our profitability, results of operation and financial condition. As a result of these conflicts of interest, we may miss the opportunity to participate in certain transactions, which may have a material adverse effect on our financial position.

We may be unable to attract development partners.

The Company may seek to develop some or all of its projects in partnership with one or more third parties in a corporate or contractual joint venture, or otherwise, or to dispose of some part or of its project to another party, retaining a royalty interest therein. The Company may be unable to find such partners or to negotiate satisfactory terms therewith, in which case the Company will be obliged to either postpone development of such project or proceed alone with the costs of further development.

Potential liabilities associated with the Acquisition.

We conducted due diligence with respect to the Brucejack Project and the other Project Assets prior to our acquisition of such assets in December 2010; however, there is no certainty that our due diligence procedures revealed all of the risks and liabilities associated with the Acquisition. Silver Standard provided limited representations in the Acquisition Agreement with respect to the Brucejack Project and other Project Assets and those representations were limited by the knowledge of the persons giving such representations. The survival period of those representations has since expired. Also, under the Acquisition Agreement the Company agreed to assume all environmental liabilities with respect to the Brucejack Project and other Project Assets. There may be material environmental or other material liabilities that we are not aware of and, accordingly, the potential monetary cost of such liabilities is also unknown.

Failure to comply with the U.S. Foreign Corrupt Practices Act (“FCPA”), as well as the anti-bribery laws of the nations in which we conduct business (such as the UK’s Bribery Act or the Corruption of Foreign Public Officials Act of Canada (“CFPOA”)), could subject us to penalties and other adverse consequences.

Our business is subject to the FCPA which generally prohibits companies and company employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. The FCPA also requires companies to maintain accurate books and records and internal controls, including at foreign-controlled subsidiaries. In addition, we are subject to other anti-bribery laws of the nations in which we conduct business that apply similar prohibitions as the FCPA (such as the UK's Bribery Act, the CFPOA and the OECD Anti-Bribery Convention). Our employees or other agents may, without our knowledge and despite our efforts, engage in prohibited conduct under our policies and procedures and the FCPA or other anti-bribery laws that we may be subject to for which we may be held responsible. If our employees or other agents are found to have engaged in such practices, we could suffer severe penalties and other consequences that may have a material adverse effect on our business, financial condition and results of operations.

Legislative actions, potential new accounting pronouncements, and higher insurance costs are likely to impact our future financial position or results of operations.

Future changes in financial accounting standards may cause adverse, unexpected revenue fluctuations and affect our financial position or results of operations. New pronouncements and varying interpretations of pronouncements have occurred with greater frequency and are expected to occur in the future. Compliance with changing regulations of corporate governance and public disclosure may result in additional expenses. All of these uncertainties are leading generally toward increasing insurance costs, which may adversely affect our business, results of operations and our ability to purchase any such insurance, at acceptable rates or at all, in the future.

Anti-takeover provisions could discourage a third party from making a takeover offer that could be beneficial to our shareholders.

Some of the provisions in our articles could delay or prevent a third party from acquiring us or replacing members of our Board, even if the acquisition or the replacements would be beneficial to our shareholders. Such provisions include the following:

-) shareholders cannot amend our articles unless at least two-thirds of the shares entitled to vote approve the amendment; and
-) our Board can, without shareholder approval, issue preferred shares having any terms, conditions, rights and preferences that the Board determines.

These provisions could also reduce the price that certain investors might be willing to pay for our securities and result in the market price for our securities, including the market price for our Common Shares, being lower than it would be without these provisions.

A period of significant growth can place a strain on management systems.

If we experience a period of significant growth in the number of our personnel this could place a strain upon our management systems and resources. Our future will depend in part on the ability of our officers and other key employees to implement and improve our financial and management controls, reporting systems and procedures on a timely basis and to expand, train and manage our employee workforce. There can be no assurance that we will be able to effectively manage such growth. Our failure to do so could have a material adverse effect upon our business, prospects, results of operation and financial condition.

Significant shareholders of the Company could influence our business operations and sales of our Common Shares by such significant shareholders could influence our common share price.

Pursuant to the Investor Rights Agreement, Silver Standard is entitled to nominate to serve as members of our Board such number of nominees as is equal to the lesser of (i) one less than the number which constitutes a majority of the Board and (ii) the percentage of the Common Shares held by Silver Standard and securities convertible or exchangeable into Common Shares multiplied by the number of directors comprising the Board (rounded to the nearest whole number of nominees). In addition, Silver Standard may have significant influence over the passage of any resolution of our shareholders (such as would be required, to amend our constating documents or take certain other corporate actions) and may, for all practical purposes, be able to ensure the passages of any such resolution by voting for it or prevent the passage of any such resolution by voting against it. The effect of this influence by Silver Standard may be to limit the price that investors are willing to pay for our Common Shares.

As at the date of this AIF, Silver Standard holds approximately 9.82% of our outstanding Common Shares and as such, should their percentage remain less than 10% for 30 continuous days, the Investor Rights Agreement will be of no further force and effect as of March 31, 2016.

Pursuant to a subscription agreement between Liberty Metals & Mining Holding, LLC (“**Liberty**”) and the Company dated April 22, 2013, for so long as Liberty and their affiliates hold at least 4.75% of our issued and outstanding Common Shares, Liberty is entitled to nominate one individual to serve on our Board and Liberty has the right to maintain its and its affiliates proportionate ownership of our Common Shares by participating pro rata in issuances of our Common Shares (subject to certain exceptions). As of the date of this AIF, Liberty and its affiliates held approximately 4.81% of our issued and outstanding Common Shares.

Pursuant to a subscription agreement between XinXing Global Limited (“**XinXing**”) and the Company dated December 8, 2014, for so long as XinXing and their affiliates hold at least 4.75% of our issued and outstanding Common Shares, XinXing is entitled to nominate one individual to serve on our Board and XinXing has the right to maintain its and its affiliates proportionate ownership of our Common Shares by participating pro rata in issuances of our Common Shares (subject to certain exceptions). As of the date of this AIF, XinXing and its affiliates held approximately 7.4% of our issued and outstanding Common Shares.

Under the terms of the September 15, 2015 subscription agreements between the Company and each of Orion and BTO relating to the Orion and Blackstone Financing, Orion and BTO are entitled to maintain their proportionate ownership of our Common Shares by participating pro rata in the issuances of our Common Shares (subject to certain exceptions) until the maturity date of the Credit Agreement. As of the date of this AIF, Orion and BTO each held approximately 2.2% of our issued and outstanding Common Shares.

Risks Related to our Securities

Future sales or issuances of debt or equity securities could decrease the value of any existing Common Shares, dilute investors' voting power, reduce our earnings per share and make future sales of our equity securities more difficult.

We may sell or issue additional debt or equity securities in offerings to finance our operations, exploration, development, acquisitions or other projects. Our significant shareholders, including Silver Standard, Liberty and XinXing may also sell the Common Shares they hold in the future.

We cannot predict the size of future sales and issuances of debt or equity securities or the effect, if any, that future sales and issuances of debt or equity securities will have on the market price of the Common Shares.

Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per share. Sales of our Common Shares by shareholders might also make it more difficult for us to sell equity securities at a time and price that we deem appropriate.

Our Common Share price has experienced volatility and may be subject to fluctuation in the future based on market conditions.

The market prices for the securities of mining companies, including our own, have historically been highly volatile. The market has from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of any particular company. In addition, because of the nature of our business, certain factors such as our announcements and the public's reaction, our operating performance and the performance of competitors and other similar companies, fluctuations in the market prices of our resources, government regulations, changes in earnings estimates or recommendations by research analysts who track our securities or securities of other companies in the resource sector, general market conditions, announcements relating to litigation, the arrival or departure of key personnel and the factors listed under the heading "Cautionary Note Regarding Forward-Looking Statements" can have an adverse impact on the market price of our Common Shares.

Any negative change in the public's perception of our prospects could cause the price of our securities, including the price of our Common Shares, to decrease dramatically. Furthermore, any negative change in the public's perception of the prospects of mining companies in general could depress the price of our securities, including the price of our Common Shares, regardless of our results. Following declines in the market price of a company's securities, securities class-action litigation is often instituted. Litigation of this type, if instituted, could result in substantial costs and a diversion of our management's attention and resources.

Future issuances of equity securities by us or sales by our existing shareholders may cause the price of our securities to fall.

The market price of our equity securities could decline as a result of issuances of securities by us or sales by our existing shareholders of Common Shares in the market, or the perception that these sales could occur. Sales of our Common Shares by shareholders might also make it more difficult for us to sell equity securities at a time and price that we deem appropriate. With an additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in earnings per share.

You may be unable to enforce actions against us, certain of our directors and officers, Silver Standard or the experts named in this AIF under U.S. federal securities laws.

We and Silver Standard are both incorporated under the laws of the Province of British Columbia. Most of our directors and officers, as well as the experts named in this AIF, reside principally in Canada. Because all or a substantial portion of our assets and the assets of these persons are located outside of the United States, it may not be possible for you to effect service of process within the United States upon us, Silver Standard or those persons. Furthermore, it may not be possible for you to enforce against us or those persons in the United States, judgments obtained in U.S. courts based upon the civil liability provisions of the U.S. federal securities laws or other laws of the United States. There is doubt as to the enforceability, in original actions in Canadian courts, of liabilities based upon U.S. federal securities laws and as to the enforceability in Canadian courts of judgments of U.S. courts obtained in actions based upon the civil liability provisions of the U.S. federal securities laws. Therefore, it may not be possible to enforce those actions against us, Silver Standard, certain of our directors and officers or the experts named in this AIF.

We do not intend to pay dividends in the foreseeable future.

We have never declared nor paid any dividends on our Common Shares. We intend, for the foreseeable future, to retain our future earnings, if any, to finance our exploration and development activities. The payment of future dividends, if any, will be reviewed periodically by our Board and will depend upon, among other things, conditions then existing including earnings, financial conditions, cash on hand, financial requirements to fund our exploration activities, development and growth, and other factors that our Board may consider appropriate in the circumstance. See “Dividends and Distributions”.

We may be treated as a “passive foreign investment company” under the U.S. Internal Revenue Code, which could result in adverse U.S. federal income tax consequences for U.S. investors.

U.S. investors in our Common Shares should be aware that they could be subject to certain adverse U.S. federal income tax consequences in the event that we are classified as a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes. The determination of whether we are a PFIC for a taxable year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations, and the determination will depend on the composition of our income, expenses and assets from time to time and the nature of the activities performed by our officers and employees. Prospective investors in our Common Shares should consult their own tax advisers regarding the likelihood and consequences of the Company being treated as a PFIC for U.S. federal income tax purposes, including the advisability of making certain elections that may mitigate certain possible adverse U.S. federal income tax consequences but may result in an inclusion in gross income without receipt of such income. We believe we were a PFIC for the 2015 financial year. We expect to be classified as a PFIC for the 2016 financial year and may also be treated as a PFIC in some or all subsequent years. Prospective investors in our Common Shares should consult their own tax advisers regarding the likelihood and consequences of the Company being treated as a PFIC for U.S. federal income tax purposes, including the advisability of making certain elections that may mitigate certain possible adverse U.S. federal income tax consequences but may result in an inclusion in gross income without receipt of such income.

DIVIDENDS AND DISTRIBUTIONS

We have not, since the date of incorporation, declared or paid any dividends on our Common Shares, and do not currently have a policy with respect to the payment of dividends.

For the foreseeable future, we anticipate that we will retain future earnings, if any, to finance our exploration and development activities. The payment of future dividends, if any, will be reviewed periodically by our Board and will depend upon, among other things, conditions then existing including earnings, financial conditions, cash on hand, financial requirements to fund our exploration activities, development and growth, and other factors that our Board may consider appropriate in the circumstance.

DESCRIPTION OF CAPITAL STRUCTURE

Our authorized share capital consists of an unlimited number of Common Shares, without par value, and an unlimited number of Preferred Shares, without par value, issuable in series.

As at the date of this AIF, there were 173,724,405 Common Shares and no Preferred Shares issued and outstanding.

All of our Common Shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and entitlement to any dividends declared by the Company. The holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote). Each Common Share carries the right to one vote.

In the event of the liquidation, dissolution or winding-up of the Company, the holders of the Common Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the payment by the Company of all of its liabilities. The holders of Common Shares are entitled to receive any dividends declared by the Company in respect of the Common Shares, subject to the rights of holders of other classes ranking in priority to the Common Shares with respect to the payment of dividends, on a pro rata basis. Any alteration of the rights attached to the Common Shares must be approved by at least two-thirds of the Common Shares voted at a meeting of our shareholders.

We may issue our Preferred Shares from time to time in one or more series. The terms of each series of Preferred Shares, including the number of shares, the designation, rights, preferences, privileges, priorities, restrictions, conditions and limitations, will be determined at the time of creation of each such series by our Board, without shareholder approval, provided that all Preferred Shares will rank equally within their class as to dividends and distributions in the event of our dissolution, liquidation or winding-up.

MARKET FOR SECURITIES

Trading Price and Volume

Our Common Shares trade on the TSX and the NYSE under the symbol "PVG". Our Common Shares commenced trading on the TSX on December 21, 2010 and on the NYSE on January 12, 2012.

The following table sets out the price ranges (high, low and close) and trading volume of our Common Shares as quoted on the TSX for each month our most recently completed financial year:

| Month | High (C\$) | Low (C\$) | Close (C\$) | Volume |
|----------------|------------|-----------|-------------|------------|
| January 2015 | 9.05 | 6.60 | 8.53 | 11,105,850 |
| February 2015 | 8.59 | 7.18 | 7.72 | 5,956,195 |
| March 2015 | 7.79 | 6.17 | 6.38 | 6,703,300 |
| April 2015 | 7.78 | 6.40 | 6.95 | 5,123,099 |
| May 2015 | 7.82 | 6.62 | 7.29 | 4,271,791 |
| June 2015 | 7.75 | 6.58 | 6.76 | 4,909,033 |
| July 2015 | 6.96 | 5.57 | 6.53 | 6,376,226 |
| August 2015 | 7.71 | 6.14 | 7.04 | 6,778,216 |
| September 2015 | 8.08 | 6.08 | 8.08 | 7,427,420 |
| October 2015 | 9.00 | 7.68 | 7.83 | 10,796,233 |
| November 2015 | 7.87 | 6.82 | 7.20 | 4,702,885 |
| December 2015 | 8.08 | 6.80 | 6.96 | 8,182,116 |

The closing price of our Common Shares on the TSX and the NYSE on March 24, 2016, the last trading day before the date hereof, was C\$6.79 and US\$5.12 per Common Share, respectively.

Prior Sales

We did not issue any securities in our most recent financial year that are of a class that is not listed or quoted for trading on a marketplace.

Stock Options

| Date of Issuance | Number of Stock Options Issued | Exercise Price |
|------------------|--------------------------------|----------------|
| March 3, 2015 | 435,000 | C\$6.96 |
| October 1, 2015 | 150,000 | C\$8.08 |
| November 5, 2015 | 220,000 | C\$7.23 |
| December 8, 2015 | 925,000 | C\$7.29 |

2015 Restricted Share Units ("2015 RSUs")

The grant of 2015 RSUs remains subject to shareholder approval at our next annual general meeting.

| Date of Grant | Number of RSUs Granted | RSU Value |
|------------------|------------------------|-----------|
| December 8, 2015 | 861,344 | C\$7.55 |

Each 2015 RSU awarded conditionally entitles the participant to receive a cash payment or its equivalent in fully-paid Common Shares equal to the arithmetic average of the closing price of a Common Share traded on the TSX for the five (5) trading days on which a board lot was traded immediately preceding such date.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth the name of each of our directors and executive officers, their province or state and country of residence, their position(s) with the Company, their principal occupation during the preceding five years and the date they first became a director of the Company and the number of Common Shares held or controlled, directly or indirectly by such officer or director as of the date of this AIF. Each director's term will expire immediately prior to the next annual meeting of shareholders.

| Name and Residence | Position(s) with the Company | Principal Occupation During Past Five Years | Director Since | Number of Common Shares |
|--|--------------------------------------|--|-------------------|----------------------------|
| Robert A. Quartermain British Columbia, Canada | Chief Executive Officer and Director | Chief Executive Officer of the Company from October 2010 to present. President of the Company from October 2010 to May 2015 | October 22, 2010 | 2,598,353 Common Shares |
| Joseph J. Ovsenek British Columbia, Canada | President and Director | President of the Company from May 2015 to present. Executive Vice President and Chief Development Officer of the Company from March 2014 to May 2015. Vice President, Chief Development Officer of the Company from January 2011 to March 2014. | December 21, 2010 | 125,575 Common Shares |
| Christopher Noel Dunn ⁽²⁾⁽³⁾ Massachusetts, USA | Director | Managing Partner of Ero Resource Partners LLC from February 2014 to present. Managing Director of Liberty Mining & Metals, a subsidiary of Liberty Mutual Investments from September 2011 to December 2013. Partner of Niantic Advisors LLC from April 2009 to October 2011. | October 22, 2010 | 50,000 Common Shares |
| Ross Mitchell ⁽¹⁾⁽³⁾ British Columbia, Canada | Director | Retired from July, 2007 to present. | October 22, 2010 | 125,000 Common Shares |

| Name and Residence | Position(s) with the Company | Principal Occupation During Past Five Years | Director Since | Number of Common Shares |
|--|--|--|-----------------------|--------------------------------|
| George Paspalas ⁽³⁾⁽⁴⁾ British Columbia, Canada | Director | President and Chief Executive Officer of MAG Silver Corp. from October 2013 to present. President and Chief Executive Officer of Aurizon Mines Ltd from August 2011 to June 2013. Chief Operating Officer of Silver Standard Resources Inc. from June 2007 to December 2011. | May 10, 2013 | 8,000 Common Shares |
| Peter Birkey ⁽¹⁾⁽²⁾ Minnesota, USA | Director | Consultant since October 2013. Executive Vice President at Liberty Mutual Asset Management from June 2004 to October 2013. | May 14, 2014 | 40,000 Common Shares |
| Shaoyang Shen ⁽¹⁾ British Columbia, Canada | Director | Managing Director for Overseas Development of Zijin Mining Group from May 2014 to present. Chief Operating Officer and Vice President of Silvercorp Metals Inc. from 2009 to April 2014. | January 16, 2015 | Nil |
| Nicole Adshead-Bell ⁽²⁾⁽⁴⁾ British Columbia, Canada | Director | President and Director of Cupel Advisory Corp. since July 2015 and from January 2011 to January 2012. Director of Mining Research, Sun Valley Gold LLC, from June 2012 to June 2015. | October 1, 2015 | Nil |
| Kenneth McNaughton British Columbia, Canada | Vice President, Chief Exploration Officer | Vice President, Chief Exploration Officer of the Company from January 2011 to present. | N/A | 480,500 Common Shares |
| Ian I Chang British Columbia, Canada | Vice President, Project Development | Vice President, Project Development for the Company, from April 2011 to present. Project Director and Head of Project Management for Fluor Canada Limited from February 2008 to April 2011. | N/A | 2,553 Common Shares |

| Name and Residence | Position(s) with the Company | Principal Occupation During Past Five Years | Director Since | Number of Common Shares |
|--|------------------------------|---|----------------|-------------------------|
| Michelle Romero British Columbia, Canada | Vice President Corporate | Vice President, Corporate for the Company from May 2015 to present. Vice President, Corporate Relations for the Company from August 2013 to May 2015. Director, Corporate Relations for the Company from February 2011 to August 2013. | N/A | 37,300 Common Shares |
| Tom S.Q. Yip British Columbia, Canada | Chief Financial Officer | Chief Financial Officer of the Company from January 2015 to present. Chief Financial Officer of International Tower Hill Mines Ltd. from September 2011 to December 31, 2014. Vice President, Finance and Chief Financial Officer of Silver Standard from July 2007 to August 2011. | N/A | 55,000 Common Shares |

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Corporate Governance Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Technical Committee.

Shareholdings of Directors and Senior Officers

Our directors and executive officers, as a group, beneficially own, control or direct, directly or indirectly, 3,522,281 Common Shares representing approximately 2.03% of the issued and outstanding Common Shares and hold options to acquire an additional 5,097,000 Common Shares, representing approximately 4.95% of the Common Shares on a fully-diluted basis.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of our directors or executive officers is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period or more than 30 consecutive days (a “**Cease Trade Order**”) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such issuer, or (b) was subject to a Cease Trade Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of our directors or executive officers, nor, to our knowledge, any shareholder holding a sufficient number of our securities to affect materially the control of the Company (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including ours) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

None of our directors or executive officers, nor, to our knowledge, any shareholder holding a sufficient number of our securities to affect materially the control of the Company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of our knowledge, there are no known existing or potential conflicts of interest between the Company and any of our directors or officers as a result of such individual's outside business interests at the date hereof. However, certain of our directors and officers are, or may become, directors or officers of other companies with businesses which may conflict with our business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on behalf of the Company. Pursuant to the BCBCA, directors are required to act honestly and in good faith with a view to the best interests of the Company. As required under the BCBCA and our Articles:

A director or executive officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or executive officer of the Company, must promptly disclose the nature and extent of that conflict.

