

LAKE SHORE GOLD CORP.



Performance

Cash Flow

Growth

Precious Metals Summit
September 10 – 12, 2014

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LSG: An Attractive Investment with Valuation Upside



-  **Meeting & beating key operating targets**
-  **Low-cost production**
-  **Generating free cash flow, building financial strength**
-  **Highly leveraged to gold price**
-  **Poised for continued growth**
-  **Favourable risk profile, located in Timmins Camp**

Forward-Looking Statements



Information included in this presentation relating to the Company's expected production levels, production growth, costs, cash flows, economic returns, exploration activities, potential for increasing resources, project expenditures and business plans are "forward-looking statements" or "forward-looking information" within the meaning of certain securities laws, including under the provisions of Canadian provincial securities laws and under the United States Private Securities Litigation Reform Act of 1995 and are referred to herein as "forward-looking statements." The Company does not intend, and does not assume any obligation, to update these forward-looking statements. These forward-looking statements represent management's best judgment based on current facts and assumptions that management considers reasonable, including that operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts, labour disturbances, interruption in transportation or utilities, or adverse weather conditions, that there are no material unanticipated variations in budgeted costs, that contractors will complete projects according to schedule, and that actual mineralization on properties will be consistent with models and will not be less than identified mineral reserves. The Company makes no representation that reasonable business people in possession of the same information would reach the same conclusions. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In particular, delays in development or mining and fluctuations in the price of gold or in currency markets could prevent the Company from achieving its targets. Readers should not place undue reliance on forward-looking statements. More information about risks and uncertainties affecting the Company and its business is available in the Company's most recent Annual Information Form and other regulatory filings with the Canadian Securities Administrators, which are posted on sedar at www.sedar.com, or the Company's most recent Annual Report on Form 40-F and other regulatory filings with the Securities and Exchange Commission.

QUALITY CONTROL

Lake Shore Gold has a quality control program to ensure best practices in the sampling and analysis of drill core. A total of three Quality Control samples consisting of 1 blank, 1 certified standard and 1 reject duplicate are inserted into groups of 20 drill core samples. The blanks and the certified standards are checked to be within acceptable limits prior to being accepted into the GEMS SQL database. Routine assays have been completed using a standard fire assay with a 30-gram aliquot. For samples that return a value greater than three grams per tonne gold on exploration projects and greater than 10 gpt at the Timmins mine and Thunder Creek underground project, the remaining pulp is taken and fire assayed with a gravimetric finish. Select zones with visible gold are typically tested by pulp metallic analysis on some projects. NQ size drill core is saw cut and half the drill core is sampled in standard intervals. The remaining half of the core is stored in a secure location. The drill core is transported in security-sealed bags for preparation at ALS Chemex Prep Lab located in Timmins, Ontario, and the pulps shipped to ALS Chemex Assay Laboratory in Vancouver, B.C. ALS Chemex is an ISO 9001-2000 registered laboratory preparing for ISO 17025 certification.

QUALIFIED PERSON

Scientific and technical information related to mine production and reserves contained in this presentation has been reviewed and approved by Natasha Vaz, P.Eng., Vice-President, Technical Services, who is an employee of Lake Shore Gold Corp., and a "qualified person" as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").

Scientific and technical information related to resources, drilling and all matters involving mine production geology, as well as exploration drilling, contained in this presentation, or source material for this presentation, was reviewed and approved by Eric Kallio, P.Geo., Vice-President, Exploration. Mr. Kallio is an employee of Lake Shore Gold Corp., and is a "qualified person" as defined by NI 43-101.

