

April 15, 2018

**IMPORTANT TAX NOTICE: 2017 PFIC STATUS**

Attention: U.S. SHAREHOLDERS

This statement is provided for shareholders of Integra Resources Corp, (“Integra”) formerly Mag Copper Limited who are United States persons for purposes of the U.S. Internal Revenue Code of 1986, as amended (“IRC”) and the regulations thereunder and are required to file a United States Income Tax Returns. It is not relevant to other shareholders.

Integra are more likely than not would be considered a passive foreign investment company (“PFIC”) under §1297(a) of the United States Internal Revenue Code (the “Code”) for the taxable year ended December 31, 2017. The determination as to whether any corporation was, or will be, a PFIC for a particular year end depends, in part on the application of complex U.S. federal income tax statutes, regulations and the interpretation thereof. In addition, whether any corporation will be a PFIC for any tax year depends on its assets and income over the course of such tax year and as a result, the PFIC status of Integra for 2017 and any future tax year is subject to a complex analysis and therefore cannot be predicated with certainty. For shareholders of Integra that are subject to U.S. federal income tax (“U.S. Shareholders”), certain significant and potentially adverse United States federal income tax consequences result from this designation. These consequences may be generally mitigated by making a timely and effective election to treat Integra as a Qualified Electing Fund under §1295 of the Code (a “QEF Election”).

Pursuant to the requirements of Treasury Regulation §1.1295-1(g)(1), the attached PFIC Annual Information Statement is being made available to U.S. Shareholders who have made or intend to make a QEF Election. The attached PFIC Annual Information Statement contains information to enable you or your tax advisor to prepare your tax return if you make the QEF Election.

A U.S. Shareholder who makes a QEF Election is required to annually include in income the pro rata share of the ordinary earnings and net capital gains of Integra. The QEF Election is made by completing and attaching Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (Form 8621) to your federal income tax return filed by the due date of the return.

THIS INFORMATION IS PROVIDED IN ORDER TO ASSIST U.S. SHAREHOLDERS IN MAKING CALCULATIONS AND DOES NOT CONSTITUTE TAX ADVICE. WE STRONGLY URGE U.S. SHAREHOLDERS TO CONSULT WITH THEIR OWN TAX ADVISOR TO DETERMINE WHETHER THEY ARE SUBJECT TO U.S. FEDERAL INCOME TAX, AND IF SO, WHETHER THEY ARE ELIGIBLE TO MAKE ANY APPLICABLE ELECTIONS PERTAINING TO THE COMPANY’S STATUS AS A PFIC. ANY DECISION TO MAKE OR NOT MAKE ANY ELECTION THAT MAY BE AVAILABLE WILL DEPEND UPON A U.S. SHAREHOLDER’S PARTICULAR TAX SITUATION AND MAY HAVE SIGNIFICANT AND CONTINUING U.S. TAX CONSEQUENCES. LYDIAN IS UNABLE TO GIVE ADVICE IN THIS REGARD.

Further information on PFIC rules and the QEF election is available from the Internal Revenue Service, including the following website pages: <https://www.irs.gov/instructions/i8621/ch01.html> Instructions to complete Form 8621: <https://www.irs.gov/pub/irs-pdf/i8621.pdf> Form 8621: [www.irs.gov/pub/irs-pdf/f8621.pdf](http://www.irs.gov/pub/irs-pdf/f8621.pdf)

For further information, U.S. Shareholders should consult their tax advisor or seek additional information at [www.irs.gov](http://www.irs.gov)

**PFIC ANNUAL INFORMATION STATEMENT**

Integra Resource Corp

1. The first and last days of the fiscal year of Integra to which this information applies:

First Day: January 1, 2017  
Last Day: December 31, 2017

2. Ordinary earnings and net capital gains of Integra for the taxable year specified in item 1 are:

Total for Integra:		Each Shareholder's Pro-Rata Share:	
Ordinary Earnings:	Nil	Ordinary Earnings:	Nil
Net Capital Gains:	Nil	Net Capital Gains:	Nil

3. Cash and fair market value of other property distributed or deemed distributed by Integra for the taxable year specified in item 1 are:

Cash: Nil  
Fair Market Value of Property: Nil