A director who holds a disclosable interest (as that term is used in the BCBCA) in a contract or transaction into which the Company has entered or proposes to enter may generally not vote on any directors' resolution to approve the contract or transaction.

Generally, as a matter of practice, directors or executive officers who have disclosed a material interest in any transaction or agreement that our Board is considering will not take part in any Board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will abstain from voting on any matters relating to matters in which they have disclosed a material interest. In appropriate cases, we will establish a special committee of independent directors to review a matter in which directors, or management, may have a conflict.

Audit Committee Information

Under National Instrument 52-110 (“**NI 52-110**”) companies are required to provide disclosure with respect to their audit committee including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor. The text of the Company’s audit committee’s charter is attached as Appendix 1 to this AIF.

The Company’s current audit committee is comprised of Ross Mitchell (Chair), Peter Birkey and Shaoyang Shen. All committee members are independent and financially literate as such terms are defined in NI 52-110.

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as a member of the Audit Committee are as follows:

Ross Mitchell is a Chartered Professional Accountant who has over thirty years of experience holding senior finance positions in both mining and mineral exploration companies. He was Vice President, Finance of Westmin Resources Inc. from 1989 to 1995. In 1996, he became Vice President, Finance of Silver Standard and held this position until his retirement in 2007. He earned a Bachelor of Commerce degree from the University of British Columbia in 1971 and a Chartered Accountant designation from the Institute of Chartered Accountants of British Columbia in 1973.

Peter Birkey is an Investment Executive who has over twenty years of experience investing in the financial markets and advising both public and private companies. Mr. Birkey was an Executive Vice President for Liberty Mutual Asset Management responsible for all Strategy, Public Markets, Risk Management, Real Estate and Special Situations until October 2013. Prior to this, he was a Senior Vice President for AmerUs Capital Management (now Aviva USA) and a Portfolio Manager for AEGON USA. Mr. Birkey earned a MBA in Finance and Marketing with the highest honors from the University of Chicago. He is also a Chartered Financial Analyst and holds a Bachelors degree in Economics and Business Administration from Coe College.

Shaoyang Shen has extensive experience in managing public companies. Mr. Shen was the Vice President and Chief Operations Officer of Silvercorp Metals Inc. for six years prior to joining Zijin Mining Group as their Managing Director of Overseas Development. Mr. Shen earned a Bachelors of Economics from Xiamen University of China, a MBA from the National University of Singapore and a Master of Management and Professional Accounting from the University of Toronto. Mr. Shen is a Certified Public Accountant and a Certified Management Accountant.

Pre-approval Policy

The Audit Committee meets with the CEO and CFO of the Company and the independent auditors to review and inquire into matters affecting financial reporting, the system of internal accounting and financial controls and procedures and the audit procedures and audit plans. The Audit Committee also recommends to the Board the auditors to be appointed, subject to shareholder approval. In addition, the Audit Committee reviews and recommends to the Board for approval the annual financial statements, the annual report and certain other documents required by regulatory authorities.

The chair of the Audit Committee is generally responsible for overseeing the Audit Committee in its responsibilities as outlined in the Audit Committee Charter. The chair's duties and responsibilities include presiding at each meeting of the Audit Committee, referring specific matters to the Board in the case of a deadlock on any matter or vote, receiving and responding to all requests for information from the Company or the independent auditors, leading the Audit Committee in discharging its tasks and reporting to the Board on the activities of the Audit Committee.

External Auditor Service Fees

The aggregate fees billed by the Company's external auditors in respect of the last two financial years are as follows:

| | 2014 | 2015 |
|---|-------------|-------------|
| Audit Fees⁽¹⁾ | \$181,900 | \$100,000 |
| Audit-Related Fees⁽²⁾ | Nil | \$95,600 |
| Tax Fees⁽³⁾ | Nil | - |
| All Other Fees | Nil | - |

(1) Audits of the Company's consolidated financial statements, meetings with the Audit Committee and management with respect to quarterly filings, consulting and accounting standards and transactions, issuance of consent in connection with Canadian and United States securities filings.

(2) Audit-related fees were paid for assurance and related services by the auditors that were reasonably related to the performance of the audit or the review of the Company's financial statements that are not included in Audit Fees.

(3) Tax compliance, taxation advice and tax planning.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

During the last financial year, we have not been subject to any penalties or sanctions imposed by a regulatory body in respect of securities legislation or regulatory requirements or any penalty or sanction that would likely to be considered important to a reasonable investor in making an investment decision. We have not entered into any settlement agreement in respect of securities legislation or regulatory requirements.

The Company is aware of the following legal proceedings:

a) Canadian Class Actions

On October 29, 2013, David Wong, a shareholder of the Company, filed a proposed class action against the Company, Robert Quartermain (a director, the President and the CEO of the Company) and Snowden (the “**Wong Action**”). A similar proposed class action was filed by Rokhsana Tahzibi, a shareholder of the Company, on November 1, 2013 (the “**Tahzibi Action**”). The defendants in the Tahzibi Action are the Company, Mr. Quartermain, Joseph Ovsenek (an officer and director of the Company), Kenneth McNaughton (an officer of the Company), Ian Chang (an officer of the Company) and Snowden. The Wong Action and Tahzibi Action (together, the “**Ontario Actions**”) were filed in the Ontario Superior Court of Justice.

The plaintiffs in the Ontario Actions seek certification of a class action on behalf of a class of persons, wherever they reside, who acquired the Company’s common shares commencing on November 22, 2012 and ending on October 22, 2013 (in the case of the Wong Action) or commencing on July 23, 2013 and ending on October 21, 2013 (in the case of the Tahzibi Action). The plaintiffs in the Ontario Actions allege that certain of the Company’s disclosures contained material misrepresentations or omissions regarding the Brucejack Project, including statements with respect to probable mineral reserves and future gold production at the Brucejack Project. The plaintiffs further allege that until October 22, 2013, the Company failed to disclose alleged reasons provided by Strathcona Mineral Services Ltd. (“**Strathcona**”) for its resignation as an independent qualified person overseeing the bulk sample program. The Tahzibi Action also includes a claim for unjust enrichment as against Mr. McNaughton.

The plaintiffs allege that certain of our continuous disclosure documents filed in Canada contained material misrepresentations or omissions regarding our Brucejack Project, including statements with respect to probable mineral reserves and future gold production at Brucejack, and failed to communicate alleged information from Strathcona. The plaintiffs allege these misrepresentations and omissions are actionable as negligent misrepresentations or misrepresentations under various provincial Securities Acts. The plaintiffs seek general damages of \$60 million (in the Wong Action) and \$250 million (in the Tahzibi Action) as well as pre- and post-judgment interest and costs.

Consultants from Strathcona were engaged in late 2012 as independent qualified persons to oversee the 10,000-tonne bulk sample program and produce a report at the conclusion of the program once all data, including the assay results from sample tower and the 16,789 metres of completed underground drilling, had been compiled. The report was expected to reconcile the assay results from the sample tower against a local resource estimate prepared by Snowden based on the program drilling, which would provide an empirical grade prediction variance for a stope-sized tonnage that could be related to and used for resource classification. Strathcona’s report on the program was expected in early 2014.

Strathcona withdrew from the program on October 8, 2013 before any results from the processing of the bulk sample were available. In withdrawing from the program, Strathcona advised the Company that “...there are no valid gold mineral resources for the Valley of the Kings Zone, and without mineral resources there can be no mineral reserves, and without mineral reserves there can be no basis for a Feasibility Study.” They also advised that “...statements included in all recent press releases [by Pretivm] about probable mineral reserves and future gold production [from the Valley of the Kings Zone] over a 22-year mine life are erroneous and misleading.” Snowden maintained its stance that its November 2012 Mineral Resource estimate remained valid, and had taken steps to involve a third party peer review in its up-coming mineral resource update.

In addition, Strathcona advised that “The infrequent high-grade intercepts reported in the press releases have been shown in the underground exposures of the bulk sample program to usually be of very narrow width (0.5 metres) and associated with narrow geological structures that occasionally have mineable continuity as in the case of the Cleopatra Vein.” We noted at the time that the results from the Valley of the Kings program drilling had been, from the outset, consistent with results from prior exploration drilling in the Valley of the Kings. Drilling had frequently intersected extreme grade mineralization over narrow widths, with 47 intersections grading greater than 1,000 grams of gold per tonne from underground drilling (on average there is one in every 550 metres of 2013 drilling) and 125 intersections in total to date grading greater than 1,000 grams of gold per tonne for the Valley of the Kings. The program was initiated, amongst other reasons, to determine the bulk mineability of the Valley of the Kings mineralization. These reasons and the form of mineralization had been discussed with Strathcona prior to their engagement.

When it withdrew, Strathcona advised Pretivm that it had previously asserted similar views critiquing the Snowden resource model for the Valley of the Kings, accompanied with “recommendations” for public disclosure of the preliminary bulk sample data supporting their conclusions. At one point, these assertions, conclusions and “recommendations” were made on the basis of approximately 20% of the underground drilling results, no assay results from the sample tower and no results from production.

Snowden consistently and repeatedly advised in response to all comments from Strathcona that the true test of the resource estimate would only come from the reconciliation results between the ultimate grade of the bulk sample (as defined by produced metal and metal accounting) and the grade of the resource estimate for the same volume. Strathcona resigned before Snowden had an opportunity to formally respond to their assertions.

Both Pretivm’s management and Snowden shared a number of significant concerns with respect to Strathcona’s conclusions. They contended that the Strathcona conclusions were based on: (a) the interpretation of preliminary data, (b) the interpretation of too few data, and (c) the incorrect interpretation and application of preliminary local data for comparison to the resource estimate model. Pretivm management and Snowden also shared significant concerns that the sampling tower approach for the Valley of the Kings deposit may be flawed.

The Wong Action claims \$60 million in general damages. The Tahzibi Action claims \$250 million in general damages.

The plaintiffs in the Ontario Actions have asked for the appointment of a case management judge. There have been no further steps in the Ontario Actions.

We believe that the allegations made against us in Ontario Actions are meritless and will vigorously defend them, although no assurance can be given with respect to the ultimate outcome of the Ontario Actions.

b) United States Class Actions

Between October 2013 and November 2013, five putative class action complaints were filed in the United States against the Company and certain of its officers and directors, alleging that the defendants violated the U.S. securities laws by misrepresenting or failing to disclose material information concerning the Brucejack Project. All five actions were filed in the United States District Court for the Southern District of New York.

In January 2014, the Court ordered that these actions be consolidated into a single action, styled *In re Pretium Resources Inc. Securities Litigation*, Case No. 13-CV-7552. The Court has appointed as lead plaintiffs in the consolidated action three individuals who are suing on behalf of a putative class of shareholders who purchased the Company's common shares between November 20, 2012 and October 21, 2013.

In March 2014, the plaintiffs filed a consolidated amended class action complaint, which we moved to dismiss in May 2014. In July 2014, the plaintiffs filed a second consolidated amended class action complaint ("**Second Amended Complaint**"). We moved to dismiss the Second Amended Complaint on September 5, 2014 and the plaintiffs filed their Opposition to our Motion to Dismiss on October 20, 2014. On November 19, 2014, we filed a reply to the plaintiffs' Opposition to our Motion to Dismiss.

As at the date of this AIF, the Court has not yet issued a decision on the motion.

We believe that the allegations made against us in these actions are meritless and will vigorously defend the matter, although no assurance can be given with respect to the ultimate outcome of such proceedings.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than disclosed elsewhere in this AIF, no director, executive officer or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued Common Shares, or any of their respective associates or affiliates of such persons, has any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company within the three most recent financial years preceding the date of this AIF.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Our auditors are PricewaterhouseCoopers LLP and are located at Suite 700, 250 Howe Street, Vancouver, British Columbia, Canada V6C 3S7.

The transfer agent and registrar for the Common Shares of the Company in Canada is Computershare Investor Services Inc., at its principal offices in Vancouver, British Columbia and Toronto, Ontario. The transfer agent and registrar for the Common Shares of the Company in the United States is Computershare Trust Company, N.A, at its principal offices in Golden, Colorado.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, as of date of this AIF, the only material contracts which the Company has entered into are set out below.

1. Acquisition Agreement;
2. Investor Rights Agreement;
3. Stream Agreement;
4. Offtake Agreement; and
5. Credit Agreement.

Copies of such agreements are available under the Company's profile on SEDAR at www.sedar.com

INTEREST OF EXPERTS

Each of the co-authors of Brucejack Report listed below is a "qualified person" for the purposes of NI 43-101. Each qualified person, as applicable, has reviewed and approved certain scientific and technical information relating to the Brucejack Project contained or incorporated by reference in this AIF or has supervised the preparation of information upon which such scientific and technical information is based as detailed in the Brucejack Report.

| Disclosure | Authors | Qualified Person |
|------------------|--|---|
| Brucejack Report | Tetra Tech | David Ireland, C.Eng., P.Eng. Ali Farrah, P.Eng. Wayne E. Scott, P.Eng. Michael Chin, P.Eng. Sabry Abdel Hafez, Ph.D., P.Eng. Harvey Wayne Stoyko, P.Eng. Jianhui (John) Huang, Ph.D., P.Eng. |
| | Snowden Mining Industry Consultants Inc. | Lynn Olssen, MAusIMM(CP) |
| | AMC Mining Consultants (Canada) Ltd. | Colm Keogh, P.Eng. George Zazzi, P.Eng. |
| | ERM Rescan | Paul Greisman, Ph.D., P.Eng. Pierre Pelletier, P.Eng. |
| | BGC Engineering Inc. | Trevor Crozier, M.Eng., P.Eng. Sharon Blackmore, M.Sc., P.Geo. Brent McAfee, P.Eng. Catherine Schmid, M.Sc., P.Eng. Hamish Weatherly, M.Sc., P.Geo. |
| | Alpine Solutions Avalanche Services | Brian Gould, P.Eng. |
| | Valard Construction | Michael Paul Wise, P.Eng. |

The “General Development of Our Business”, the “Description of Our Business”, the “2016 Cost Update” and updated project economic metrics contained in the 2016 Cost Update, have been reviewed, approved and verified by Mr. Kenneth C. McNaughton, M.A.Sc., P.Eng., our Vice President and Chief Exploration Officer or Mr. Ian I. Chang M.A.Sc., P.Eng., our Vice President, Project Development, each of whom is a “qualified person” as defined in NI 43-101.

None of the aforementioned companies, partnerships or persons, each of whom are named in this AIF as having prepared reports, valuations, statements or opinions or having been responsible for reporting exploration results relating to our mineral properties and whose profession or business gives authority to such reports, valuations, statements or opinions or any director, officer, partner, consultant or employee thereof, as applicable, received or will receive a direct or indirect interest in any securities or other property of ours or of any of our associates or affiliates or is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any of our associates or affiliates, other than Kenneth C. McNaughton, M.A.Sc., P.Eng., who is our Vice President and Chief Exploration Officer and holds 480,500 Common Shares, 860,000 options to purchase Common Shares and 60,000 restricted share units, and Ian I Chang, M.A.Sc., P.Eng., who is our Vice President Project Development and holds 2,553 Common Shares, 195,000 options and 25,000 restricted share units. To the best of our knowledge, as at the date hereof, such persons and the directors, officers, partners, consultants and employees, as applicable, of each of the aforementioned companies and partnership beneficially own, directly or indirectly, in the aggregate, less than one percent of the securities of the Company.

Our auditors, PricewaterhouseCoopers LLP, report that they are independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia and with the rules and regulations of the SEC as at the date of their audit report.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Additional information with respect to directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities and securities authorized for issuance under equity compensation plans is contained in the management information circular for our most recent meeting of shareholders. Additional financial information is provided in the Company’s financial statements and MD&A for its most recently completed financial year, also filed on SEDAR.

Copies of these documents may be obtained from the Company by contacting us at Suite 2300, 1055 Dunsmuir Street, PO Box 49334, Vancouver, British Columbia V7X 1L4, telephone: (604) 558-1784, fax: (604) 558-4784.

APPENDIX 1

PRETIVM RESOURCES INC.

AUDIT COMMITTEE CHARTER

As Adopted by the Board of Directors on March 10, 2016

I. Purpose of Audit Committee of Pretivm Resources Inc. (the “Company”)

The purpose of the Audit Committee (the “Committee”) is to:

- 1 Assist the Board of Directors of the Company (the “Board”) in fulfilling its oversight responsibilities relating to:
 - (a) the quality and integrity of the Company’s financial statements, financial reporting process and systems of internal controls and disclosure controls regarding risk management, finance, accounting, and legal and regulatory compliance;
 - (b) the independence and qualifications of the Company’s independent accountants and review of the audit efforts of the Company’s independent accountants; and
 - (c) the development and implementation of policies and processes regarding corporate governance matters.
- 2 Provide an open avenue of communication between the independent accountants, the Company’s financial and senior management and the Board.
- 3 Prepare any reports required to be prepared by the Committee pursuant to the rules of any stock exchange on which the Company’s shares are listed and pursuant to the rules of any securities commission or other regulatory authority having jurisdiction, whether for inclusion in the Company’s annual proxy statement or otherwise.

The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section VII below of this Charter.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, or to determine that the Company’s financial statements are complete and accurate or are in accordance with generally accepted accounting principles, accounting standards, or applicable laws and regulations. This is the responsibility of management of the Company and the Company’s independent accountants, as well as any advisors employed by the Committee. Because the primary function of the Committee is oversight, the Committee shall be entitled to rely on the expertise, skills and knowledge of management and the Company’s independent accountants and the integrity and accuracy of information provided to the Committee by such persons in carrying out its oversight responsibilities. Nothing in this Charter is intended to change the responsibilities of management and the independent accountants.

II. Composition

The Committee shall be composed of at least three directors, each of whom the Board has determined has no material relationship with the Company which could, in the view of the Board, be reasonably expected to interfere with the exercise of such director's independent judgement, and who otherwise satisfies the definition of "independent" as set forth by National Instrument 52-110 – Audit Committees ("NI 52-110") and any other applicable securities laws, rules or requirements of any stock exchange upon which the Company's securities are listed as in effect from time to time.

All members of the Committee must be financially literate, meaning that he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements or must become. A director committee who is not financially literate may be appointed to the committee provided that such director becomes financially literate within a reasonable period of time following such appointment.

If any member of the Committee ceases to be "independent", as defined by the applicable securities laws and exchange requirements, including NI 52-110, for reasons outside that member's reasonable control, that person may remain an audit committee member until the earlier of the next annual meeting of the shareholders or the date that is six months from the occurrence of the event that caused the member to no longer be independent.

III. Authority

The Committee shall have the authority to (i) retain (at the Company's expense) its own legal counsel, accountants and other advisors that the Committee believes, in its sole discretion, are needed to carry out its duties and responsibilities; (ii) conduct investigations that it believes, in its sole discretion, are necessary to carry out its responsibilities; and (iii) take whatever actions that it deems appropriate to foster an internal culture that is committed to maintaining quality financial reporting, sound business risk practices and ethical behaviour within the Company. In addition, the Committee shall have the authority to request any officer, director, employee or consultant of the Company, the Company's outside legal counsel and the independent accountants to meet with the Committee and any of its advisors and to respond to their inquiries. The Committee shall have full access to the books, records and facilities of the Company in carrying out its responsibilities. Finally, the Board shall adopt resolutions which provide for appropriate funding, as determined by the Committee, for (i) services provided by the independent accountants in rendering or issuing an audit report, (ii) services provided by any adviser employed by the Committee which it believes, in its sole discretion, are needed to carry out its duties and responsibilities, or (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities.

The Committee shall be responsible for establishing procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and (ii) the confidential, anonymous submissions by employees of the Company regarding questionable accounting or auditing matters.

The Committee shall review the reports of the Chief Executive Officer and Chief Financial Officer (in connection with their required certifications for the Company's filings with the Securities and Exchange Commission) regarding any significant deficiencies or material weaknesses in the design of operation of internal controls and any fraud that involves management or other employees of the Company who have a significant role in managing or implementing the Company's internal controls. During this review, the Committee should evaluate whether the internal control structure, as created and as implemented, provides reasonable assurances that transactions are recorded as necessary to permit the Company's external auditors to reconcile the Company's financial statements in accordance with applicable securities laws.