Lake Shore Gold: Low-Cost Canadian Gold Producer



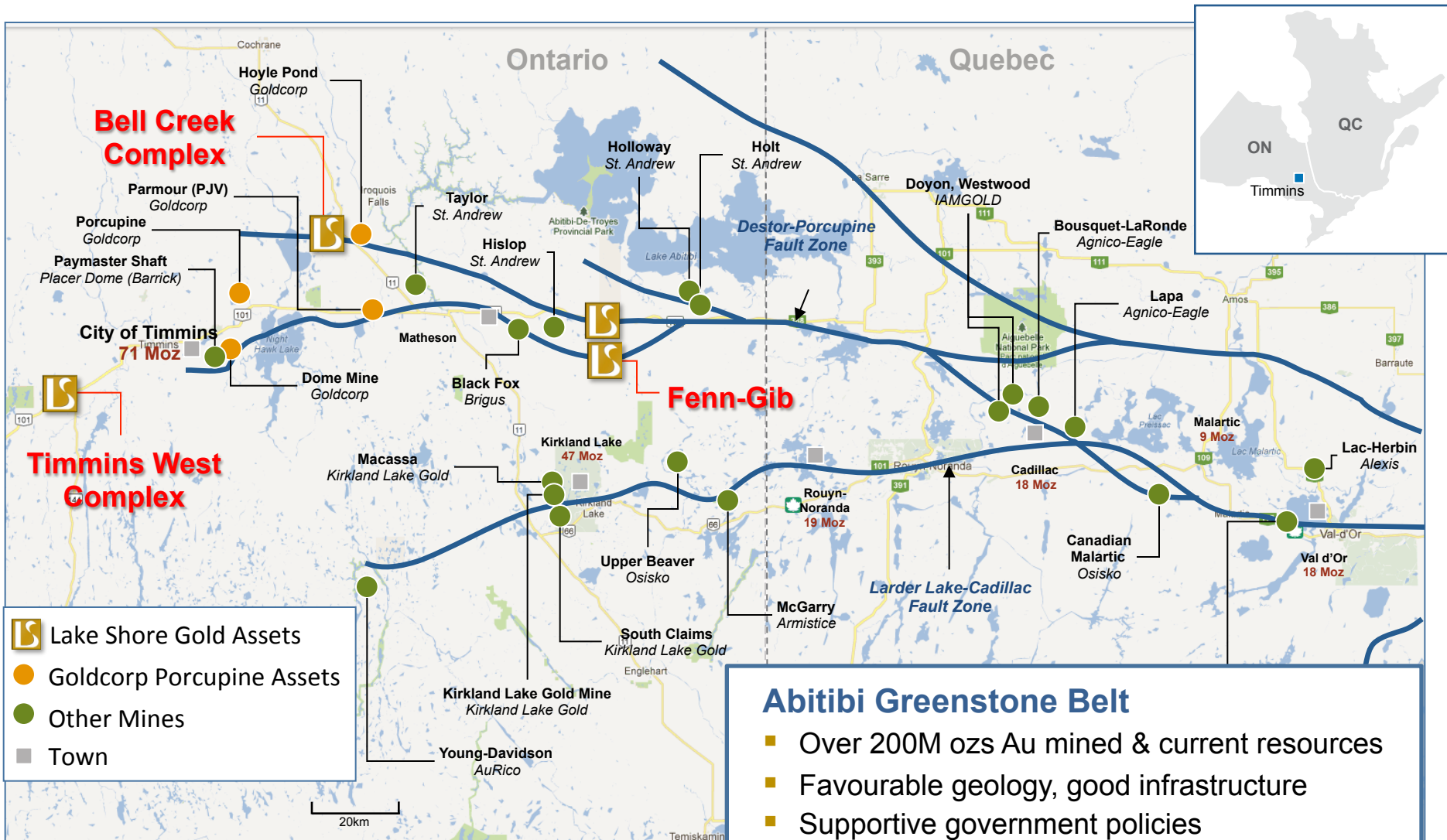
- Two producing mines and a central mill
- Annual production of +/- 180,000 oz⁽¹⁾
- Cash operating costs⁽²⁾ <US\$700/oz⁽¹⁾, all-in sustaining costs⁽²⁾ <US\$1,000/oz⁽¹⁾
 - H1/14 cash operating costs US\$585/oz
 - H1/14 all-in sustaining costs US\$862/oz
- Generating net free cash flow
- Attractive 100% owned growth projects



(1) Example of forward-looking information

(2) Example of Non-GAAP measure, see Slide 30 for more information

Timmins Camp: A World leading Gold Region



Abitibi Greenstone Belt

- Over 200M ozs Au mined & current resources
- Favourable geology, good infrastructure
- Supportive government policies
- Highly skilled labour force

