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Sunnyside Gold Corporation reaches agreement with the EPA at Bonita Peak Mining District Superfund site
State of Colorado releases SGC's Reclamation Permits
U.S. Federal Government also resolves federal liability at BPMD

January 21, 2022 – Silverton, Colorado -- Sunnyside Gold Corporation ("SGC") announced today that it has reached an agreement with the U.S. Environmental Protection Agency ("EPA") and the State of Colorado to limit any potential future liability as to both SGC and Kinross Gold Corporation in relation to the Bonita Peak Mining District ("BPMD") Superfund site in Colorado. Today's agreement also recognizes the federal government's responsibility for its role in causing environmental contamination within the BPMD. SGC has a long and positive history of improving water quality in the Animas River and this agreement will further that legacy.

The agreement also reflects that SGC is released from any further obligations under the previous EPA-mandated investigative work at the Mayflower Impoundments, and the BPMD, ending any additional remediation obligations in the area. As a result of successful reclamation, the State of Colorado has also released SGC from its reclamation permit obligations, including specifically at Mayflower Impoundment No. 4.

The agreement, which provides for a \$45 million payment by SGC to the EPA and the State of Colorado, was reached as a matter of practicality, with no admission of liability or wrongdoing. Further, the United States government, on behalf of the Department of the Interior, the Environmental Protection Agency, and Forest Service, is also required to pay \$45 million to resolve the federal liability for damages arising from their role within the BPMD. SGC is pleased to see its resources put toward further improving water quality rather than protracted litigation with the federal government, a time-consuming, expensive, and resource-intensive process.

The agreement allows EPA and Colorado to direct resources towards future cleanup, and to use SGC's Mayflower property as a site-wide repository for precipitate generated from water treatment and for storage of other material generated from regional reclamation activities. The terms of the settlement are set forth in the Consent Decree lodged with the federal district court in New Mexico and subject to the Court's approval. SGC intends to pursue a contribution to this settlement payment from its insurers.

The Sunnyside Mine, located in the historic Bonita Peak Mining District, was operated by SGC from 1986 until 1991. SGC operated and closed the Sunnyside Mine in full compliance with the law and its

permits, and SGC fulfilled its regulatory and statutory responsibilities. Kinross Gold Corporation never operated the Sunnyside Mine and acquired SGC as an indirect subsidiary 12 years after the Mine was shut down.

Over the past 30 years, SGC has spent more than \$40 million on investigative studies, reclamation, and remediation to demonstrably improve water quality in the Animas River Basin. SGC has also collaborated and successfully worked with community stakeholders, including the Animas River Stakeholders Group, to improve water quality. SGC was also an active participant in the Bonita Peak Mining District Community Advisory Group, which was formed after the EPA-caused Gold King mine spill in August of 2015 that precipitated the area's Superfund listing.

For more information:

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