The Committee, in its capacity as a committee of the Board, is directly responsible for the appointment, compensation, retention and oversight of the work of the independent accountants engaged (including resolution of disagreements between the Company's management and the independent accountants regarding financial reporting) for the purpose of preparing and issuing an audit report or performing other audit, review or attest services for the Company.

The independent accountants shall submit to the Audit Committee annually a formal written statement delineating all relationships between the independent accountants and the Company and its subsidiaries, addressing the non-audit services provided to the Company or its subsidiaries and the matters set forth in or required by the rules and regulations of all relevant regulatory authorities.

The independent accountants shall submit to the Audit Committee annually a formal written statement of the fees billed for each of the following categories of services rendered by the independent accountants: (i) the audit of the Company's annual financial statements for the most recent fiscal year and any reviews of the financial statements; (ii) information technology consulting services for the most recent fiscal year, in the aggregate and by each service (and separately identifying fees for such services relating to financial information systems design and implementation); and (iii) all other services rendered by the independent accountants for the most recent fiscal years, in the aggregate and by each service.

IV. Appointing Members

The members of the Committee shall be appointed or re-appointed by the Board on an annual basis. Each member of the Committee shall continue to be a member thereof until such member's successor is appointed, unless such member shall resign or be removed by the Board or such member shall cease to be a director of the Company. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board and shall be filled by the Board if the membership of the Committee is less than three directors as a result of the vacancy or the Committee no longer has a member who is an "audit committee financial expert" as a result of the vacancy.

V. Chairperson

The Board, or in the event of its failure to do so, the members of the Committee, must appoint a Chairperson from the members of the Committee. If the Chairperson of the Committee is not present at any meeting of the Committee, an acting Chairperson for the meeting shall be chosen by majority vote of the Committee from among the members present. In the case of a deadlock on any matter or vote, the Chairperson shall refer the matter to the Board. All requests for information from the Company or the independent accountants shall be made through the Chairperson.

VI. Meetings

The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members thereof provided that:

- 1 A quorum for meetings shall be two members, present in person or by telephone or other telecommunication device that permit all persons participating in the meeting to speak and hear each other;

- 2 The Committee shall meet at least quarterly (or more frequently as circumstances dictate); and
- 3 Notice of the time and place of every meeting shall be given in writing or facsimile communication to each member of the Committee and the external auditors of the Company at least 48 hours prior to the time of such meeting.

While the Committee is expected to communicate regularly with management, the Committee shall exercise a high degree of independence in establishing its meeting agenda and in carrying out its responsibilities. The Committee shall submit the minutes of all meetings of the Committee to, or discuss the matters discussed at each Committee meeting with, the Board.

VII. Specific Duties

In meeting its responsibilities, the Committee is expected to:

- 1 Select and recommend to the Board the independent accountants for the Company, considering independence and effectiveness, approve all audit and non-audit services in advance of the provision of such services and the fees and other compensation to be paid to the independent accountants, and oversee the services rendered by the independent accountants (including the resolution of disagreements between management and the independent accountants regarding preparation of financial statements) for the purpose of preparing or issuing an audit report or related work, and the independent accountants shall report directly to the Committee;
- 2 To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services;
- 3 Review the performance of the independent accountants, including the lead partner of the independent accountants, and, in its sole discretion, approve any proposed discharge of the independent accountants when circumstances warrant, and appoint any new independent accountants;
- 4 Periodically review and discuss with the independent accountants all significant relationships the independent accountants have with the Company to determine the independence of the independent accountants, including a review of service fees for audit and non-audit services;
- 5 Review and approve the issuer's hiring policies from time to time regarding partners, employees and former partners and employees of the present and former external auditor of the issuer;
- 6 Inquire of management and the independent accountants and evaluate the effectiveness of the Company's process for assessing significant risks or exposures and the steps management has taken to monitor, control and minimize such risks to the Company. Obtain annually, in writing, the letters of the independent accountants as to the adequacy of such controls;
- 7 Consider, in consultation with the independent accountants, the audit scope and plan of the independent accountants;

- 8 Review with the independent accountants the coordination of audit effort to assure completeness of coverage, and the effective use of audit resources;
- 9 Consider and review with the independent accountants, out of the presence of management:
 - (a) the adequacy of the Company's internal controls and disclosure controls including the adequacy of computerized information systems and security;
 - (b) the truthfulness and accuracy of the Company's financial statements; and
 - (c) any related significant findings and recommendations of the independent accountants together with management's responses thereto;
- 10 Following completion of the annual audit, review with management and the independent accountants:
 - (a) the Company's annual financial statements and related footnotes;
 - (b) the independent accountants' audit of the financial statements and the report thereon;
 - (c) any significant changes required in the independent accountants' audit plan; and
 - (d) other matters related to the conduct of the audit which are to be communicated to the committee under generally accepted auditing standards;
- 11 Following completion of the annual audit, review separately with each of management and the independent accountants any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- 12 Establish regular and separate systems of reporting to the Committee by each of management and the independent accountants regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments;
- 13 In consultation with the independent accountants, review any significant disagreement among management and the independent accountants in connection with the preparation of the financial statements, including management's responses;
- 14 Consider and review with management:
 - (a) significant findings during the year and management's responses thereto; and
 - (b) any changes required in the planned scope of their audit plan;
- 15 Review, prior to publication, all filings with regulatory authorities and any other publicly disclosed information containing the Company's financial statements, including Management's Discussion & Analysis, any certification, report, opinion or review rendered by the independent accountants, any press releases announcing earnings (especially the use of "pro forma" or "adjusted" information not prepared in compliance with generally accepted accounting principles) and all financial information and earnings guidance intended to be provided to analysts and the public or to rating agencies, and consider whether the information contained in these documents is consistent with the information contained in the financial statements;

- 16 Facilitate the preparation and inclusion of any report from the Committee or other disclosures as required by applicable laws and regulations in the Company's annual proxy statement or other filings of all regulatory authorities having jurisdiction;
- 17 Review with management the adequacy of the insurance and fidelity bond coverages, reported contingent liabilities, and management's assessment of contingency planning. Review management's plans regarding any changes in accounting practices or policies and the financial impact of such changes, any major areas in management's judgment that have a significant effect upon the financial statements of the Company, and any litigation or claim, including tax assessments, that could have a material effect upon the financial position or operating results of the Company;
- 18 Review with management and the independent accountants each annual, quarterly and other periodic report prior to its filing with the relevant regulators or prior to the release of earnings;
- 19 Review policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent accountants;
- 20 Review, with the Company's counsel, any legal, tax or regulatory matter that may have a material impact on the Company's financial statements, operations, related Company compliance policies, and programs and reports received from regulators;
- 21 Evaluate and review with management the Company's guidelines and policies governing the process of risk assessment and risk management;
- 22 Meet with the independent accountants and management in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee;
- 23 Report Committee actions to the Board with such recommendations as the Committee may deem appropriate;
- 24 Maintain, review and update the procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, as set forth in Annex A attached to this Charter;
- 25 Review, assess and update this Charter on an annual basis and recommend any proposed changes to the Board for approval, in accordance with the requirements of the all applicable laws; and
- 26 Perform such other functions consistent with this Charter, the Company's Articles and governing law, as the Committee deems necessary or appropriate.

ANNEX A

**PROCEDURES FOR THE SUBMISSION OF
COMPLAINTS AND CONCERNS REGARDING
ACCOUNTING, INTERNAL ACCOUNTING CONTROLS OR
AUDITING MATTERS**

- 1 Pretivm Resources Inc. (the “Company”) has designated its Audit Committee of its Board of Directors (the “Committee”) to be responsible for administering these procedures for the receipt, retention, and treatment of complaints received by the Company or the Committee directly regarding accounting, internal accounting controls, or auditing matters.
- 2 Any employee or consultant of the Company may on a confidential and anonymous basis submit concerns regarding questionable accounting controls or auditing matters to the Committee by setting forth such concerns in a letter addressed directly to the Committee with a legend on the envelope such as “Confidential” or “To be opened by Committee only”. If an employee or consultant would like to discuss the matter directly with a member of the Committee, the employee or consultant should include a return telephone number in his or her submission to the Committee at which he or she can be contacted. All submissions by letter to the Committee can be sent to:

Pretivm Resources Inc.
c/o Audit Committee
Attn: Chair
- 3 Any complaints received by the Company that are submitted as set forth herein will be forwarded directly to the Committee and will be treated as confidential if so indicated.
- 4 At each meeting of the Committee, or any special meetings called by the Chairperson of the Committee, the members of the Committee will review and consider any complaints or concerns submitted by employees as set forth herein and take any action it deems necessary in order to respond thereto.
- 5 All complaints and concerns submitted as set forth herein will be retained by the Committee for a period of seven (7) years.

APPENDIX B

**FINANCIAL STATEMENTS OF PRETIUM RESOURCES INC., INCLUDING MANAGEMENT'S REPORT TO SHAREHOLDERS AND THE AUDITORS'
REPORTS**



PRETIUM RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Expressed in Canadian Dollars)

Suite 2300, Four Bentall Centre
1055 Dunsmuir Street, PO Box 49334
Vancouver, BC V7X 1L4

Phone: 604-558-1784
Email: invest@pretivm.com

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards, and within the framework of the summary of significant accounting policies in these consolidated financial statements.

A system of internal accounting control is maintained in order to provide reasonable assurance that assets are safeguarded and that transactions are properly recorded and executed in accordance with management's authorization. This system includes established policies and procedures, the selection and training of qualified personnel and an organization providing for appropriate delegation of authority and segregation of responsibilities.

The Audit Committee of the Board of Directors meets periodically with management and the Company's independent auditors to review the scope and results of their annual audit and to review the consolidated financial statements and related financial reporting matters prior to submitting the consolidated financial statements to the Board of Directors for approval.

The consolidated financial statements have been audited by PricewaterhouseCoopers LLP on behalf of the shareholders and their report follows.

"Robert A. Quartermain"
Robert A. Quartermain
Chief Executive Officer

"Tom S. Q. Yip"
Tom S. Q. Yip
Chief Financial Officer

March 10, 2016

Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting under Rule 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934. The Securities Exchange Act of 1934 defines this as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

-) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
-) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
-) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that may have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2015. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework (2013).

Based upon our assessment and those criteria, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2015.

PricewaterhouseCoopers LLP, our independent auditors, has issued an audit report on internal control over financial reporting for the Company as of December 31, 2015, which is included herein.

“Robert A. Quartermain”
Robert A. Quartermain
Chief Executive Officer

“Tom S. Q. Yip”
Tom S. Q. Yip
Chief Financial Officer

March 10, 2016



March 10, 2016

Independent Auditor's Report

To the Shareholders of Pretium Resources Inc.

We have completed integrated audits of Pretium Resources Inc.'s (the "Company") December 31, 2015 and December 31, 2014 consolidated financial statements and its internal control over financial reporting as at December 31, 2015. Our opinions, based on our audits are presented below.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of the Company, which comprise the consolidated statements of financial position as at December 31, 2015 and December 31, 2014 and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Canadian generally accepted auditing standards also require that we comply with ethical requirements.

An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles and policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

*PricewaterhouseCoopers LLP
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T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca*

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

**Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Pretium Resources Inc. as at December 31, 2015 and December 31, 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on internal control over financial reporting

We have also audited Pretium Resources Inc.'s internal control over financial reporting as at December 31, 2015, based on criteria established in Internal Control - Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Management's responsibility for internal control over financial reporting

Management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Controls over Financial Reporting.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control, based on the assessed risk, and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our audit opinion on the Company's internal control over financial reporting.

Definition of internal control over financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.



Inherent limitations

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

signed "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

Vancouver, British Columbia March 10, 2016

PRETIUM RESOURCES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in thousands of Canadian dollars)

| | Note | December 31, 2015 | December 31, 2014 |
|---|------|----------------------|----------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | \$ 387,925 | \$ 34,495 |
| Receivables and other | 6 | 20,406 | 12,552 |
| | | 408,331 | 47,047 |
| Non-current assets | | | |
| Mineral properties, plant and equipment | 7 | 1,021,415 | 768,072 |
| Other assets | 9 | 41,504 | - |
| Restricted cash | 10 | 8,495 | 1,697 |
| | | 1,071,414 | 769,769 |
| Total assets | | \$ 1,479,745 | \$ 816,816 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 8 | \$ 48,004 | \$ 13,277 |
| | | 48,004 | 13,277 |
| Non-current liabilities | | | |
| Long-term debt | 9 | 428,829 | - |
| Decommissioning and restoration provision | 10 | 7,253 | 2,096 |
| Deferred income tax | 15 | 28,018 | 22,212 |
| | | 512,104 | 37,585 |
| EQUITY | | | |
| Share capital | 11 | 986,579 | 795,034 |
| Contributed surplus | 11 | 57,369 | 59,970 |
| Deficit | | (76,307) | (75,773) |
| | | 967,641 | 779,231 |
| Total liabilities and equity | | \$ 1,479,745 | \$ 816,816 |
| Commitments | 16 | | |
| Contingencies | 17 | | |
| Subsequent events | 18 | | |

On behalf of the Board:

“Ross A. Mitchell”
Ross A. Mitchell
(Chairman of Audit Committee)

“George N. Paspalas”
George N. Paspalas
(Director)

The accompanying notes are an integral part of these consolidated financial statements.

PRETIUM RESOURCES INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in thousands of Canadian dollars, except for share data)

| | Note | Year ended December 31, | |
|---|------|-------------------------|--------------------|
| | | 2015 | 2014 |
| EXPENSES | | | |
| Share-based compensation | 11 | \$ 6,181 | \$ 2,848 |
| Salaries | | 4,599 | 1,894 |
| Office | | 1,625 | 1,137 |
| Investor relations | | 1,430 | 1,106 |
| Professional fees | | 540 | 983 |
| Insurance | | 533 | 345 |
| Travel and accommodation | | 404 | 220 |
| Listing and filing fees | | 343 | 264 |
| Consulting | | 126 | 96 |
| Amortization | 7 | 88 | 70 |
| Gain on sale of equipment | | (47) | - |
| Operating loss | | (15,822) | (8,963) |
| Foreign exchange (loss) gain | | (3,082) | 344 |
| Financing and interest costs | | (378) | - |
| Accretion of decommissioning and restoration provision | 10 | (85) | (36) |
| Interest income | | 714 | 406 |
| Gain on financial instruments at fair value | 9 | 24,110 | - |
| Income (loss) before taxes | | 5,457 | (8,249) |
| Deferred income tax expense | 15 | (5,991) | (4,196) |
| Net loss and comprehensive loss for the year | | \$ (534) | \$ (12,445) |
| Basic and diluted loss per common share | | \$ (0.00) | \$ (0.11) |
| Weighted average number of common shares outstanding | | 135,203,897 | 111,308,353 |

The accompanying notes are an integral part of these consolidated financial statements.

PRETIUM RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of Canadian dollars)

| | Note | Year ended December 31, | |
|--|------|-------------------------|------------------|
| | | 2015 | 2014 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net loss for the year | | \$ (534) | \$ (12,445) |
| Items not affecting cash: | | | |
| Accretion of decommissioning and restoration provision | | 85 | 36 |
| Amortization | | 88 | 70 |
| Gain on financial instruments at fair value | 9 | (24,110) | - |
| Deferred income tax expense | 15 | 5,991 | 4,196 |
| Gain on sale of equipment | | (47) | - |
| Share-based compensation | 11 | 6,181 | 2,848 |
| Unrealized foreign exchange loss | | 3,119 | - |
| Changes in non-cash working capital items: | | | |
| Receivables and other | | (1,816) | (621) |
| Accounts payable and accrued liabilities | | 115 | 611 |
| Net cash used in operating activities | | (10,928) | (5,305) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from credit facility, net | | 192,291 | - |
| Proceeds from stream financing | | 198,750 | - |
| Common shares issued | 11 | 159,126 | 93,784 |
| Share issue costs | | (4,681) | (6,217) |
| Proceeds from exercise of stock options | | 24,171 | - |
| Net cash generated by financing activities | | 569,657 | 87,567 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Expenditures on mineral properties, plant and equipment | 7 | (203,224) | (68,725) |
| Mineral recoveries | 7 | 210 | 9,872 |
| Proceeds from sale of equipment | | 121 | - |
| Restricted cash | 10 | (6,798) | (489) |
| Net cash used in investing activities | | (209,691) | (59,342) |
| Change in cash and cash equivalents for the year | | 349,038 | 22,920 |
| Cash and cash equivalents, beginning of the year | | 34,495 | 11,575 |
| Effect of foreign exchange rate changes on cash and cash equivalents | | 4,392 | - |
| Cash and cash equivalents, end of the year | | \$ 387,925 | \$ 34,495 |
| Supplemental cash flow information | 13 | | |

The accompanying notes are an integral part of these consolidated financial statements.

PRETIUM RESOURCES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of Canadian dollars, except for share data)

| | Note | Number of common shares | Share capital | Contributed surplus | Deficit | Total |
|--|------|-------------------------------|---------------|------------------------|-------------|------------|
| Balance - December 31, 2013 | | 105,051,050 | \$ 707,546 | \$ 53,821 | \$ (63,328) | \$ 698,039 |
| Shares issued under flow-through agreement | 11 | 3,425,327 | 26,307 | - | - | 26,307 |
| Shares issued under marketed offering | 11 | 7,855,650 | 61,868 | - | - | 61,868 |
| Shares issued under private placement | 11 | 496,054 | 3,916 | - | - | 3,916 |
| Share issue costs | | - | (6,217) | - | - | (6,217) |
| Deferred income tax on share issue costs | | - | 1,614 | - | - | 1,614 |
| Value assigned to options vested | | - | - | 6,149 | - | 6,149 |
| Loss for the year | | - | - | - | (12,445) | (12,445) |
| Balance - December 31, 2014 | | 116,828,081 | \$ 795,034 | \$ 59,970 | \$ (75,773) | \$ 779,231 |
| Shares issued under private placement | 11 | 23,430,324 | 152,126 | | | 152,126 |
| Shares issued under flow-through agreement | 11 | 800,000 | 5,968 | | | 5,968 |
| Share issue costs | 11 | | (4,681) | | | (4,681) |
| Deferred income tax on share issue costs | | | 1,218 | | | 1,218 |
| Shares issued upon exercise of options | 11 | 4,010,000 | 36,914 | (12,743) | | 24,171 |
| Value assigned to options vested | 11 | | | 10,142 | | 10,142 |
| Loss for the year | | | | | (534) | (534) |
| Balance - December 31, 2015 | | 145,068,405 | \$ 986,579 | \$ 57,369 | \$ (76,307) | \$ 967,641 |

The accompanying notes are an integral part of these consolidated financial statements.

PRETIUM RESOURCES INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2015 and 2014

(Expressed in thousands of Canadian dollars, except for share data)

1. NATURE OF OPERATIONS

Pretium Resources Inc. (the "Company") was incorporated under the laws of the Province of British Columbia, Canada on October 22, 2010. The address of the Company's registered office is Suite 2300, Four Bentall Centre, 1055 Dunsmuir Street, PO Box 49334, Vancouver, BC, V7X 1L4.

The Company is in the business of acquiring, owning, evaluating and developing gold/silver/copper mineral interests and owns the Brucejack and Snowfield Projects located in Northwest British Columbia, Canada. The Company is in the process of developing the Brucejack Project and exploring the Snowfield Project.

The Company's continuing operations and the underlying value and recoverability of the amount shown for mineral properties, plant and equipment is entirely dependent upon the existence of economically recoverable mineral reserves and resources, the ability of the Company to obtain the necessary financing to complete exploration and development, the ability to obtain the necessary permits to mine for exploration and evaluation assets, and future profitable production or proceeds from the disposition of the projects.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL") which are stated at their fair value.

These consolidated financial statements were authorized for issue by the Board of Directors on March 10, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company, its subsidiaries, listed in the following table:

| Name of subsidiary | Place of incorporation | Proportion of ownership interest | Principal activity |
|---------------------------|-------------------------------|---|--|
| Pretium Exploration Inc. | British Columbia, Canada | 100% | Holds interest in the Brucejack and Snowfield Projects |
| 0890696 BC Ltd. | British Columbia, Canada | 100% | Holds real estate in Stewart, British Columbia |

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when the Company has existing rights that give the Company the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a subsidiary's share capital. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intercompany balances and transactions, including any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company and its subsidiaries is the Canadian dollar. These consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss for the year.

Financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash holdings in business and savings accounts held at major financial institutions with an original maturity date of three months or less.