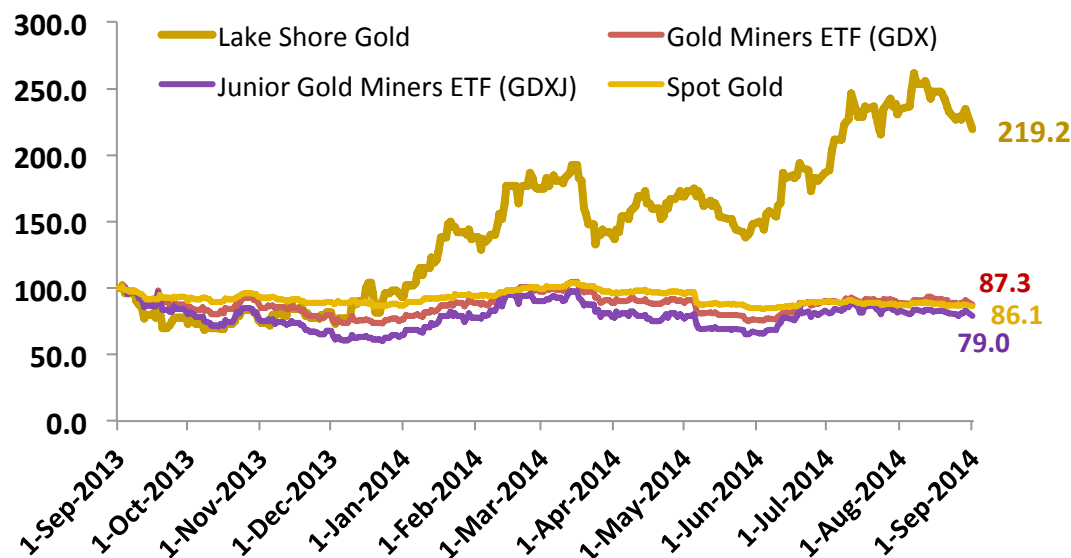
LSG: An Attractive Investment with Valuation Upside



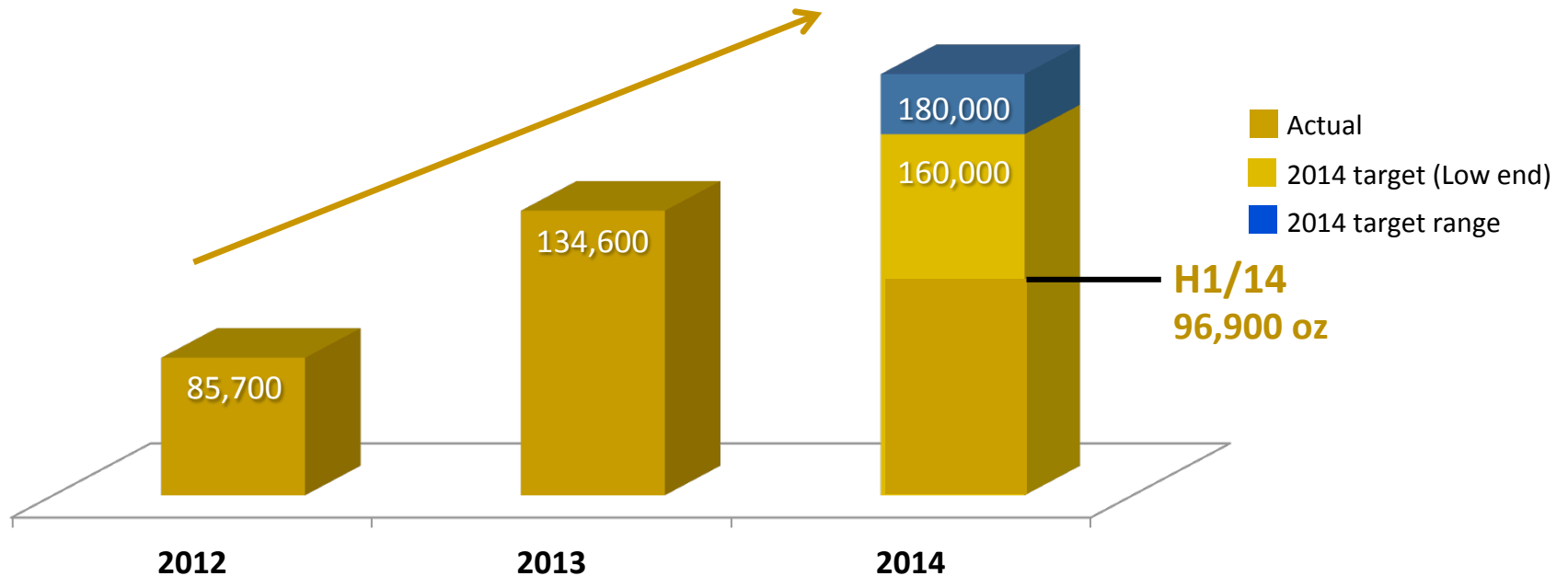
- Meeting/Beating key operating targets
- Low-cost production
- Generating free cash flow, building financial strength
- Highly leveraged to gold price
- Poised for continued growth
- Favourable risk profile