Cash and cash equivalents and restricted cash are classified as loans and receivables and are recorded at amortized cost. Interest income is recognized by applying the effective interest rate.

Receivables

Receivables are classified as loans and receivables and accordingly are recorded initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less any impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Derivatives

Derivative instruments, including embedded derivatives, are recorded at fair value through profit or loss and, accordingly, are recorded on the statement of financial position at fair value. Unrealized gains and losses on derivatives held for trading are recorded in profit or loss for the year. Fair values for derivative instruments are determined using valuation techniques, with assumptions based on market conditions existing at the statement of financial position date or settlement date of the derivative.

Accounts payable and accrued liabilities and debt

Accounts payable, accrued liabilities and debt are classified as other financial liabilities and are recognized initially at fair value, net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are held at amortized cost using the effective interest method.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting year. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been adversely impacted.

Plant and equipment

Plant and equipment are carried at cost, less accumulated amortization and accumulated impairment losses. Cost comprises the fair value of consideration given to acquire an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use along with the future cost of dismantling and removing the asset. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Plant and equipment are amortized over the estimated useful life of the assets using the straight line method to allocate their cost to their residual values over their estimated lives, as follows:

| | |
|--|---------------|
| Camp infrastructure and buildings | 10 – 25 years |
| Mine and exploration equipment | 5 years |
| Office equipment, computer hardware and software | 3 – 5 years |

Amortization of plant and equipment commences when the asset is substantially complete and available for its intended use. The Company reviews residual values, amortization methods and useful lives annually. Any changes in estimates that arise from the review are accounted for prospectively.

Mineral property development costs

Mineral properties consists of the Brucejack Project carried at cost, less accumulated depletion. Costs of project development including gaining access to underground resources are capitalized to mineral properties. Once the mineral property is in production, it will be depleted using the units-of-production method. Depletion is determined each period using gold equivalent ounces mined over the asset's estimated recoverable reserves.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Construction in progress

Costs recorded for assets under construction are capitalized as construction in progress. On completion, the cost of construction is transferred to the appropriate category of plant and equipment. No amortization is recorded until the assets are substantially complete and available for their intended use.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to prepare for its intended use are capitalized as part of the cost of the asset. Capitalization of borrowing costs begin when there are borrowings and activities commence to prepare an asset for its intended use. Capitalization of borrowing costs ends when substantially all activity necessary to prepare a qualifying asset for its intended use are complete. When proceeds of project specific borrowings are invested on a temporary basis, borrowing costs are capitalized net of any investment income.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are capitalized. Mineral property acquisition costs are capitalized. Exploration and evaluation costs incurred before the Company has obtained the legal rights to explore an area are expensed.

Once the technical feasibility and commercial viability of the extraction of mineral reserves or resources from a particular mineral property has been determined, expenditures are reclassified to mineral property development costs within mineral properties, plant and equipment and are carried at cost until the properties to which the expenditures relate are sold, abandoned or determined by management to be impaired in value.

The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination of factors, including:

-) The extent to which mineral reserves or mineral resources as defined in National Instrument 43-101 ("NI 43-101") have been identified through a feasibility study or similar document;
-) The results of optimization studies and further technical evaluation carried out to mitigate project risks identified in the feasibility study;
-) The status of environmental permits; and
-) The status of mining leases or permits.

Exploration and evaluation assets are tested for impairment immediately prior to reclassification to mineral property development costs.

Mineral exploration tax credits

Mineral exploration tax credits on eligible mineral exploration expenditures incurred are treated as a reduction of capitalized mineral properties. The credits are recorded when the amount is reliably measurable and it is considered probable that the tax credit will be recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Mineral recoveries

The incidental proceeds from the sale of gold recovered from activities conducted during the exploration and evaluation stage are offset against the carrying value of the associated mineral properties, plant and equipment.

Impairment of non-financial assets

The carrying amounts of assets included in mineral properties, plant and equipment are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash generating unit to which the asset belongs is determined. The recoverable amount of an asset or cash generating unit is determined as the higher of its fair value less costs of disposal and its value in use. An impairment loss exists if the asset's carrying amount exceeds the recoverable amount, and is recorded as an expense immediately.

Value in use is determined as the present value of the future cash flows expected to be derived from continuing use of an asset or cash generating unit in its present form. These estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit for which estimates of future cash flows have not been adjusted.

Fair value is the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date. Costs of disposal are incremental costs directly attributable to the disposal of an asset. Estimated future cash flows are calculated using estimated future prices, mineral reserves and resources and operating and capital costs. All inputs used are those that an independent market participant would consider appropriate.

Tangible assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount, but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized into profit or loss immediately.

Decommissioning and restoration provision

An obligation to incur decommissioning and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property. Such costs are estimated and discounted to their net present value and capitalized to the carrying amount of the related asset along with the recording of a corresponding liability, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect risks specific to the liability are used to calculate the net present value. The liability is adjusted each year for the unwinding of the discount rate, changes to the current market-based discount rate, and for the amount or timing of the underlying cash flows needed to settle the obligation.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates at the end of the reporting year applicable to the year of expected realization.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Flow-through shares

The issuance of flow-through common shares results in the tax deductibility of the qualifying resource expenditures funded from the proceeds of the sale of such shares being transferred to the purchasers of the shares. On the issuance of such shares, the Company bifurcates the flow-through shares into: a flow-through share premium, equal to the estimated premium that investors pay for the flow-through feature, which is recognized as a liability, and share capital. As the related exploration expenditures are incurred, the Company derecognizes the premium liability and recognizes a related income tax recovery.

Share-based payment transactions

Options granted under the Company's equity settled share-based option plan are measured at fair value at the date of grant and recognized as an expense with a corresponding increase in contributed surplus in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the non-employee receives the goods or the services.

Cash-settled payment transactions such as Restricted Share Units ("RSU's") are initially measured at fair value at the date of grant and recognized as an expense with a corresponding accrued liability with subsequent re-measurement to fair value at each reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The fair value at grant date of all share-based payments is recognized as share-based compensation expense over the period for which benefits of services are expected to be derived, with a corresponding credit to contributed surplus or accrued liabilities depending on whether they are equity-settled or cash-settled. The fair value of stock options granted is estimated using the Black-Scholes option pricing model. The fair value of RSU's is estimated based on the quoted market price of the Company's common shares. When awards are forfeited, the expense previously recognized is proportionately reversed. When share-based payments are granted in exchange for services directly related to specific exploration or development projects, the expense is capitalized to that asset.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Key sources of judgment and estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying its accounting policies. Estimates and other judgments are regularly evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the Company has made in the preparation of the financial statements that could result in a material effect in the next financial year on the carrying amounts of assets and liabilities:

) *Impairment of exploration and evaluation assets*

The application of the Company's accounting policy for impairment of exploration and evaluation assets requires judgment to determine whether indicators of impairment exist including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities up to the reporting date. Management has assessed impairment indicators on the Company's exploration and evaluation assets and has concluded that no impairment indicators exist as of December 31, 2015.

) *Determination of commercial viability and technical feasibility of the Brucejack Project*

The application of the Company's accounting policy for mineral property development costs requires judgment to determine when technical feasibility and commercial viability of the Brucejack Project was demonstrable. The Company considered the positive NI 43-101 compliant Feasibility Study, the receipt of key environmental permits and the completed construction financing and concluded that commercial viability and technical feasibility of the Brucejack Project had been confirmed in the quarter ended September 30, 2015. At this point, the asset was reclassified to mineral properties and construction in progress and tested for impairment.

PRETIUM RESOURCES INC.

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

) *Impairment of mineral properties, plant and equipment*

The application of the Company's accounting policy for impairment of mineral properties, plant and equipment requires judgment to determine whether indicators of impairment exist. The review of impairment indicators includes consideration of both external and internal sources of information, including factors such as market and economic conditions, metal prices and forecasts, commercial viability and technical feasibility and estimated project economics. Management has assessed impairment indicators on the Company's mineral properties, plant and equipment and has concluded that no impairment indicators exist as of December 31, 2015.

) *Fair value of derivatives and other financial liabilities*

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer to Note 9 and 14 for further details on the methods and assumptions associated with the construction financing.

5. NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations that have been issued but are not yet effective. None of these are expected to have a significant effect on the consolidated financial statements except the following:

-) IFRS 9, *Financial Instruments*, addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39, *Financial Instruments: Recognition and Measurement* that relate to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change for liabilities is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income (loss) rather than in net earnings. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently assessing the impact of IFRS 9.

PRETIUM RESOURCES INC.

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5. NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS (Cont'd)

-) IFRS 15, *Revenue from Contracts with Customers* deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, *Revenue* and IAS 11, *Construction contracts* and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company currently does not have any revenue however, prior to commencement of commercial production, the Company will assess the impact of IFRS 15.
-) IFRS 16, *Leases* addresses accounting for leases and lease obligations. It replaces the existing leasing guidance in IAS 17, *Leases*. The objective of the new standard is to report all leases on the statement of financial position and to define how leases and lease liabilities are measured. IFRS 16 is effective January 1, 2019 with early adoption permitted for companies that also apply IFRS 15. The Company is currently assessing the impact of IFRS 16.

There are no other IFRS's or IFRIC interpretations that are not yet effective that are expected to have a material impact on the Company.

6. RECEIVABLES AND OTHER

| | December 31, | |
|--|--------------|-----------|
| | 2015 | 2014 |
| BC Mineral Exploration Tax Credit receivable | \$ 13,207 | \$ 9,740 |
| Taxes receivable | 4,790 | 1,651 |
| Prepayments and deposits | 2,386 | 526 |
| Other receivables | 23 | 121 |
| Gold sales receivable | - | 514 |
| | \$ 20,406 | \$ 12,552 |

7. MINERAL PROPERTIES, PLANT AND EQUIPMENT

| | Mineral properties | Construction in progress | Plant and equipment | Exploration and evaluation assets | Total |
|--|-----------------------|-----------------------------|------------------------|--|--------------|
| Year ended December 31, 2014 | | | | | |
| Cost | | | | | |
| Balance, beginning of year | \$ - | \$ - | \$ 11,506 | \$ 452,178 | \$ 463,684 |
| Additions | - | - | 1,930 | 320,385 | 322,315 |
| Recoveries | - | - | - | (13,325) | (13,325) |
| Balance, end of year | \$ - | \$ - | \$ 13,436 | \$ 759,238 | \$ 772,674 |
| Accumulated depreciation and depletion | | | | | |
| Balance, beginning of year | \$ - | \$ - | \$ 2,848 | \$ - | \$ 2,848 |
| Amortization and depletion | - | - | 1,754 | - | 1,754 |
| Balance, end of year | \$ - | \$ - | \$ 4,602 | \$ - | \$ 4,602 |
| Net book value - December 31, 2014 | \$ - | \$ - | \$ 8,834 | \$ 759,238 | \$ 768,072 |
| Year ended December 31, 2015 | | | | | |
| Cost | | | | | |
| Balance, beginning of year | \$ - | \$ - | \$ 13,436 | \$ 759,238 | \$ 772,674 |
| Additions | - | 91,436 | 7,135 | 159,158 | 257,729 |
| Recoveries | (2,063) | - | - | - | (2,063) |
| Disposals | - | - | (234) | - | (234) |
| Transfer from exploration and evaluation assets | 515,369 | 83,811 | - | (599,180) | - |
| Balance, end of year | \$ 513,306 | \$ 175,247 | \$ 20,337 | \$ 319,216 | \$ 1,028,106 |
| Accumulated depreciation and depletion | | | | | |
| Balance, beginning of year | \$ - | \$ - | \$ 4,602 | \$ - | \$ 4,602 |
| Amortization and depletion | - | - | 2,249 | - | 2,249 |
| Disposals | - | - | (160) | - | (160) |
| Balance, end of year | \$ - | \$ - | \$ 6,691 | \$ - | \$ 6,691 |
| Net book value - December 31, 2015 | \$ 513,306 | \$ 175,247 | \$ 13,646 | \$ 319,216 | \$ 1,021,415 |

Recoveries consist of BC Mineral Exploration Tax Credits receivable from the Government of Canada and incidental proceeds from the sale of gold recovered.

Mineral properties

Mineral properties consist solely of the Brucejack Project. The Company and the Nisga'a Nation have entered into a comprehensive Cooperation and Benefits Agreement in respect of the Brucejack Project. Under the terms of the Agreement, the Nisga'a Nation will provide ongoing support for the development and operation of Brucejack with participation in its economic benefits.

The Brucejack Project is subject to a 1.2% net smelter returns royalty on production in excess of 503,386 ounces of gold and 17,907,080 ounces of silver.

PRETIUM RESOURCES INC.

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7. MINERAL PROPERTIES, PLANT AND EQUIPMENT (Cont'd)

On July 31, 2015, the Company received an Environmental Assessment Decision Statement from the Federal Minister of the Environment which found that the Brucejack Project was not likely to cause significant adverse environmental effects. Subsequent to this, the British Columbia Minister of Energy and Mines issued a Mines Act Permit approving the mine plan and reclamation program allowing commercial production at the Brucejack Project. With receipt of the permits, the development decision from the Board of Directors and the completion of the construction financing, the Brucejack Project has transitioned from an exploration and evaluation asset under IFRS 6 to mineral properties, plant and equipment under IAS 16.

At the time of the transition from exploration and evaluation to mineral properties, plant and equipment, the Company completed an impairment test as required by IFRS 6. The impairment test compared the carrying amount of the Brucejack Project to its recoverable amount. The recoverable amount is the higher of the fair value less costs of disposal and value in use. The Company estimated the recoverable amount based on the fair value less costs of disposal using a discounted cash flow model with feasibility study economics. The significant assumptions that impact the resulting fair value include future gold and silver prices, exchange rates, capital cost estimates, operating cost estimates, estimated reserves and resources and the discount rate. Upon completion of the impairment test, the Company concluded there was no impairment.

Plant and equipment

During the year ended December 31, 2015, \$88 (2014 - \$70) of amortization was recognized in the statement of loss and \$2,161 (2014 - \$1,684) was capitalized within mineral properties.

Exploration and evaluation assets

Exploration and evaluation assets consists primarily of the Snowfield Project as well as additional regional drilling.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | December 31, 2015 | December 31, 2014 |
|---------------------------------|----------------------|----------------------|
| Trade payables | \$ 27,436 | \$ 9,315 |
| Accrued liabilities | 20,501 | 3,900 |
| Restricted share unit liability | 67 | 62 |
| | \$ 48,004 | \$ 13,277 |

PRETIUM RESOURCES INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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9. LONG-TERM DEBT

On September 21, 2015, the Company closed a construction financing comprised of a credit facility for US\$350,000, an offtake agreement, a US\$150,000 callable gold and silver stream agreement and a private placement of common shares for US\$40,000. The Company received credit facility proceeds of US\$150,000, before an arrangement fee of US\$4,500, gold and silver stream proceeds of US\$150,000 and common share proceeds of US\$40,000 upon closing.

The Company recorded the following at closing:

| | | | |
|---|---------------|----|----------|
| Assets | | | |
| Loan commitment under senior secured term credit facility | (US\$23,589) | \$ | 31,530 |
| Embedded derivatives in senior secured term credit facility | (US\$5,152) | | 6,826 |
| Total | | \$ | 38,356 |
| Liabilities | | | |
| Senior secured term credit facility (a): | | | |
| Principal drawn | (US\$150,000) | \$ | 198,750 |
| Adjustment to carrying amount | | | (35,230) |
| Total | | \$ | 163,520 |
| Offtake obligation (b) | (US\$50,662) | \$ | 67,127 |
| Stream obligation (c) | (US\$150,000) | \$ | 198,750 |
| Equity | | | |
| Common shares | (US\$40,000) | \$ | 53,000 |

Transaction costs associated with the credit facility and common shares have been recorded as part of the associated financing. Transaction costs attributable to the offtake and stream obligations have been expensed as incurred.

Pursuant to the construction financing agreements, the Company is subject to a number of non-financial covenants, including restrictions on future financings while amounts remain outstanding under the senior secured term credit facility.

As at December 31, 2015, the Company's long-term debt consisted of the following:

| | Senior secured term credit facility | Offtake obligation | Stream obligation | Total long-term debt |
|---|--|--------------------|-------------------|-------------------------|
| Balance, December 31, 2014 | \$ - | \$ - | \$ - | \$ - |
| Issuance on closing of construction financing | 163,520 | 67,127 | 198,750 | 429,397 |
| Interest expense including amortization of discount | 6,270 | - | - | 6,270 |
| Gain on financial instruments at fair value | - | (2,421) | (11,928) | (14,349) |
| Foreign exchange loss | 7,511 | - | - | 7,511 |
| Balance, December 31, 2015 | \$ 177,301 | \$ 64,706 | \$ 186,822 | \$ 428,829 |

9. LONG-TERM DEBT (Cont'd)

(a) Senior secured term credit facility

Pursuant to the terms of the senior secured term credit facility, the Company can borrow up to US\$350,000, which bears interest at a stated rate of 7.5%, compounded quarterly and payable upon maturity. The credit facility is secured by substantially all of the assets of the Company and its subsidiaries.

On September 21, 2015, the Company received the initial advance of US\$150,000. Subsequent advances will be available starting 6 months following the closing date and ending 18 months following the closing date. Each subsequent advance shall be for a minimum of US\$5,000 and a maximum of US\$50,000 and is subject to a 3% arrangement fee at the time of draw.

The credit facility matures December 31, 2018 and is subject to an extension for one year, at the Company's option upon payment of an extension fee of 2.5% of the principal amount, including accumulated interest. The Company has the right to repay at par plus accrued interest after the second anniversary of closing and upon payment of 2.5% of principal prior to the second anniversary.

The Company has determined the prepayment and extension options in the credit facility are embedded derivatives that are required to be separated from the credit facility obligations and recorded at fair value initially and at each statement of financial position date, with changes in fair value recorded in profit or loss. These embedded derivatives are recorded on the statement of financial position as other assets. From inception to December 31, 2015, the change in fair value of these embedded derivatives was a fair value gain of \$3,148.

In conjunction with the credit facility, the Company entered into an agreement to sell the gold produced at the Brucejack Project (the "Offtake obligation"). The Offtake obligation (discussed below), compensates for a lower stated interest rate on the credit facility and is presented as a reduction to the carrying amount of the drawn portion of the credit facility and an asset representing the initial fair value of the undrawn loan commitment. As the balance of the credit facility is drawn, the loan commitment will be reclassified as a reduction in the resulting loan and amortized over the life of the associated liability on an effective interest rate basis.

As a result of the impact of the Offtake obligation, the arrangement fees and the prepayment and extension options, the effective interest rate on the drawn portion of the credit facility is 13.7%. From inception to December 31, 2015, the Company capitalized \$6,270 of interest on the credit facility to mineral properties, plant and equipment.

(b) Offtake obligation

The Company has entered into an agreement pursuant to which it will sell 100% of refined gold (in excess of any delivered ounces pursuant to the stream obligation) up to 7,067,000 ounces. The final purchase price to be paid by the purchaser will be, at the purchaser's option, a market referenced gold price in US dollars per ounce during a defined pricing period before and after the date of each sale.

The Company has the option to reduce the Offtake obligation by up to 75% by paying (a) US\$11 per remaining ounce effective December 31, 2018 or (b) US\$13 per ounce effective December 31, 2019 on the then remaining undelivered gold ounces.

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9. LONG-TERM DEBT (Cont'd)

The Company has determined the Offtake obligation represents a derivative liability. Accordingly, the Offtake obligation, which is primarily a function of the purchaser's gold price option feature, is re-measured at fair value at each statement of financial position date, with changes in fair value being recorded in profit or loss. From inception to December 31, 2015, the change in fair value of the Offtake obligation was a fair value gain of \$2,421.

(c) Stream obligation

The Company has entered into a stream arrangement from which it received a US\$150,000 deposit on September 21, 2015. Pursuant to the stream, the Company is obligated to deliver, subject to prepayment options, 8% of up to 7,067,000 ounces of refined gold and 8% of up to 26,297,000 ounces of refined silver commencing on January 1, 2020 (less gold and silver sold to date) and a payment of US\$20,000. Upon delivery, the Company is entitled to (a) for gold, the lesser of US\$400 per ounce and the gold market price and (b) for silver, the lesser of US\$4 per ounce and the silver market price. Any excess of market over the fixed prices above are credited against the deposit. Any remaining uncredited balance of the deposit is repayable, without interest, upon the earlier of the date (i) the aggregate stated gold and silver quantities have been delivered and (ii) 40 years.

The Company has the option to repurchase the stream obligation for US\$237,000 on December 31, 2018 or US\$272,000 on December 31, 2019. Alternatively, the Company may reduce the stream obligation to (a) 3% on December 31, 2018 (and accelerate deliveries under the stream to January 1, 2019) or (b) 4% on December 31, 2019 (in which case deliveries will commence on January 1, 2020) on payment of US\$150,000.

In the event of certain change of control events prior to January 1, 2020 (or the date the deposit is reduced to nil, if earlier), the Company and the counterparty each have an option pursuant to which the Company would repurchase the stream obligation in exchange equal to the greater of (a) 13.6% of consideration received as a result of the triggering event and (b) an amount that will result in the counterparty receiving a 15% annualized return on the stream obligation.

The Company has determined that the stream obligation is in substance a debt instrument with embedded derivatives linked to gold and silver commodity prices and interest rates. The Company has elected to measure the stream obligation in its entirety at fair value through profit or loss. The stream obligation will be re-measured at fair value at each statement of financial position date, with changes in the fair value being recorded in profit or loss. From inception to December 31, 2015, the stream obligation decreased by \$11,928. As the stream is in substance a debt instrument, the effective interest on the debt host is capitalized as a borrowing cost during the development of the Brucejack Project. From inception to December 31, 2015, the Company capitalized \$6,613 of interest on the stream debt to mineral properties, plant and equipment. The capitalized interest was reclassified from the gain on financial instruments at fair value recorded in the statement of loss. The effective interest rate on the stream obligation is 9.5%.

10. DECOMMISSIONING AND RESTORATION PROVISION

(a) Reclamation bonds

In relation to the Brucejack Project, the Company has \$8,495 of restricted cash (2014 - \$1,697) which includes \$5,567 in the form of Guaranteed Investment Certificates and Letters of Credit as security deposits with various government agencies in relation to decommissioning and restoration provisions.

(b) Decommissioning and restoration provision

The Company has a liability for remediation of current and past disturbances associated with the exploration and development activities at the Brucejack and Snowfield Projects. The decommissioning and restoration provision is as follows:

| | December 31, | | December 31, | |
|---|--------------|-------|--------------|-------|
| | 2015 | | 2014 | |
| Opening balance | \$ | 2,096 | \$ | 1,900 |
| Change in discount rate | | (696) | | - |
| Change in amount and timing of cash flows | | 5,768 | | 160 |
| Accretion | | 85 | | 36 |
| Ending balance | \$ | 7,253 | \$ | 2,096 |

In 2015, the provision increased due to continued development of the Brucejack Project. The Company used an inflation rate of 1.9% (2014 – 1.8%) and a discount rate of 2.4% (2014 – 1.9%) in calculating the estimated obligation. The liability for retirement and remediation on an undiscounted basis before inflation is \$8,062 (2014 - \$2,032).

11. CAPITAL AND RESERVES

(a) Authorized share capital

At December 31, 2015, the authorized share capital consisted of an unlimited number of common shares without par value and an unlimited number of preferred shares with no par value.

On September 21, 2015, as part of the construction financing, the Company completed a private placement of 7,696,008 common shares at US\$5.1975 per share for gross proceeds of US\$40,000 (before share issue costs of US\$686).

On June 8, 2015, the Company completed a private placement of 800,000 flow-through common shares at a price of \$8.75 per flow-through share for gross proceeds of \$7,000. The Company bifurcated the gross proceeds between share capital of \$5,968 (before share issue costs of \$127) and flow-through share premium of \$1,032.

On January 15, 2015, the Company completed a private placement of 12,836,826 common shares at \$6.30 per share for gross proceeds of \$80,872 resulting in the acquirer owing approximately 9.9% of the Company's issued and outstanding shares. As a result of this agreement, the Company entered into additional subscription agreements with holders who wished to maintain their respective pro rata interest in the Company. Thus, on January 21, 2015, the Company issued an additional 2,897,490 common shares at \$6.30 per share for gross proceeds of \$18,254. The combined gross proceeds of these two offerings was \$99,126 (before share issue costs of \$3,470).

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11. CAPITAL AND RESERVES (Cont'd)

On July 29, 2014, the Company closed a marketed offering of 8,280,000 common shares at a price of US\$7.25 per share with the Company receiving gross proceeds of US\$49,525 for the sale of 6,831,000 common shares. The remaining 1,449,000 common shares were sold by Silver Standard Resources Inc. ("Silver Standard") in a secondary offering pursuant to its existing registration rights to participate in offerings of securities by the Company in an amount equal to the total number of common shares being offered multiplied by their current ownership percentage. On August 15, 2014, the Company closed the over-allotment option of 1,242,000 common shares at a price of US\$7.25 per share pursuant to the marketed offering that closed on July 29, 2014. The Company received gross proceeds of approximately US\$7,400 for the sale of 1,024,650 additional shares. The remaining 217,350 additional shares were sold by Silver Standard. On August 15, 2014, the Company also closed a private placement of 496,054 common shares at a price of US\$7.25 per share for gross proceeds of approximately US\$3,596 to a holder who wished to maintain their respective pro rata interest in the Company.

On March 6, 2014, the Company closed a private placement of 568,182 Investment Tax Credit flow-through common shares at a price of \$8.80 per flow-through share and 2,857,145 Canadian Exploration Expense flow-through common shares at a price of \$8.05 per flow-through share for aggregate proceeds of \$28,000. The Company bifurcated the gross proceeds between share capital of \$26,307 (before share issue costs of \$1,816) and flow-through share premium of \$1,693.

(b) Share Option Plan

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in their discretion, and in accordance with Toronto Stock Exchange requirements, grant to its directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issue does not exceed 10% of the number of then outstanding common shares. Such options can be exercisable for a maximum of five years from the date of grant. The exercise price of each share option is set by the Board of Directors at the time of grant but cannot be less than the market price. Vesting of share options is at the discretion of the Board of Directors at the time the options are granted.

The following table summarizes the changes in stock options for the year ended December 31:

| | 2015 | | 2014 | |
|--------------------------|-------------------|---------------------------------|-------------------|---------------------------------|
| | Number of options | Weighted average exercise price | Number of options | Weighted average exercise price |
| Outstanding, January 1 | 10,810,950 | \$ 8.48 | 9,841,950 | \$ 8.63 |
| Granted | 2,851,000 | 7.84 | 991,500 | 7.02 |
| Exercised | (4,010,000) | 6.03 | - | - |
| Forfeited | (209,000) | 12.53 | (22,500) | (13.06) |
| Outstanding, December 31 | 9,442,950 | \$ 9.23 | 10,810,950 | \$ 8.48 |

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11. CAPITAL AND RESERVES (Cont'd)

The following table summarizes information about stock options outstanding and exercisable at December 31, 2015:

| Exercise prices | Stock options outstanding | | Stock options exercisable | |
|---------------------------------------|-------------------------------|----------------------------------|-------------------------------|---------------------------------|
| | Number of options outstanding | Weighted average years to expiry | Number of options exercisable | Weighted average exercise price |
| \$5.85 - \$7.99 | 4,217,000 | 3.54 | 3,023,250 | \$ 6.48 |
| \$8.00 - \$9.99 | 1,780,250 | 3.21 | 1,118,250 | 9.03 |
| \$10.00 - \$11.99 | 1,975,700 | 0.72 | 1,975,700 | 11.53 |
| \$12.00 - \$13.99 | 1,325,000 | 1.92 | 1,325,000 | 13.69 |
| \$14.00 - \$15.99 | 20,000 | 1.27 | 20,000 | 14.67 |
| \$16.00 - \$17.99 | 125,000 | 1.08 | 125,000 | 16.48 |
| Outstanding, December 31, 2015 | 9,442,950 | 2.62 | 7,587,200 | \$ 9.61 |

The total share option compensation expense for the year ended December 31, 2015 was \$9,983 (2014 - \$6,149) of which \$5,719 (2014 - \$2,820) has been expensed in the statement of loss and \$4,264 (2014 - \$3,329) has been capitalized to mineral properties, plant and equipment.

The following are the weighted average assumptions employed to estimate the fair value of options granted for the year ended December 31, 2015 and year ended December 31, 2014 using the Black-Scholes option pricing model:

| | 2015 | 2014 |
|-------------------------|---------|---------|
| Risk-free interest rate | 0.91% | 1.43% |
| Expected volatility | 65.4% | 67.2% |
| Expected life | 5 years | 5 years |
| Expected dividend yield | Nil | Nil |

Option pricing models require the input of subjective assumptions including the expected price volatility, and expected option life. Changes in these assumptions may have a significant impact on the fair value calculation.

(c) Restricted Share Unit ("RSU") Plans

The Company adopted the RSU Plans to allow the Board of Directors to grant its employees and consultants, non-transferable share units based on the value of the Company's share price at the date of grant. The awards have a graded vesting schedule over a three-year period.

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11. CAPITAL AND RESERVES (Cont'd)*2014 RSU Plan*

Under the 2014 RSU Plan, the awards are cash-settled immediately upon vesting. The following table summarizes the changes in the 2014 RSU's for the year ended December 31:

| | 2015 | | 2014 | |
|--------------------------|-----------------|-----------------------------|-----------------|-----------------------------|
| | Number of RSU's | Weighted average fair value | Number of RSU's | Weighted average fair value |
| Outstanding, January 1 | 330,992 | \$ 6.84 | - | \$ - |
| Granted | - | - | 330,992 | 6.84 |
| Settled | (109,271) | 7.46 | - | - |
| Forfeited / expired | (6,023) | 8.24 | - | - |
| Outstanding, December 31 | 215,698 | \$ 6.84 | 330,992 | \$ 6.84 |

At December 31, 2015, a liability of \$67 (2014 - \$62) was outstanding and included in accounts payable and accrued liabilities. For the year ended December 31, 2015, \$358 (2014 - \$28) has been recorded to share-based compensation expense and \$450 (2014 - \$35) has been capitalized to mineral properties, plant and equipment.

2015 RSU Plan

Under the 2015 RSU Plan, subject to shareholder approval, the awards will be treated as equity-settled transactions. The following table summarizes the changes in the 2015 RSU's for the year ended December 31:

| | 2015 | | 2014 | |
|--------------------------|-----------------|-----------------------------|-----------------|-----------------------------|
| | Number of RSU's | Weighted average fair value | Number of RSU's | Weighted average fair value |
| Outstanding, January 1 | - | \$ - | - | \$ - |
| Granted | 861,344 | 7.55 | - | - |
| Settled | - | - | - | - |
| Forfeited / expired | - | - | - | - |
| Outstanding, December 31 | 861,344 | \$ 7.55 | - | \$ - |

For the year ended December 31, 2015, \$104 (2014 - nil) has been recorded to share-based compensation expense and \$55 (2014 - nil) has been capitalized to mineral properties, plant and equipment.

12. RELATED PARTIES

Transactions with key management

Key management includes the Company's directors (executive and non-executive) and executive officers including its Chairman and CEO (the "CEO"), its President (the "President"), its Chief Operating Officer and Vice President (the "COO"), its Chief Financial Officer (the "CFO") and Chief Exploration Officer and Vice President (the "CExO").

Directors and key management compensation:

| | December 31, 2015 | For the year ended December 31, 2014 |
|--|----------------------|--|
| Salaries, benefits and management fees | \$ 4,979 | \$ 1,641 |
| Share-based compensation | 7,072 | 4,052 |
| | \$ 12,051 | \$ 5,693 |

Employment agreements

The Company has entered into employment agreements with its CEO, President, COO, CFO and CExO.

Under the employment agreements, the CEO receives a base salary of \$500 per year, benefits, an annual performance bonus of 0.25% of the annual increase in the market capitalization of the Company, provided the increase in market capitalization is 10% or more, and the Board of Directors may award a discretionary amount. The President receives a base salary of \$450 per year, the COO receives a base salary of \$400 per year, the CFO receives a base salary of \$375 per year and the CExO receives a base salary of \$350 per year. Each of the President, COO, CFO and CExO are entitled to extended benefits and are eligible for an annual bonus determined at the discretion of our Board. The CEO, President, COO, CFO and CExO are also entitled, on termination without cause, to twenty-four months' salary and twice the average annual performance bonus earned in the three years immediately preceding termination.

13. SUPPLEMENTAL CASH FLOW INFORMATION

| | December 31, 2015 | For the year ended December 31, 2014 |
|---|----------------------|--|
| Net change in non-cash working capital items included in mineral properties, plant and equipment: | | |
| Taxes receivable | \$ (6,036) | \$ (3,902) |
| Accounts payable and accrued liabilities | 33,806 | 4,280 |
| | \$ 27,770 | \$ 378 |

14. FINANCIAL RISK MANAGEMENT

Financial risk management

The Company has exposure to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk from its use of financial instruments.

This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(a) Market risk

(i) Currency risk

The Company is subject to currency risk on financial instruments which are denominated in currencies that are not the same as the functional currency of the entity that holds them. Exchange gains and losses would impact profit or loss.

The Company is exposed to currency risk through cash and cash equivalents, accounts payable and accrued liabilities and long-term debt which are denominated in US dollars. The Company has not hedged its exposure to currency fluctuations at this time.

The following table shows the impact on pre-tax profit of a 10% change in the USD/CAD exchange rate on financial assets and liabilities denominated in US dollars as of December 31, 2015, with all other variables held constant:

| | Impact of currency rate change on pre-tax profit | |
|--|--|--------------|
| | 10% increase | 10% decrease |
| Cash and cash equivalents | \$ 5,290 | \$ (5,290) |
| Other assets | 997 | (997) |
| Accounts payable and accrued liabilities | (360) | 360 |
| Offtake obligation | (6,471) | 6,471 |
| Senior secured term credit facility | (17,730) | 17,730 |
| Stream obligation | (18,682) | 18,682 |

(ii) Interest rate risk

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents. The Company's current policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash and cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash and cash equivalents mature impact interest income earned.

The Company is also subject to interest rate risk with respect to the fair value of long-term debt, in particular, the fair value of the embedded derivatives under the senior secured term credit facility, the offtake obligation and the stream obligation, which are accounted for at fair value through profit or loss.

14. FINANCIAL RISK MANAGEMENT (Cont'd)

The following table shows the impact on pre-tax profit of a 1% change in interest rates on financial assets and liabilities as of December 31, 2015, with all other variables held constant:

| | Impact of interest rate change on pre-tax profit | |
|---------------------------|--|-------------|
| | 1% increase | 1% decrease |
| Cash and cash equivalents | \$ 1,539 | \$ (1,539) |
| Other assets | 1,193 | (1,124) |
| Offtake obligation | 3,759 | (3,686) |
| Stream obligation | 12,222 | (11,965) |

(iii) Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices for gold and silver. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of metal substitutes, inflation and political and economic conditions. The Company has not hedged the price of any commodity at this time.

The financial instruments impacted by commodity prices are the offtake obligation (a derivative liability) and the stream obligation.

The following table shows the impact on pre-tax profit from changes in the fair values of financial instruments with a 10% change in gold and silver commodity prices. The impact of a 10% movement in commodity prices as of December 31, 2015, with all other variables held constant, is as follows:

| | Impact of price change on pre-tax profit | |
|--------------------|--|--------------|
| | 10% increase | 10% decrease |
| Offtake obligation | \$ (4,725) | \$ 5,226 |
| Stream obligation | (13,891) | 17,877 |

(b) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents and restricted cash. The Company limits its exposure to credit risk on financial assets through investing its cash and cash equivalents with high-credit quality financial institutions.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure it will have sufficient liquidity to meet liabilities when due. To the extent the Company does not believe it has sufficient liquidity to meet obligations, it will consider securing additional equity or debt funding.

14. FINANCIAL RISK MANAGEMENT (Cont'd)

The Company's cash and cash equivalents are currently invested in business and savings accounts with high-credit quality financial institutions which are available on demand by the Company for its programs. The Company also holds government bonds to support future environmental obligations.

The Company's financial obligations consist of accounts payable and accrued liabilities and long-term debt consisting of the credit facility, the offtake obligation and the stream obligation.

The maturity analysis of financial liabilities as at December 31, 2015 is as follows:

| | Less than 1 year | 1-3 years | 3-5 years | More than 5 years | Total |
|--|---------------------|-----------|-----------|----------------------|-----------|
| Accounts payable and accrued liabilities | \$ 48,004 | \$ - | \$ - | \$ - | \$ 48,004 |
| Senior secured term credit facility (US\$192,029) | - | 265,768 | - | - | 265,768 |
| Offtake obligation | - | - | - | - | 64,706 |
| Stream obligation | - | - | - | - | 186,822 |

Amounts related to the senior secured term credit facility are shown based on contractual maturity of the host. The Company has a term extension option (reflected in the embedded derivative) that could extend repayment to 2019.

No contractual maturities are reflected with respect to the offtake and stream obligations. Amounts owing in relation to the offtake and stream obligations are contingent on future production and the price of the underlying commodities or on the Company's exercise of the early buyout options described in note 9(b) and 9(c) above.

Capital management

The Company's objectives in the managing of the liquidity and capital are to safeguard the Company's ability to continue as a going concern and provide financial capacity to meet its strategic objectives. The capital structure of the Company consists of debt instruments and equity attributable to common shareholders, comprising of issued share capital, contributed surplus, accumulated comprehensive income and accumulated deficit.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets to facilitate the management of its capital requirements. The Company prepares annual expenditure budgets that are updated as necessary depending upon various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company has sufficient funds to meet its current operating, exploration and development obligations.

PRETIUM RESOURCES INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in thousands of Canadian dollars, except for share data)

14. FINANCIAL RISK MANAGEMENT (Cont'd)

Fair value estimation

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data

The following table presents the Company's financial assets and liabilities that are measured at fair value on a recurring basis by level within the fair value hierarchy. Each of these financial instruments are classified as Level 3 as their valuation includes significant unobservable inputs.

| | December 31, 2015 |
|--|----------------------|
| Assets | |
| Financial assets at fair value through profit or loss | |
| Embedded derivatives under the senior secured term credit facility | \$ 9,974 |
| | \$ 9,974 |
| Liabilities | |
| Financial liabilities at fair value through profit or loss | |
| Offtake obligation | \$ 64,706 |
| Stream obligation | 186,822 |
| | \$ 251,528 |

The embedded derivative assets were valued using the Monte Carlo simulation valuation models with principal inputs related to the credit facility including the risk-free interest rate, the Company's and lender's credit spread and foreign exchange rates.

The offtake and stream obligations were valued using Monte Carlo simulation valuation models. The key inputs used by the Monte Carlo simulation in valuing both the offtake and stream obligations include: the gold forward curve based on Comex futures, long-term gold volatility, call option exercise prices, risk-free rate of return and spot USD/CAD foreign exchange rates.

In addition, in valuing the stream obligation, management used the following significant observable inputs: the silver forward curve based on Comex futures and the long-term silver volatility and gold/silver correlation.

The valuation of the offtake and stream obligations also require estimation of the Company's non-performance or credit risk and the anticipated production schedule of gold and silver ounces delivered over the life of mine.

PRETIUM RESOURCES INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2015 and 2014

(Expressed in thousands of Canadian dollars, except for share data)

15. TAXATION**(a) Deferred income tax liability**

The tax effects of temporary differences between amounts recorded in the Company's accounts and the corresponding amounts as computed for income tax purposes gives rise to deferred tax assets (liabilities) as follows:

| | December 31, 2015 | December 31, 2014 |
|---|----------------------|----------------------|
| Tax loss carry forwards | \$ 23,583 | \$ 17,205 |
| Financing costs | 4,159 | 2,612 |
| Decommissioning and restoration provision | 1,886 | 501 |
| Long term debt and other | (6,620) | 2,538 |
| Mineral interests | (51,026) | (45,068) |
| Deferred income tax liability | \$ (28,018) | \$ (22,212) |

The Company has tax losses in Canada of approximately \$90,705 (2014 - \$66,172) expiring in various amounts from 2030 to 2035. The Company also has investment tax credits totaling approximately \$11,247 (2014 - \$7,220).