Lake Shore Gold (TSX, NYSE MKT: LSG)

Shares O/S (Basic)	422,200,000
Price (Sept. 5/14)	\$1.07
Market Cap.	\$452,200,000
52 Week High/Low	\$1.40/\$0.35
3M av. Daily Volume	2,000,000
Ownership (>10%)	Van Eck (GDXJ) – 14%
Analyst Coverage	TD Securities BMO Capital Markets RBC Capital Markets CIBC World Markets National Bank Fin. Haywood Securities M Partners Mackie Research PI Financial



Production on Track to Double (2012 – 2014)



- Achieving record production
 - Q2/14 – 52,300 oz
 - H1/14 – 96,900 oz
- On track to achieve +/- 180,000 oz in 2014⁽¹⁾
- 78% of H1/14 production from Timmins West Mine, 22% from Bell Creek

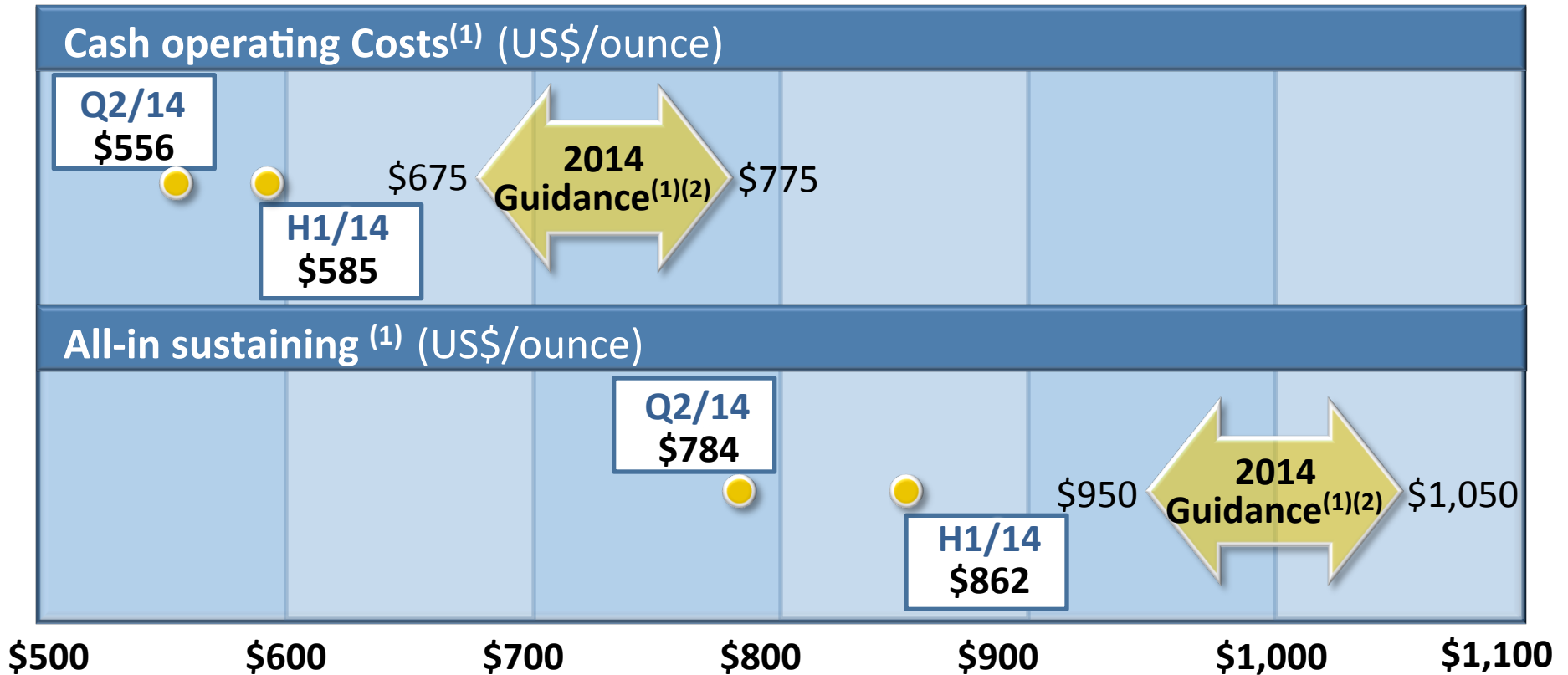
Meeting and Exceeding All Targets

(1) Example of Forward-Looking Information

YTD Unit Costs Beating Guidance



Strong Cost Performance Driving Cash Generation

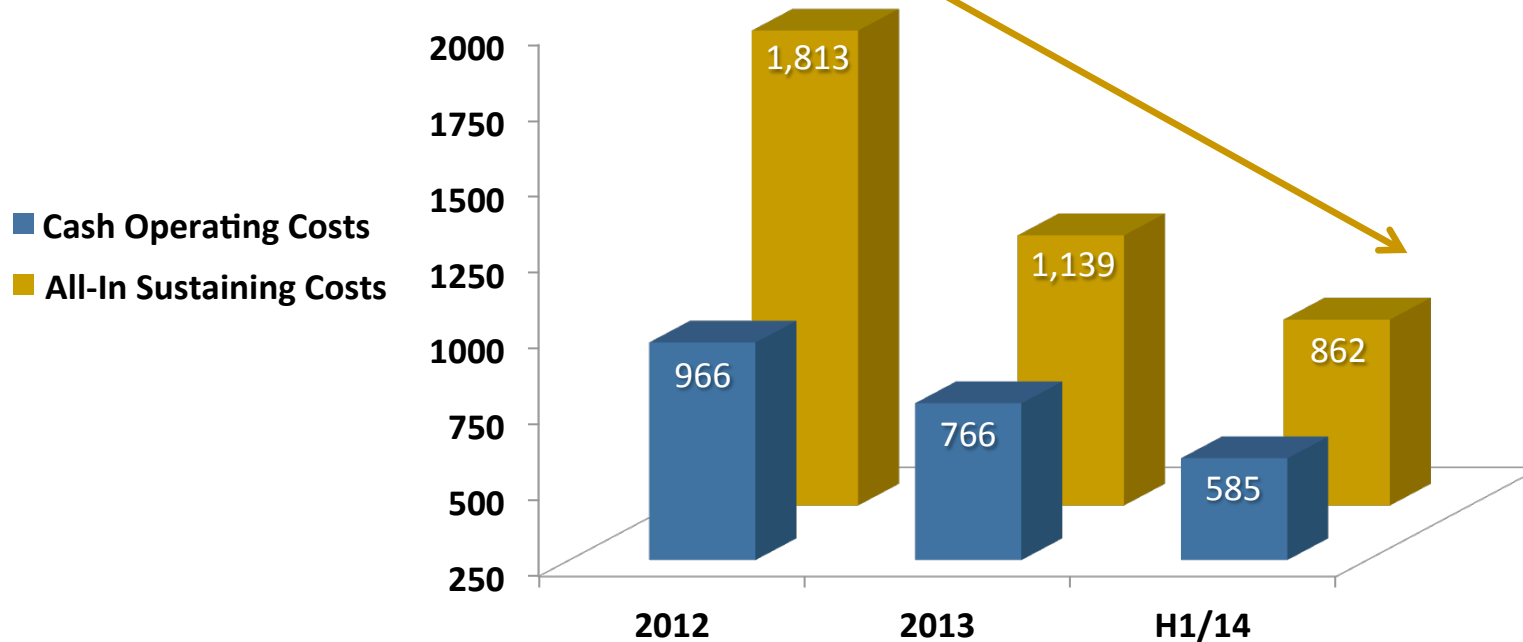


Meeting and Exceeding All Targets

(1) Example of Forward-Looking Information

(2) Company expects to achieve low end of target range or better

YTD Unit Costs Beating Guidance

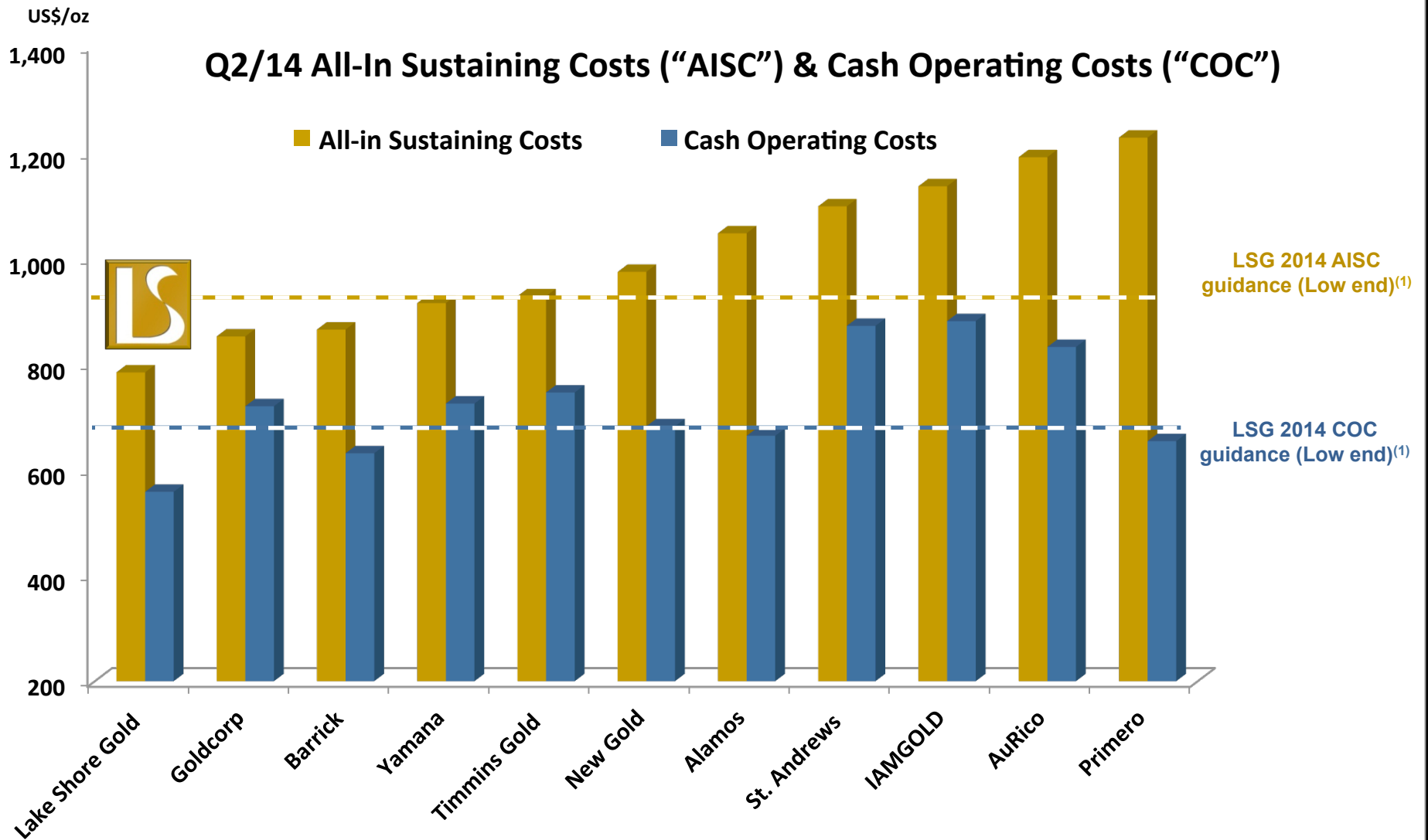