(b) Income tax expense

The Company's tax expense is comprised of the following:

| | December 31, 2015 | For the year ended December 31, 2014 |
|----------------------|----------------------|--|
| Current tax expense | \$ - | \$ - |
| Deferred tax expense | 5,991 | 4,196 |
| Total tax expense | \$ 5,991 | \$ 4,196 |

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rates of 26% as follows:

| | December 31, 2015 | For the year ended December 31, 2014 |
|--|----------------------|--|
| Expected tax recovery | 1,419 | (2,135) |
| Share-based compensation and other items | 3,784 | 745 |
| Flow-through shares | 1,820 | 7,280 |
| Flow-through share premium | (1,032) | (1,694) |
| Income tax expense | \$ 5,991 | \$ 4,196 |

PRETIUM RESOURCES INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2015 and 2014

(Expressed in thousands of Canadian dollars, except for share data)

16. COMMITMENTS

The following table provides the Company's gross contractual obligations as of December 31, 2015:

| | Less than 1 year | 1-3 years | 3-5 years | More than 5 years | Total |
|---|---------------------|------------|-----------|----------------------|------------|
| Office lease | \$ 688 | \$ 1,544 | \$ - | \$ - | \$ 2,232 |
| Decommissioning and restoration provision | 11 | 81 | - | 7,161 | 7,253 |
| Repayment of credit facility (US\$192,029) | - | 265,768 | - | - | 265,768 |
| | \$ 699 | \$ 267,393 | \$ - | \$ 7,161 | \$ 275,253 |

Pursuant to the stream agreement, the Company is obligated to deliver, subject to prepayment options, 8% of up to 7,067,000 ounces of refined gold and 8% of up to 26,297,000 ounces of refined silver commencing on January 1, 2020 and a payment of US\$20,000.

Under the offtake agreement, the Company is obligated to sell 100% of refined gold (in excess of any delivered ounces pursuant to the stream obligation) up to 7,067,000 ounces. The final purchase price to be paid by the purchaser will be, at the purchaser's option, a market referenced gold price in US dollars per ounce during a defined pricing period before and after the date of each sale.

17. CONTINGENCIES**a) Canadian Class Actions**

On October 29, 2013, David Wong, a shareholder of the Company, filed a proposed class action against the Company, Robert Quartermain (a director, the President and the CEO of the Company) and Snowden Mining Industry Consultants Ltd. (the "Wong Action").

A similar proposed class action was filed by Roksana Tahzibi, a shareholder of the Company, on November 1, 2013 (the "Tahzibi Action"). The defendants in the Tahzibi Action are the Company, Mr. Quartermain, Joseph Ovsenek (an officer and director of the Company), Kenneth McNaughton (an officer of the Company), Ian Chang (an officer of the Company) and Snowden Mining Industry Consultants Ltd.

The Wong Action and Tahzibi Action (together, the "Ontario Actions") were filed in the Ontario Superior Court of Justice.

The plaintiffs in the Ontario Actions seek certification of a class action on behalf of a class of persons, wherever they reside, who acquired the Company's securities. In the Wong Action, the class period is between November 22, 2012 and October 22, 2013. In the Tahzibi Action, the class period is between July 23, 2013 and October 22, 2013.

The plaintiffs in the Ontario Actions allege that certain of the Company's disclosures contained material misrepresentations or omissions regarding Brucejack, including statements with respect to probable mineral reserves and future gold production at Brucejack. The plaintiffs further allege that until October 22, 2013 the Company failed to disclose alleged reasons provided by Strathcona Mineral Services Ltd. for its resignation as an independent qualified person overseeing the bulk sample program. According to the plaintiffs in the Ontario Actions, these misrepresentations and omissions are actionable under Ontario's Securities Act, other provincial securities legislation and the common law.

PRETIUM RESOURCES INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2015 and 2014

(Expressed in thousands of Canadian dollars, except for share data)

17. CONTINGENCIES (Cont'd)

The Wong Action claims \$60 million in general damages. The Tahzibi Action claims \$250 million in general damages. The plaintiffs in the Ontario Actions have asked for the appointment of a case management judge. There have been no further steps in the Ontario Actions.

The Company believes that the allegations made against it in Ontario Actions are meritless and will vigorously defend them, although no assurance can be given with respect to the ultimate outcome of the Ontario Actions.

b) United States Class Actions

Between October 25, 2013 and November 18, 2013, five putative class action complaints were filed in the United States against the Company and certain of its officers and directors, alleging that defendants violated the United States securities laws by misrepresenting or failing to disclose material information concerning the Brucejack Project. All five actions were filed in the United States District Court for the Southern District of New York.

In January 2014, the Court ordered that these actions be consolidated into a single action, styled *In re Pretium Resources Inc. Securities Litigation*, Case No. 13-CV-7552 (PGG). The Court has appointed as lead plaintiffs in the consolidated action three individuals who are suing on behalf of a putative class of shareholders who purchased or otherwise acquired the Company's common shares between June 11, 2013 and October 21, 2013.

In March 2014, the plaintiffs filed a consolidated amended class action complaint, which the Company moved to dismiss in May 2014. In July 2014, the plaintiffs filed a second consolidated amended class action complaint ("Second Amended Complaint"). The Company moved to dismiss the Second Amended Complaint on September 5, 2014. Plaintiffs filed their Opposition to the Company's Motion to Dismiss on October 20, 2014, and the Company filed a reply brief on November 19, 2014. The Court has not yet issued a decision on the motion.

The Company believes that the allegations made against it in these actions are meritless and will vigorously defend the matter, although no assurance can be given with respect to the ultimate outcome of such proceedings.

18. SUBSEQUENT EVENTS

On March 1, 2016, the Company closed a marketed offering of 28,384,000 common shares at a price of US\$4.58 per common share for aggregate gross proceeds of US\$129,999 which includes the exercise of the full amount of the over-allotment option of 2,174,000 common shares.

APPENDIX C

MANAGEMENT'S DISCUSSION AND ANALYSIS



PRETIUM RESOURCES INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of Pretium Resources Inc. ("Pretium", the "Company", "we" or "us") for the year ended December 31, 2015 as publicly filed on the System for Electronic Document Analysis and Retrieval (SEDAR) website.

All dollar amounts are expressed in thousands of Canadian Dollars unless otherwise specified.

We have prepared the audited consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A is prepared as of March 10, 2016 and includes certain statements that may be deemed "forward-looking statements". We direct investors to the section "Risks and Uncertainties" and "Statement on forward-looking information" included within this MD&A.

Additional information relating to us, including our Annual Information Form and Form 40-F, is available on the SEDAR website at www.sedar.com and on the EDGAR section of the SEC website at www.sec.gov.

Our Business

Pretium was incorporated on October 22, 2010 under the laws of the Province of British Columbia. We are an exploration and development company that was formed for the acquisition, exploration and development of precious metal resource properties in the Americas.

We have a 100% interest in the Brucejack Project and the Snowfield Project, both of which are located in northwestern British Columbia.

The Brucejack Project is our material mineral project. Our focus is on advancing the Brucejack Project to production as a high-grade gold underground mine, with engineering and construction underway.

The mineral claims for the Snowfield Project are in good standing until 2026 and we continue to conduct baseline environmental studies for potential future development.

4th Quarter Highlights

-) On October 1, 2015 we announced the appointment of Dr. Nicole Adshead-Bell to our Board of Directors.
-) On October 8, 2015, we announced a second set of drill results from the regional grassroots exploration drill program underway on the property surrounding the Brucejack Project. High-grade gold intersections encountered in the Flow Dome Zone 1,000 meters east of the Valley of Kings supported results previously reported confirming the presence of either a new stockwork zone or an extension of the Valley of the Kings deposit.

-) On December 15, 2015, we announced the final set of drill results from the regional grass roots exploration drill program conducted on the property surrounding the Brucejack Project. The results include long intervals of low-grade gold mineralization at depth to the south and southeast of the Valley of the Kings deposit and polymetallic mineralization in a new zone 13 kilometers southeast of the Project.
-) Subsequent to our year end, on January 12, 2016, we announced a fifth set of results from the underground infill drill program at the Brucejack Project's Valley of the Kings. Results continue to confirm the style and grade distribution of the Valley of the Kings gold mineralization, which include the intersection of high grade and visible gold. Reported assays include seven intersections grading greater than 1,000 grams per tonne gold.
-) On February 17, 2016, we announced an updated cost and working capital estimate for the Brucejack Project. The estimated total project capital cost to complete design, construction, installation and commissioning, including contingencies and working capital, is US\$696.8 million. Working capital for the three-month period of post-plant commissioning and initial gold production covers the cost of operations, but does not take into account any revenue generated during this period.
-) On February 22, 2016, we announced the filing of a preliminary prospectus supplement to our short form base shelf prospectus in connection with a US\$120 million marketed offering of our common shares through a syndicate of underwriters. On February 23, 2016, we announced the underwriters had agreed to purchase 26,210,000 of our common shares at US\$4.58 per share, for gross proceeds of approximately US\$120 million. The underwriters were also granted an over-allotment option to purchase an additional 2,174,000 common shares at US\$4.58 per share, exercisable for a period of 30 days following closing. On March 1, 2016, we announced the closing of the marketed offering of our common shares for gross proceeds of US\$129,998,720, which included the exercise of the over-allotment option.
-) On March 8, 2016, we announced a sixth set of results from the underground infill drill program at the Brucejack Project's Valley of the Kings. Results continue to confirm the style and grade distribution of the Valley of the Kings gold mineralization, which include the intersection of high grade and visible gold. Reported assays include four intersections grading greater than 1,000 grams per tonne gold.

Operations

Brucejack Project

The Brucejack Project is located approximately 950 km northwest of Vancouver, British Columbia and 65 km north-northwest of Stewart, British Columbia and is comprised of 4 mining leases and 6 mineral claims totaling 3,054 hectares in area. The Brucejack Project forms part of our contiguous claims package that comprises over 122,133 hectares.

Project Permitting

During 2015, the Company received all major federal and provincial regulatory permits required to begin development work towards commercial production at the Brucejack Project:

-) On March 27, 2015, we were issued an Environmental Assessment Certificate for the Brucejack Project by the British Columbia Minister of the Environment and Minister of Energy and Mines. The Ministers issued the certificate with conditions that have given them the confidence to conclude that the Project will be constructed, operated and decommissioned in a way that ensures no significant adverse effects are likely to occur. We addressed these conditions in advance of the start of mine construction.
-) On July 30, 2015, we received a positive Environmental Assessment Decision Statement from the Federal Minister of the Environment. The Decision Statement found that the Brucejack Project is not likely to cause significant adverse environmental effects. In reaching the Decision, the Minister considered the Project Recommendation and the Canadian Environmental Assessment Agency (CEAA) Environmental Assessment Report. The Report includes CEAA's conclusions and recommendations on the potential environmental effects of the Project, the proposed mitigation measures, the significance of any remaining adverse environmental effects and the follow-up program.
-) On August 31, 2015, we announced that we had received a Mines Act Permit and Environmental Management Act Permit from the British Columbia Minister of Energy and Mines and Ministry of Environment approving our mine plan and reclamation program allowing commercial production at the Brucejack Project. The Mines Act Permit allows for the construction of a 2,700 tonnes per day doré and flotation plant, development of an underground mine, and associated facilities and other infrastructure. The Environmental Management Act Permit governs effluent discharge during construction and operation.

Construction Financing

On September 21, 2015, we completed a US\$540 million construction financing with Orion Mine Finance Group and Blackstone Tactical Opportunities. The financing provided immediate access to US\$340 million and will fund a substantial portion of the costs to develop an underground mine at the Brucejack Project. The financing was comprised of a credit facility for US\$350 million, a US\$150 million prepayment under a callable gold and silver stream agreement and a private placement of our common shares for US\$40 million (see "*Liquidity and Capital Resources*" below).

On March 1, 2016, we closed a marketed offering of 28,384,000 common shares at a price of US\$4.58 per common share for gross proceeds of US\$130 million. The net proceeds will be used (i) to fund development of the Brucejack Project, (ii) for working capital during start-up and (iii) for general corporate purposes.

With the US\$540 million construction financing, available cash on hand and the completion of the equity offering of US\$130 million, the US\$696.8 million estimated development cost of the Brucejack Project is fully funded.

Project Engineering

Basic and detailed engineering activities have been ongoing following the completion in June 2014 of the updated National Instrument 43-101 compliant feasibility study for the Brucejack Project. All long lead-time items have been ordered, including the ball mill, SAG mill, and transformers. Construction power generators are in operation. Detailed project engineering continues and a comprehensive review of capital costs was initiated during the fourth quarter of 2015 (see “*Revised Brucejack Project Capital Costs and Economics*” below).

Construction Progress

Construction at the Brucejack Project commenced on September 5, 2015. Construction at the mine remains on schedule for expected commissioning in the third quarter of 2017. The permanent camp pad has been completed with the first concrete poured on January 19, 2016, and mobilization of the 330-person permanent camp to site is expected to begin in March.

Bulk earthworks to level the site for the mill building are expected to be completed in March with concrete foundation work scheduled to begin in April. The construction of the transmission line is also expected to commence in April.

The pre-production underground development contract was awarded to Cementation Canada Inc., and their crews have been mobilized to site and operating on multiple headings since early January.

There are currently over 700 employees and contractors working on the Brucejack Project.

Revised Brucejack Project Capital Costs and Economics

On February 17, 2016, we announced an updated cost estimate and project update for the Brucejack Project.

Based on the achievement of the 60% engineering milestone, a capital cost estimate was carried out in late 2015 (the “Updated Estimate”) to update the June 2014 Feasibility Study cost estimate (the “Feasibility Study Estimate”) for the Brucejack Project. The estimated total project capital cost to complete design, construction, installation and commissioning, including contingencies and working capital, is US\$696.8 million. Working capital for the three-month period of post-plant commissioning and initial gold production covers the cost of operations, but does not take into account any revenue generated during this period. The working capital estimate also covers the costs for prepayments related to electrical power and permitting, including US\$9 million in government fees and bonds.

Updated Capital Costs

Underground development is projected to cost US\$17.7 million less than estimated in the Feasibility Study Estimate. Underground mining equipment of US\$23.4 million has been deferred to sustaining capital due to the use of the third party mining contractor’s equipment.

The mill building design-build contract is US\$9.5 million less than estimated in the Feasibility Study Estimate. In addition to construction savings, the lower assumed Canadian dollar exchange rate resulted in a favorable foreign exchange difference of approximately US\$145 million.

Owner's costs, excluding working capital, increased by US\$46.7 million, primarily as a result of additional environmental monitoring costs of US\$18.6 million, additional winter construction costs of US\$14.5 million due to receipt of permits in September and additional camp support costs of US\$10.8 million to cover an increase in overall man-hours during construction. The engineering, procurement and construction management contractor increased its costs by US\$18.4 million.

A summary of capital costs from the Updated Estimate in comparison with the Feasibility Study Estimate is shown below.

Table 1: Capital Costs Summary Comparison

| | Updated Estimate (US\$ million) (1) | Feasibility Study Estimate (US\$ million) (2) (3) |
|--------------------------------|--|--|
| Mine underground | 101.4 | 151.7 |
| Mine site ⁽⁴⁾ | 165.3 | 183.6 |
| Offsite Infrastructure | 81.0 | 85.9 |
| Total Direct Costs | 347.7 | 421.2 |
| Indirect Costs | 97.5 | 106.7 |
| Owner's Costs | 160.3 | 150.0 |
| Contingency ⁽⁵⁾ | 35.3 | 69.0 |
| Total Capital Cost | 640.8 | 746.9 |
| Working Capital | 56.0 | --- ⁽⁶⁾ |
| Total Construction Cost | 696.8 | 746.9 |

(1) US\$0.75:C\$1

(2) US\$0.92:C\$1

(3) Certain costs were re-classified to conform to updated estimate categories/presentation.

(4) Includes mine site, mine site process, mine site utilities, mine site facilities, tailings facilities, mine site temporary facilities and surface mobile equipment.

(5) Contingency has been reduced to US\$35.3 million based on 60% level of engineering and significant commitments now in place.

(6) Working capital was included in the financial model, but not in capital cost estimate.

As part of the capital cost estimate update, a third party review and evaluation of the plans, budget and schedule for the Brucejack Project was completed by Martyn Creaney. Mr. Creaney has been actively involved in the development of projects in Australia, Asia and the Americas including 25 years with Placer Dome, where from 2000 to 2006 he served as Vice President of Design & Construction, overseeing all design and construction activities. For the past ten years he has provided advisory services to consulting clients, and is OceanaGold's Senior Project Advisor for the development of the Haile Gold Mine in South Carolina.

Updated Economic Evaluation

An updated summary of Brucejack economic results by metal price is shown below.

Table 2: Summary of Brucejack Economic Results by Metal Price – February 2016 Update (7,8)

| | Low Case | Base Case | High Case |
|---|---|---|---|
| Gold Price (US\$/ounce) | \$800 | \$1,100 | \$1,400 |
| Silver Price (US\$/ounce) | \$10.00 | \$14.00 | \$18.00 |
| Net Cash Flow (US\$) | \$2.21 billion (pre-tax) \$1.53 billion (post-tax) | \$4.31 billion (pre-tax) \$2.88 billion (post-tax) | \$6.42 billion (pre-tax) \$4.23 billion (post-tax) |
| Net Present Value⁽⁹⁾ (5.0% discount) (US\$) | \$1.09 billion (pre-tax) \$0.72 billion (post-tax) | \$2.36 billion (pre-tax) \$1.55 billion (post-tax) | \$3.63 billion (pre-tax) \$2.36 billion (post-tax) |
| Internal Rate of Return | 20.2% (pre-tax) 16.8% (post-tax) | 33.0% (pre-tax) 27.4% (post-tax) | 43.8% (pre-tax) 36.3% (post-tax) |
| Payback (from start of production period) | 4.9 years (pre-tax) 5.0 years (post-tax) | 3.4 years (pre-tax) 3.5 years (post-tax) | 2.7 years (pre-tax) 2.8 years (post-tax) |
| Exchange Rate (US\$:C\$) | 0.75 | 0.75 | 0.75 |

(7) Includes impact from financing announced September 15, 2015.

(8) Financing impact assumes repayment of debt facility at maturity, exercise of maximum buyout options for offtake and stream facilities at December 31, 2018.

(9) NPV is discounted to December 31, 2015.

The National Instrument 43-101 compliant Feasibility Study for the Brucejack Project titled *Feasibility Study and Technical Report Update on the Brucejack Project, Stewart BC, dated June 19, 2014* filed was on SEDAR on June 30, 2014 (see news release dated June 19, 2014).

2015 Underground Infill Drill Program

The Valley of the Kings infill drill program continued through the quarter. The program has been planned to target stope areas in years 1 through 3 of the current mine plan (1320-meter level to 1200-meter level).

The planned drill program has been expanded to include extensions of Domain 20 which are adjacent to areas being mined in the early years of the 2014 Feasibility Mine Plan. Definition drilling from five underground drill stations is in progress and is expected to be completed in the second quarter of 2016. When completed, roughly 200 vertical meters over a strike length of 250 meters will have been drilled at 7.5 to 10-meter centers.

The primary purpose of the drilling is grade control, with the additional benefit of infill drilling inferred and non-stope indicated resources in the same area. Results from the program continue to confirm the style and grade distribution of the gold mineralization in the area being tested, which includes the intersection of high grade and visible gold.

2015 Regional Exploration Program Success and Follow-up

The 2015 grass-roots exploration program was comprised of prospecting, airborne EM, magnetic and radiometric surveys, and a surface drill program. The 2015 surface exploration drill program consisted of approximately 20,000 meters of drilling, which targeted porphyry/epithermal-style mineralization to the east of the Brucejack Project.

The 2015 regional exploration program was successful in expanding the size of the hydrothermal system that includes the Valley of the Kings and confirming the potential for additional mineralized zones to the east. With the discovery of the Flow Dome Zone the program was successful in extending the strike length of the Valley of the Kings gold mineralization 1,000 meters to the east of the current Valley of the Kings Measured and Indicated Mineral Resource. Results from the 2015 program will be used to prioritize targets for follow-up regional exploration programs.

Snowfield Project

The Snowfield Project borders the Brucejack Project to the north and is comprised of one mineral claim with an area of 1,267.43 hectares. Since we acquired the Snowfield Project in 2010, we have continued to carry out environmental studies in conjunction with the Brucejack Project. Our previous efforts focused on completing an updated mineral resource estimate for the project, examining alternatives for advancing the project and negotiating cooperation agreements with Seabridge Gold Inc. ("Seabridge").

Joint Snowfield/ KSM Engineering Studies

We have entered into a confidentiality and cooperation agreement with Seabridge that, amongst other things, provided for the completion of an engineering study examining the economics of combining our Snowfield Project and Seabridge's KSM Project as a single operation. The internal engineering study was finalized during the first quarter of 2012 and indicated that developing the KSM and Snowfield deposits together could produce better economics than developing KSM as a stand-alone project, although no property acquisition costs or allocation of initial KSM capital were considered.

We have also entered into a mutual access agreement with Seabridge that (a) gives Seabridge access to our Snowfield Project and us access to Seabridge's KSM Project for the stripping of overburden and (b) provides us with road access to the Brucejack and Snowfield Projects over Seabridge's KSM Project lands.

Snowfield represents a longer term gold opportunity for our shareholders.

Additional Claims

Our contiguous claims, including the claims comprising the Brucejack and Snowfield Projects, total over 122,133 hectares, providing further exploration potential to supplement the value we are creating at Brucejack (see "2015 Regional Exploration Program" above). A claim boundary map is available on our website.

Results of Operations

Our operations and business are not driven by seasonal trends, but rather the achievement of project milestones such as the achievement of various technical, environmental, socio-economic and legal objectives, including obtaining the necessary permits, completion of final feasibility studies, preparation of engineering designs, as well as receipt of financings to fund these objectives.

Selected Financial Information

Basis of Presentation

The following financial data has been derived from our consolidated annual financial statements which have been prepared in accordance with IFRS, as issued by the IASB, except for quarterly financial information which is derived from unaudited interim financial statements. Our significant accounting policies are outlined in Note 3 to our audited consolidated financial statements for the year ended December 31, 2015.

Annual information

Selected consolidated annual financial information for the years ended December 31, 2015, 2014 and 2013 are as follows (in \$000's):

| | 2015 | | 2014 | | 2013 | |
|---|------|-----------|------|----------|------|----------|
| Total revenue | \$ | - | \$ | - | \$ | - |
| Loss per share - basic and diluted | \$ | (0.00) | \$ | (0.11) | \$ | (0.16) |
| Loss and comprehensive loss | \$ | (534) | \$ | (12,445) | \$ | (16,584) |
| Total assets | \$ | 1,479,745 | \$ | 816,816 | \$ | 726,261 |
| Long-term liabilities | \$ | 464,100 | \$ | 24,308 | \$ | 19,836 |
| Cash dividends | \$ | - | \$ | - | \$ | - |
| Cash and cash equivalents | \$ | 387,925 | \$ | 34,495 | \$ | 11,575 |
| Mineral properties, plant and equipment | \$ | 1,021,415 | \$ | 768,072 | \$ | 705,449 |

Quarterly information

Selected consolidated financial information for this quarter and the preceding seven quarters is as follows (in \$000's):

| | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 | 2014 Q4 | 2014 Q3 | 2014 Q2 | 2014 Q1 |
|---|--------------|--------------|------------|------------|------------|------------|------------|------------|
| Total revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Earnings (loss) per share - basic and diluted | \$ 0.07 | \$ (0.02) | \$ (0.02) | \$ (0.03) | \$ (0.02) | \$ (0.04) | \$ (0.03) | \$ (0.02) |
| Income (loss) and comprehensive income (loss) | \$ 8,757 | \$ (3,335) | \$ (2,426) | \$ (3,530) | \$ (2,094) | \$ (4,668) | \$ (3,306) | \$ (2,377) |
| Total assets | \$ 1,479,745 | \$ 1,433,292 | \$ 931,111 | \$ 915,153 | \$ 816,816 | \$ 811,896 | \$ 749,142 | \$ 746,736 |
| Long-term liabilities | \$ 464,100 | \$ 461,298 | \$ 24,336 | \$ 23,252 | \$ 24,308 | \$ 23,379 | \$ 20,303 | \$ 19,228 |
| Cash dividends | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash and cash equivalents | \$ 387,925 | \$ 453,233 | \$ 68,871 | \$ 103,412 | \$ 34,495 | \$ 63,981 | \$ 19,739 | \$ 24,706 |
| Mineral properties, plant and equipment | \$ 1,021,415 | \$ 919,522 | \$ 841,691 | \$ 793,349 | \$ 768,072 | \$ 736,526 | \$ 717,247 | \$ 712,275 |

Year ended December 31, 2015 compared to the year ended December 31, 2014

Net loss and comprehensive loss for the year ended December 31, 2015 was \$534 compared to \$12,445 for the year ended December 31, 2014. The decrease in the loss was largely attributed the change in fair value of the elements of the construction financing including the offtake obligation and stream obligation which resulted in a gain of \$24,110. This was offset by an increase in share-based compensation, salaries and foreign exchange loss.

Gain on financial instruments at fair value

The September 2015 construction financing includes a number of elements which are recorded on our statement of financial position at fair value. The impact of changes in fair value on our reported results for the year are discussed below.

We determined that the prepayment and extension options in the senior secured term credit facility were embedded derivatives. These embedded derivatives were recorded on the statement of financial position as other assets. The change in fair value of these embedded derivatives was a gain of \$3,148 which was recorded in the statement of loss.

We determined that the offtake obligation represented a derivative liability and that the obligation was primarily a function of the purchaser's gold price option feature. The change in fair value of the offtake obligation since inception resulted in a gain of \$2,421 which was recorded in the statement of loss.

We determined that the stream obligation was in substance a debt instrument with embedded derivatives linked to gold and silver commodity prices and interest rates. Changes in the fair value of the stream obligation from period to period are a result of changes in these underlying variables. The change in fair value of the stream obligation since inception resulted in a gain of \$11,928. As the stream is in substance a debt instrument, the effective interest on the debt host is capitalized as a borrowing cost during the development of the Brucejack Project. We capitalized \$6,613 of interest on the stream obligation to mineral properties, plant and equipment. The capitalized interest was reclassified from the gain on financial instruments at fair value recorded in the statement of loss.

Share-based compensation expense

During the year ended December 31, 2015, stock option expense increased to \$5,719 as compared to \$2,820 during the year ended December 31, 2014. This was due mainly to the increased number of options granted in 2015 and by the timing of stock option grants. We hire individuals with the required skills to advance our business and stock options may be granted to employees and consultants as part of their overall compensation. Depending on the nature of the awarded recipient's role, we expense or capitalize to mineral properties, plant and equipment the fair value of these stock option issuances over the vesting period.

During the year ended December 31, 2015, the 2014 Restricted Share Unit Plan (the "2014 RSU Plan") resulted in \$358 being recorded to share-based compensation expense compared to \$28 for the year ended December 31, 2014.

During the year ended December 31, 2015, we implemented the 2015 Restricted Share Unit Plan subject to shareholder approval (the "2015 RSU Plan"). Restricted Share Units issued under the 2015 RSU Plan vest in tranches over a three-year period. We recorded \$104 to share-based compensation expense.

Other expenses

Salaries for the year ended December 31, 2015 were \$4,599 as compared to \$1,894 for the comparable period. This was attributed to the Company's growing work force as we prepare for production at the Brucejack Project and salary increases and bonuses awarded to employees of the Company.

The Company moved its head office location during the year. This attributed to the majority of the increase in office costs to \$1,625 for the year ended December 31, 2015 as compared to \$1,137 for the year ended December 31, 2014.

Investor relation costs for the year ended December 31, 2015 were \$1,430 as compared to \$1,106 incurred for the year ended December 31, 2014. Investor relation costs were mainly due to marketing and communication activities conducted within the investment community and community relations with the First Nations.

Professional fees were \$540 for the year ended December 31, 2015 compared to \$983 for the year ended December 31, 2014. We are currently engaged in two class action lawsuits filed against us in the Ontario Superior Court of Justice and one filed against us in the United States District Court for the Southern District of New York. For details on the class action lawsuits, please see "*Commitments, Contingencies and Off-Balance Sheet Arrangements*" below. As we have reached our deductible limit with our insurers, future legal expenses associated with the class action lawsuits will be provided for in accordance with our insurance policy.

During the year ended December 31, 2015, the construction financing was denominated in US dollars. The foreign exchange loss of \$3,082 compared to a foreign exchange gain of \$344 for the comparable period was the result of the subsequent translation of the senior secured term credit facility into CAD resulting in a loss of \$7,511 offset by the translation of US denominated cash and cash equivalents to CAD resulting in a gain of \$4,392.

We earned interest income on our cash balance for the year ended December 31, 2015 of \$714 compared to \$406 for the year ended December 31, 2014, directly attributable to cash balances held by the Company. Interest income earned on proceeds from the construction financing were capitalized to mineral properties, plant and equipment.

During the year ended December 31, 2015, we recorded a deferred income tax expense of \$5,991 compared to \$4,196 for the year ended December 31, 2014. The difference is related to the unrealized gains on financial instruments at fair value including the senior secured term credit facility, offtake obligation and stream obligation offset by the realization of 2015 non-capital losses.

Quarter ended December 31, 2015 compared to the quarter ended December 31, 2014

Net income and comprehensive income for the three months ended December 31, 2015 was \$8,757 compared to a loss of \$2,094 for the comparable period. The change was largely attributed the change in fair value of the elements of the construction financing including the offtake obligation and stream obligation which resulted in a gain of \$26,963. This was offset by an increase in share-based compensation, salaries, foreign exchange loss and deferred income tax expense.

Other expenses

During the three months ended December 31, 2015, share-based compensation increased to \$1,702 as compared to \$465 for the comparable period. This was due mainly to the increased number of options granted in 2015 and by the timing of stock option grants.

Salaries for the three months ended December 31, 2015 were \$2,407 as compared to \$736 for the comparable period. This was attributed to the Company's growing work force as we prepare for production at the Brucejack Project and salary increases and bonuses awarded to employees of the Company.

During the three months ended December 31, 2015, the foreign exchange loss was \$5,822 compared to a foreign exchange gain of \$166 for the comparable period. This was mainly the result of the subsequent translation of the senior secured term credit facility into CAD resulting in a loss of \$5,731.

During the three months ended December 31, 2015, we recorded a deferred income tax expense of \$6,318 compared to \$591 for the comparable period. The difference is related to the unrealized gains on financial instruments at fair value including the senior secured term credit facility, offtake obligation and stream obligation offset by the realization of 2015 non-capital losses.

Liquidity and Capital Resources

Our cash and cash equivalents as at December 31, 2015 totaled \$387,925 increasing \$353,430 from \$34,495 at December 31, 2014. The increase in cash is largely attributable to the construction financing that was completed on September 21, 2015.

Our working capital as at December 31, 2015 was \$360,327 as compared to \$33,770 as at December 31, 2014. Working capital items other than cash and cash equivalents consisted of receivables and other of \$20,406 and accounts payable and accrued liabilities of \$48,004. Receivables and other is comprised primarily of \$4,790 of Goods and Services Tax refunds, and \$13,207 accrued for BC Mineral Exploration Tax Credits receivable from the Province of BC.

On January 15, 2015, we completed a private placement of 12,836,826 common shares at a price of \$6.30 per share with Zijin Mining Group., Ltd. ("Zijin") for gross proceeds of \$80,872 and on January 21, 2015, we completed a private placement with certain shareholders who wished to maintain their respective pro rata interests in the Company in connection with the strategic investment by Zijin. A total of 2,897,490 common shares were issued to subscribers at a price of \$6.30 per share for gross proceeds of \$18,254.

On June 8, 2015, we completed a private placement of 800,000 flow-through shares at a price of \$8.75 per flow-through share for gross proceeds of \$7,000. All proceeds associated with the flow-through funds raised in Q2 2015 were spent as of December 31, 2015.

On September 21, 2015, we completed the US\$540 million construction financing with Orion and Blackstone. The Financing was comprised of a credit facility for US\$350 million, a US\$150 million prepayment under a callable gold and silver stream agreement and a private placement of our common shares for US\$40 million. Upon closing, we received proceeds of US\$340 million that will fund a substantial portion of the costs to develop an underground mine at the Brucejack Project.

Credit Facility

-) Credit Agreement:
 - o Senior Secured Loan facility of US\$350 million;
 - o US\$150 million was advanced at closing;
 - o Remaining US\$200 million available to be drawn in up to \$50 million tranches over 18 months with;
 - o Each draw subject to an arrangement fee of 3%;
 - o Fixed interest rate of 7.5%;
 - o Principal and accrued interest compounded quarterly is due at maturity on December 31, 2018, or we can exercise an option to extend maturity to December 31, 2019 on payment of 2.5% of the principal amount outstanding.

-) Offtake Agreement:
 - o Applies to sales from first 7.067 million ounces of refined gold;
 - o Orion and Blackstone will pay us for refined gold (in excess of any delivered ounces pursuant to the stream obligation) based on a market referenced gold price in US dollars per ounce during a defined pricing period before and after the date of each sale;

- o We have the option to reduce the Offtake obligation by up to 75% by paying:
 - (a) US\$11 per remaining ounce effective December 31, 2018 or
 - (b) US\$13 per ounce effective December 31, 2019 on the remaining undelivered gold ounces.

Stream Agreement

-) US\$150 million in cash was advanced at closing as prepayment in consideration of a callable stream that applies to 8% of the total precious metals production of 7.067 million ounces of refined gold and 26.279 million ounces of refined silver (the “Refined Precious Metals”) less any Refined Precious Metals production prior to commencement of stream deliveries. The applicable gold ounces from the Brucejack Project under the Offtake Agreement and Refined Precious Metals under the Stream Agreement are refined gold and silver ounces which were estimated to be available for sale in the June 2014 Feasibility Study for the Brucejack Project. The gold ounces subject to the Offtake Agreement will be reduced by the amount of refined gold ounces that is subject to the Stream Agreement.
-) We may elect to repurchase all or a portion of the Refined Precious Metals stream by one of the following options:
 - o On December 31, 2018, we can elect to repurchase the entire 8% stream by paying US\$237 million or can elect to reduce the stream to 3% of Refined Precious Metals by paying US\$150 million, in which case the stream deliveries would commence January 1, 2019; and
 - o On December 31, 2019, we can elect to repurchase the entire 8% stream by paying US\$272 million or can elect to reduce the stream to 4% of Refined Precious Metals by paying US\$150 million, in which case the stream deliveries would commence January 1, 2020.
-) If we do not exercise the right to reduce or repurchase the Refined Precious Metals stream by December 31, 2019, US\$20 million will be payable and an 8% stream will apply to the Refined Precious Metals beginning January 1, 2020, with payment of US\$400 per ounce of gold and US\$4.00 per ounce of silver. If the market price of gold is greater than US\$400 per ounce, the excess will decrease the stream obligation until it has been reduced to nil.
-) In the event of a change of control or the sale of the Brucejack Project by us prior to the earlier of (a) our reduction or repurchase of the Refined Precious Metals stream or (b) January 1, 2020, we have the right to repurchase and the lenders can elect to have us repurchase the stream for consideration equal to the greater of: (i) 13.6% of the consideration received by our shareholders or us in such a transaction, or (ii) an amount of cash that generates a 15% rate of return on the US\$150 million stream advance.

Private Placement

-) Each of Orion and Blackstone subscribed for 3,848,004 of our common shares at US\$5.1975 per common share for aggregate proceeds at closing of US\$40 million, based on the 20-day volume weighted average price of our common shares at the close on September 21, 2015.

During the year ended December 31, 2015, an increase in the trading price of our common shares contributed to the exercise of share options awards, which provided us with additional liquidity.

On March 1, 2016, we closed a marketed offering of 28,384,000 common shares at a price of US\$4.58 per common share for gross proceeds of US\$130 million. The net proceeds will be used (i) to fund development of the Brucejack Project, (ii) for working capital during start-up and (iii) for general corporate purposes.

With the US\$540 million construction financing, available cash on hand and the completion of the equity offering of US\$130 million, the US\$696.8 million estimated development cost of the Brucejack Project is fully funded.

Cash used in investing activities for the year ended December 31, 2015 was \$209,691 (2014 - \$59,342). For the year ended December 31, 2015, the expenditure increase is due to the commencement of project construction and the increased costs for engineering and mine development. In the prior year ended December 31, 2014, costs were incurred mainly in respect of exploration and evaluation activities at the Projects.

We are a development stage company and as such, we do not generate revenues from operations, except for periodic proceeds from our exploration program gold sales. We rely on equity and/or debt funding for our continuing financial liquidity. Our access to financing is always uncertain. There can be no assurance of continued access to significant equity and/or debt funding.

Commitments, Contingencies and Off-Balance Sheet Arrangements

Class Action Lawsuits

Following the announcement on October 9, 2013 of the resignation of Strathcona Mineral Services Ltd. (“Strathcona”), the consultant responsible for overseeing and reporting on the 10,000-tonne bulk sample, and the announcement of Strathcona’s reasons for resigning on October 22, 2013, the price of our shares on the TSX and the NYSE had a significant drop in value. *Canadian Class Actions*

We are aware of two proposed class actions filed against us and certain of our officers and directors in the Ontario Superior Court of Justice: the first on October 29, 2013 by David Wong (the “Wong Action”) and the second on November 1, 2013 by Rokhsana Tahzibi (the “Tahzibi Action”) (collectively, the “Ontario Actions”). The plaintiffs seek certification of a class action on behalf of a class of persons, wherever they reside, who acquired our securities. In the Wong Action, the class period is between November 22, 2012 and October 22, 2013. In the Tahzibi Action, the class period is between July 23, 2013 and October 22, 2013.

The plaintiffs allege that certain of our continuous disclosure documents filed in Canada contained material misrepresentations or omissions regarding our Brucejack Project, including statements with respect to probable mineral reserves and future gold production at Brucejack, and failed to communicate alleged information from Strathcona. The plaintiffs allege these misrepresentations and omissions are actionable as negligent misrepresentations or misrepresentations under various provincial Securities Acts. The plaintiffs seek general damages of \$60 million in the Wong Action and \$250 million in the Tahzibi Action as well as pre- and post-judgment interest and costs.

There have been no further steps in the Ontario Actions. The Company believes that the allegations made against it in the Ontario Actions are meritless and will vigorously defend them, although no assurance can be given with respect to the ultimate outcome of the Ontario Actions.

United States of America Class Actions

Between October 25, 2013 and November 18, 2013, five putative class action complaints were filed in the United States against us and certain of our officers and directors, alleging that we violated the United States securities laws by misrepresenting or failing to disclose material information concerning the Brucejack Project. All five actions were filed in the United States District Court for the Southern District of New York.

In January 2014, the Court ordered that these actions be consolidated into a single action, styled *In re Pretium Resources Inc. Securities Litigation*, Case No. 13-CV-7552. The Court has appointed as lead plaintiffs in the consolidated action three individuals who are suing on behalf of a putative class of shareholders who purchased our shares between June 11, 2013 and October 21, 2013.

In March 2014, the plaintiffs filed a consolidated amended class action complaint, which we moved to dismiss in May 2014. In July 2014, the plaintiffs filed a second consolidated amended class action complaint (“Second Amended Complaint”). We moved to dismiss the Second Amended Complaint on September 5, 2014. The plaintiffs filed their Opposition to our Motion to Dismiss on October 20, 2014 and we filed our reply brief on November 19, 2014. The Court has not yet issued a decision on the motion.

We believe the allegations made against us in these actions are meritless and will vigorously defend the matter, although no assurance can be given with respect to the ultimate outcome of such proceedings.

In general, litigation claims can be expensive and time consuming to bring or defend and could result in settlements or damages that could significantly affect our financial position. We intend to contest any such litigation claims to the extent of any available defenses. However, it is not possible to predict the final outcome of any current litigation or additional litigation to which we may become party to in the future, and the impact of any such litigation on our business, results of operations and financial condition, could be material.

Contractual Obligations

The following table provides our gross contractual obligations as of December 31, 2015 (in \$000's):

| | Less than 1 year | 1 – 3 ye | 3 – 5 year | More than 5 years | Total |
|---|---------------------|------------|------------|----------------------|------------|
| Operating activities: | | | | | |
| Decommissioning and restoration provision | \$ 11 | \$ 81 | \$ - | \$ 7,161 | \$ 7,253 |
| Office lease | 688 | 1,544 | - | - | 2,232 |
| Financing activities:⁽¹⁾⁽²⁾ | | | | | |
| Repayment of credit facility (US\$192,029) | - | 265,768 | - | - | 265,768 |
| | \$ 699 | \$ 267,393 | \$ - | \$ 7,161 | \$ 275,253 |

1) Pursuant to the stream arrangement, we are obligated to deliver, subject to prepayment options, 8% of up to 7,067,000 ounces of refined gold and 8% of up to 26,297,000 ounces of refined silver commencing on January 1, 2020 and a payment of US\$20,000.

2) Under the Offtake agreement, we are obligated to sell 100% of refined gold (in excess of any delivered ounces pursuant to the stream obligation) up to 7,067,000 ounces. The final purchase price to be paid by the purchaser will be, at the purchaser's option, a market referenced gold price in US dollars per ounce during a defined pricing period before and after the date of each sale.

Related Party Transactions

We have entered into employment agreements with each of our Chairman and CEO (our "CEO"), our President (our "President"), our Chief Financial Officer (our "CFO"), and our Chief Exploration Officer and Vice President (our "CEXO").

Under the employment agreements, the CEO receives a base salary of \$500 per year, benefits, an annual performance bonus of 0.25% of the annual increase in the market capitalization of the Company, provided the increase in market capitalization is 10% or more, and the Board of Directors may award a discretionary amount. The President receives a base salary of \$450 per year, the CFO receives a base salary of \$375 per year and the CEXO receives a base salary of \$350 per year. Each of the President, CFO and CEXO are entitled to extended benefits and are eligible for an annual bonus determined at the discretion of our Board. The CEO, President, CFO and CEXO are also entitled, on termination without cause, to twenty-four months' salary and twice the average annual performance bonus earned in the three years immediately preceding termination.

Subsequent to year end, we announced the departure of our COO who left the Company to pursue other interests.

Critical Accounting Estimates and Judgments

Our significant accounting policies are presented in Note 3 to the consolidated financial statements for the year ended December 31, 2015. The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which an estimate is revised and future periods if the revision affects both current and future periods.

Significant judgments about the future and other sources of estimation uncertainty at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made include, but are not limited to, the following:

1) *Impairment of exploration and evaluation assets*

The application of the Company's accounting policy for impairment of exploration and evaluation assets requires judgment to determine whether indicators of impairment exist including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities up to the reporting date. Management has assessed impairment indicators on the Company's exploration and evaluation assets and has concluded that no impairment indicators exist as of December 31, 2015.

2) *Determination of commercial viability and technical feasibility of the Brucejack Project*

The application of the Company's accounting policy for mineral property development costs requires judgment to determine when technical feasibility and commercial viability of the Brucejack Project was demonstrable. The Company considered the positive NI 43-101 compliant Feasibility Study, the receipt of key environmental permits and the completed construction financing and concluded that commercial viability and technical feasibility of the Brucejack Project had been confirmed in the quarter ended September 30, 2015. At this point, the asset was reclassified to mineral properties, plant and equipment and tested for impairment. Based on the impairment assessment, management concluded that no impairment of the Brucejack Project was required.

3) *Impairment of mineral properties, plant and equipment*

The application of the Company's accounting policy for impairment of mineral properties, plant and equipment requires judgment to determine whether indicators of impairment exist. The review of impairment indicators includes consideration of both external and internal sources of information, including factors such as market and economic conditions, metal prices and forecasts, commercial viability and technical feasibility and estimated project economics. Management has assessed impairment indicators on the Company's mineral properties, plant and equipment and has concluded that no impairment indicators exist as of December 31, 2015.

4) *Fair value of derivatives and other financial liabilities*

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Financial Instruments and Other Instruments

Financial assets

We have the following financial assets: cash and cash equivalents, receivables, embedded derivatives associated with the senior secured term credit facility and restricted cash.

Cash and cash equivalents and restricted cash are classified as loans and receivables and are recorded at amortized cost. Interest income is recognized by applying the effective interest rate.

Receivables are classified as loans and receivables and accordingly are recorded initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less any impairment losses.

Derivative instruments, including embedded derivatives, are recorded at fair value through profit or loss and, accordingly, are recorded on the statement of financial position at fair value. Fair values for derivative instruments are determined using valuation techniques, with assumptions based on market conditions existing at the statement of financial position date or settlement date of the derivative.

Financial liabilities

We have the following financial liabilities: accounts payable and accrued liabilities and debt instruments including the senior secured term credit facility, offtake obligation and stream obligation.

Accounts payable and accrued liabilities and debt are classified as other financial liabilities and are recognized initially at fair value, net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are held at amortized cost using the effective interest method.

Derivative instruments, including embedded derivatives, such as the offtake obligation and stream obligation are recorded at fair value through profit or loss and, accordingly, are recorded on the statement of financial position at fair value. Fair values for derivative instruments are determined using valuation techniques, with assumptions based on market conditions existing at the statement of financial position date or settlement date of the derivative.

Financial Risk Management

We are exposed to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk from its use of financial instruments.

Our Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Currency risk

We are subject to currency risk on financial instruments which are denominated in currencies that are not the same as the functional currency of the entity that holds them. We are exposed to currency risk through cash and cash equivalents, accounts payable and accrued liabilities and long-term debt which are denominated in US dollars. The Company has not hedged its exposure to currency fluctuations at this time.

Interest rate risk

We are subject to interest rate risk with respect to our investments in cash and cash equivalents and restricted cash. Our current policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash and cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash and cash equivalents mature impact interest income earned.

We are also subject to interest rate risk with respect to the fair value of long-term debt, in particular, the fair value of the embedded derivatives under the senior secured term credit facility, the offtake obligation and the stream obligation which are accounted for at fair value through profit or loss.

Commodity price risk

We are subject to commodity price risk from fluctuations in the market prices for gold and silver. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of metal substitutes, inflation and political and economic conditions.

The Company has not hedged the price of any commodity at this time.

The financial instruments impacted by commodity prices are the offtake obligation (a derivative liability) and the stream obligation.

Credit risk

Credit risk is our risk of potential loss if the counterparty to a financial instrument fails to meet its contractual obligations. Our credit risk is primarily attributable to our liquid financial assets including cash and cash equivalents and restricted cash. We limit our exposure to credit risk on financial assets by investing our cash and cash equivalents with financial institutions of high credit quality.

The carrying value of our cash and cash equivalents and restricted cash represent our maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they fall due. We ensure that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and our holdings of cash and cash equivalents. Our cash and cash equivalents are currently invested in business and savings accounts with financial institutions of high credit quality which are available on demand by us for our programs. To the extent we do not believe there is sufficient liquidity to meet obligations, we will consider securing additional equity or debt funding.

Capital Management

Our objectives in the managing of the liquidity and capital are to safeguard our ability to continue as a going concern and provide financial capacity to meet our strategic objectives. Our capital structure consists of debt instruments and equity attributable to common shareholders, comprised of issued share capital, contributed surplus, accumulated comprehensive loss and accumulated deficit.

We manage our capital structure and make adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, we may attempt to issue new shares, issue new debt, and acquire or dispose of assets to facilitate the management of our capital requirements. We prepare annual expenditure budgets that are updated as necessary depending upon various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company has sufficient funds to meet its current operating, exploration and development obligations.

Outstanding Share Data

At March 10, 2016, we had the following common shares and share purchase options outstanding.

| | Number of securities | Exercise price (\$) | Weighted Average Remaining Life (years) |
|------------------------|----------------------|------------------------|--|
| Common shares | 173,452,405 | | |
| Share purchase options | 9,292,950 | \$5.85 - \$17.46 | 2.42 |
| Fully diluted | 182,745,355 | | |

Risks and Uncertainties

Natural resources exploration and development involves a number of risks and uncertainties, many of which are beyond our control. These risks and uncertainties include, without limitation, the risks discussed elsewhere in this MD&A and those identified in our Annual Information Form dated March 31, 2015 and filed on SEDAR, which are incorporated by reference in this MD&A.

Internal Control over Financial Reporting and Disclosure Controls and Procedures

Internal Control over Financial Reporting

Management assessed the effectiveness of our internal control over financial reporting (“ICFR”) as of December 31, 2015. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework (COSO 2013).

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There has been no change in our internal control over financial reporting during the year ended December 31, 2015 that has materially affected, or is reasonably likely to affect our internal control over financial reporting.

Disclosure Controls and Procedures

Management assessed the effectiveness of our disclosure controls and procedures as of December 31, 2015. Based upon the results of that evaluation, management concluded that our disclosure controls and procedures were effective to provide reasonable assurance that the information disclosed by us in the reports that we file were appropriately recorded, processed, summarized and reported to allow timely decisions regarding required disclosure.

Statement Regarding Forward-Looking Information

In connection with the forward-looking statements contained in this MD&A, we have made certain assumptions about our business, including about our planned exploration and development activities; the accuracy of our mineral resource estimates; capital and operating cost estimates; production and processing estimates; the results, costs and timing of future exploration and drilling; timelines and similar statements relating to the economic viability of the Brucejack Project; timing and receipt of approvals, consents and permits under applicable legislation; and the adequacy of our financial resources. We have also assumed that no significant events occur outside of our normal course of business. Although we believe that the assumptions inherent in the forward-looking statements are reasonable as of the date of this MD&A, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to the inherent uncertainty therein.

This MD&A contains “forward-looking information” and “forward looking statements” within the meaning of applicable Canadian and United States securities legislation.

Forward-looking information may include, but is not limited to, risks related to information with respect to our planned exploration and development activities, the adequacy of our financial resources, the estimation of mineral resources and reserves, realization of mineral resource and reserve estimates, timing of development of the Brucejack Project, costs and timing of future exploration, results of future exploration and drilling, production and processing estimates, capital and operating cost estimates, timelines and similar statements relating to the economic viability of the Brucejack Project, timing and receipt of approvals, consents and permits under applicable legislation, our executive compensation approach and practice, and adequacy of financial resources. Wherever possible, words such as “plans”, “expects”, “projects”, “assumes”, “budget”, “strategy”, “scheduled”, “estimates”, “forecasts”, “anticipates”, “believes”, “intends” and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative forms of any of these terms and similar expressions, have been used to identify forward-looking statements and information.

Statements concerning mineral resource estimates may also be deemed to constitute forward-looking information to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be forward-looking information. Forward-looking information is subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking information, including, without limitation, risks related to:

-) uncertainty as to the outcome of legal proceedings including certain class action proceedings in the U.S. and Canada;
-) our ability to repay indebtedness;
-) the effect of indebtedness on cash flow and business operations;
-) our ability to satisfy commitments under stream and offtake agreements and the effect of restrictive covenants in such agreements;
-) our ability to raise enough capital to fully fund the capital costs required to complete construction at the Brucejack Project;
-) assumptions regarding expected operating costs and expenditures, production schedules, economic returns and other projections;
-) our production estimates, including accuracy thereof;

-) the exploration, development and operation of a mine or mine property, including the potential for undisclosed liabilities on our mineral projects;
-) the fact that we have no mineral properties in production or development and no history of production or revenue;
-) our ability to obtain adequate financing for our planned exploration and development activities and to complete further exploration programs;
-) our ability to achieve commercial production at the Brucejack Project in the timeline we anticipate;
-) the operation and economic viability of the development of the Brucejack Project;
-) dependency on the Brucejack Project for our future operating revenue;
-) the accuracy of our resource and reserve estimates (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which they are based;
-) our mineral resource estimates, including accuracy thereof and our ability to upgrade such mineral resource estimates and establish mineral reserve estimates;
-) uncertainties relating to the interpretation of drill results and the geology, grade and continuity of our mineral deposits;
-) commodity price fluctuations, including gold price volatility;
-) our history of negative operating cash flow, incurred losses and accumulated deficit;
-) failure of counterparties to perform their contractual obligations;
-) market events and general economic conditions;
-) the inherent risk in the mining industry;
-) the commercial viability of our current and any acquired mineral rights;
-) availability of suitable infrastructure or damage to existing infrastructure;
-) governmental regulations, including environmental regulations;
-) delay in obtaining or failure to obtain required permits, or non-compliance with permits that are obtained;
-) increased costs and restrictions on operations due to compliance with environmental laws and regulations;
-) compliance with emerging climate change regulation;
-) uncertainties relating to additional claims and legal proceedings;
-) adequate internal control over financial reporting;
-) increased costs of complying with the Dodd-Frank Act;
-) potential opposition from non-governmental organizations;
-) uncertainty regarding unsettled First Nations rights and title in British Columbia;

-) uncertainties related to title to our mineral properties and surface rights;
-) land reclamation requirements;
-) our ability to identify and successfully integrate any material properties we acquire;
-) uncertainties related to title to our mineral properties and surface rights;
-) currency fluctuations;
-) increased costs affecting the mining industry;
-) increased competition in the mining industry for properties, qualified personnel and management;
-) our ability to attract and retain qualified management;
-) some of our directors' and officers' involvement with other natural resource companies;
-) potential inability to attract development partners or our ability to identify attractive acquisitions;
-) potential liabilities associated with our acquisition of material properties;
-) our ability to comply with foreign corrupt practices regulations and anti-bribery laws;
-) changes to relevant legislation, accounting practices or increasing insurance costs;
-) our anti-takeover provisions could discourage potentially beneficial third party takeover offers;
-) significant growth could place a strain on our management systems;
-) share ownership by our significant shareholders;
-) there is no market for our securities other than our common shares;
-) the trading price of our common shares is subject to volatility due to market conditions;
-) future sales or issuance of our equity securities;
-) certain actions under U.S. federal securities laws may be unenforceable;
-) our broad discretion relating to the use of proceeds from financings;
-) we do not intend to pay dividends in the near future; and
-) our being treated as a passive foreign investment company for U.S. federal income tax purposes.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Forward-looking statements involve statements about the future and is inherently uncertain, and our actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in our Annual Information Form dated March 31, 2015 which is filed on SEDAR and in the United States on Form 40-F through EDGAR at the SEC's website at www.sec.gov.

Our forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made. In connection with the forward-looking statements contained in this prospectus, we have made certain assumptions about our business, including about our planned exploration and development activities; the accuracy of our mineral resource estimates; capital and operating cost estimates; production and processing estimates; the results, costs and timing of future exploration and drilling; timelines and similar statements relating to the economic viability of the Brucejack Project; timing and receipt of approvals, consents and permits under applicable legislation; and the adequacy of our financial resources. We have also assumed that no significant events will occur outside of our normal course of business. Although we believe that the assumptions inherent in the forward-looking statements are reasonable as of the date hereof, forward-looking statements are not guarantees of future performance due to the inherent uncertainty therein. We do not assume any obligation to update forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law. For the reasons set forth above, prospective investors should not place undue reliance on forward-looking statements.

Consent of Independent Auditor

We hereby consent to the inclusion in this Annual Report on Form 40-F for the year ended December 31, 2015 of Pretium Resources Inc. of our report dated March 10, 2016, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in this Annual Report.

We also consent to the incorporation by reference in the Registration Statements on Form F-10 (File No. 333-197304) and Form S-8 (File No. 333-203409) of Pretium Resources Inc. of our report dated March 10, 2016 referred to above.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants
Vancouver, BC
March 28, 2016

CONSENT OF EXPERT

Reference is made to the feasibility study entitled "Feasibility Study and Technical Report Update on the Brucejack Project, Stewart, BC" with an effective date of June 19, 2014 (the "Report").

I, John (Jianhui) Huang, on behalf of Tetra Tech (the "Company"), consent to the use of the Company's name and references to the Report, and to the inclusion or incorporation by reference of information derived from the Report, in (i) Pretium Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2015 and (ii) Pretium Resources Inc.'s Registration Statements on Form F-10 (File No. 333-197304) and Form S-8 (File No. 333-203409) filed with the United States Securities and Exchange Commission.

Very truly yours,

/s/ John (Jianhui) Huang

March 28, 2016

CONSENT OF EXPERT

Reference is made to the feasibility study entitled "Feasibility Study and Technical Report Update on the Brucejack Project, Stewart, BC" with an effective date of June 19, 2014 (the "Report").

I, Lynn Olsen, on behalf of Snowden Mining Industry Consultants Inc. (the "Company"), consent to the use of the Company's name and references to the Report, and to the inclusion or incorporation by reference of information derived from the Report, in (i) Pretium Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2015 and (ii) Pretium Resources Inc.'s Registration Statements on Form F-10 (File No. 333-197304) and Form S-8 (File No. 333-203409) filed with the United States Securities and Exchange Commission.

Very truly yours,

/s/ Lynn Olsen

March 28, 2016

CONSENT OF EXPERT

Reference is made to the feasibility study entitled "Feasibility Study and Technical Report Update on the Brucejack Project, Stewart, BC" with an effective date of June 19, 2014 (the "Report").

I, Herbert (Bert) A. Smith, on behalf of AMC Mining Consultants (Canada) Ltd. (the "Company"), consent to the use of the Company's name and references to the Report, and to the inclusion or incorporation by reference of information derived from the Report, in (i) Pretium Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2015 and (ii) Pretium Resources Inc.'s Registration Statements on Form F-10 (File No. 333-197304) and Form S-8 (File No. 333-203409) filed with the United States Securities and Exchange Commission.

Very truly yours,

/s/ Herbert (Bert) A. Smith

March 28, 2016

CONSENT OF EXPERT

Reference is made to the feasibility study entitled "Feasibility Study and Technical Report Update on the Brucejack Project, Stewart, BC" with an effective date of June 19, 2014 (the "Report").

I, Rolf Schmitt, P. Geo, on behalf of ERM Rescan (the "Company"), consent to the use of the Company's name and references to the Report, and to the inclusion or incorporation by reference of information derived from the Report, in (i) Pretium Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2015 and (ii) Pretium Resources Inc.'s Registration Statements on Form F-10 (File No. 333-197304) and Form S-8 (File No. 333-203409) filed with the United States Securities and Exchange Commission.

Very truly yours,

/s/ Rolf Schmitt, P. Geo

March 28, 2016

CONSENT OF EXPERT

Reference is made to the feasibility study entitled "Feasibility Study and Technical Report Update on the Brucejack Project, Stewart, BC" with an effective date of June 19, 2014 (the "Report").

I, Derek Kinakin, on behalf of BGC Engineering Inc. (the "Company"), consent to the use of the Company's name and references to the Report, and to the inclusion or incorporation by reference of information derived from the Report, in (i) Pretium Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2015 and (ii) Pretium Resources Inc.'s Registration Statements on Form F-10 (File No. 333-197304) and Form S-8 (File No. 333-203409) filed with the United States Securities and Exchange Commission.

Very truly yours,

/s/ Derek Kinakin

March 28, 2016

CONSENT OF EXPERT

Reference is made to the feasibility study entitled "Feasibility Study and Technical Report Update on the Brucejack Project, Stewart, BC" with an effective date of June 19, 2014 (the "Report").

I, Brian Gould, on behalf of Alpine Solutions Avalanche Services (the "Company"), consent to the use of the Company's name and references to the Report, and to the inclusion or incorporation by reference of information derived from the Report, in (i) Pretium Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2015 and (ii) Pretium Resources Inc.'s Registration Statements on Form F-10 (File No. 333-197304) and Form S-8 (File No. 333-203409) filed with the United States Securities and Exchange Commission.

Very truly yours,

/s/ Brian Gould

March 28, 2016

CONSENT OF EXPERT

Reference is made to the feasibility study entitled "Feasibility Study and Technical Report Update on the Brucejack Project, Stewart, BC" with an effective date of June 19, 2014 (the "Report").

I, Michael Wise, on behalf of Valard Construction (the "Company"), consent to the use of the Company's name and references to the Report, and to the inclusion or incorporation by reference of information derived from the Report, in (i) Pretium Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2015 and (ii) Pretium Resources Inc.'s Registration Statements on Form F-10 (File No. 333-197304) and Form S-8 (File No. 333-203409) filed with the United States Securities and Exchange Commission.

Very truly yours,

/s/ Michael Wise

March 28, 2016

CONSENT OF EXPERT

I, Ian I. Chang, consent to the use of my name and references to my name in (i) Pretium Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2015 and (ii) Pretium Resources Inc.'s Registration Statements on Form F-10 (File No. 333-197304) and Form S-8 (File No. 333-203409) filed with the United States Securities and Exchange Commission.

Very truly yours,

/s/ Ian I. Chang

Ian I. Chang M.A.Sc., P.Eng.

CONSENT OF EXPERT

I, Kenneth C. McNaughton, consent to the use of my name and references to my name in (i) Pretium Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2015 and (ii) Pretium Resources Inc.'s Registration Statements on Form F-10 (File No. 333-197304) and Form S-8 (File No. 333-203409) filed with the United States Securities and Exchange Commission.

Very truly yours,

/s/ Kenneth C. McNaughton

Kenneth C. McNaughton, M.A.Sc., P.Eng.

**CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE
SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert A. Quartermain, certify that:

1. I have reviewed this annual report on Form 40-F of Pretium Resources Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Dated: March 28, 2016

/s/ ROBERT A. QUARTERMAIN

Name: Robert A. Quartermain
Title: Chief Executive Officer & Director

**CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Tom S.Q. Yip, certify that:

1. I have reviewed this annual report on Form 40-F of Pretium Resources Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Dated: March 28, 2016

/s/ TOM S.Q. YIP

Name: Tom S.Q. Yip
Title: Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Pretium Resources Inc. (the "Company") on Form 40-F for the fiscal year ended December 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert A. Quartermain, Chief Executive Officer & Director of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 28, 2016

/s/ ROBERT A. QUARTERMAIN

Name: Robert A. Quartermain
Title: Chief Executive Officer & Director

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Pretium Resources Inc.(the "Company") on Form 40-F for the fiscal year ended December 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tom S.Q. Yip, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 28, 2016

/s/ TOM S.Q. YIP

Name: Tom S.Q. Yip
Title: Chief Financial Officer