- Improved unit costs reflect:
 - Increased volumes (3,280 tpd in H1/14)
 - Higher grades (5.3 gpt in H1/14)
 - Completed infrastructure
 - Process improvements
- Targeting low end of target ranges or better⁽¹⁾
- Average margin (US\$ gold price less AISC) of US\$505/oz in Q2/14 and US\$429/oz in H1/14

Meeting and Exceeding All Targets

(1) Example of Forward-Looking Information

LSG: A Leading Low-Cost Producer

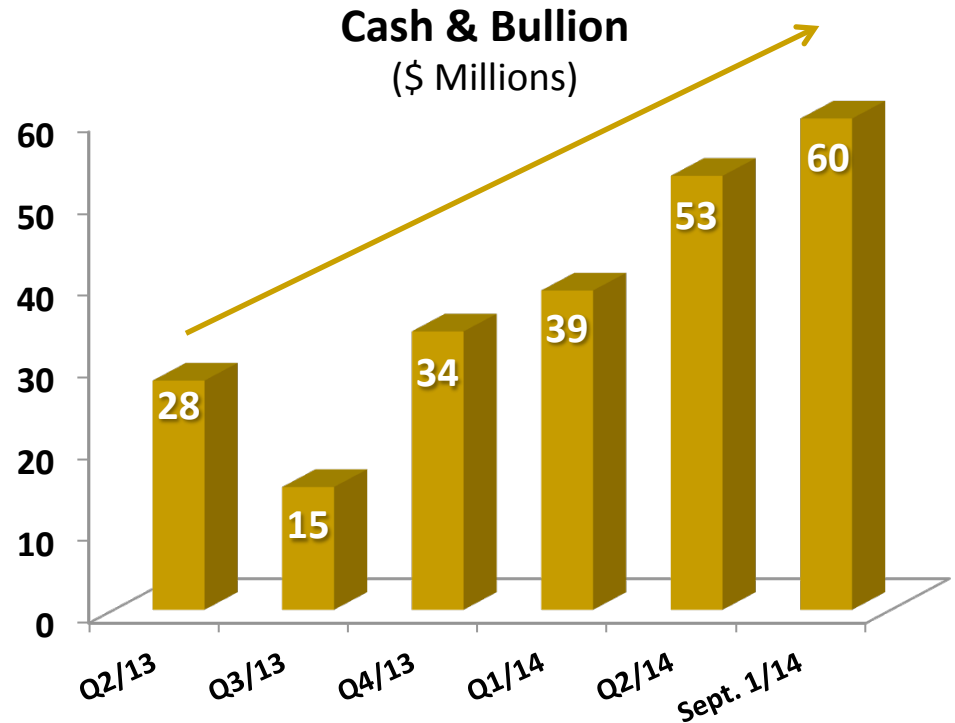


(1) Company expects to achieve low end of target range or better

Generating Free Cash Flow, Building Financial Strength



- Cash and bullion increased @ \$25M in 2014
- Increase in cash after debt repayments of @\$20M
- Secured debt outstanding includes:
 - \$12 million gold-linked note
 - \$20 million line of credit
- \$103.5 million convertible debenture
 - Convertible at \$1.40/share
 - Due September 2017
 - TSX: LSG.DB - \$100.50 at Sept. 5/14



Low all-in costs provide significant leverage to gold price and ensure cash flow generation at lower gold prices

Portfolio Offers Excellent Organic Growth Potential⁽¹⁾



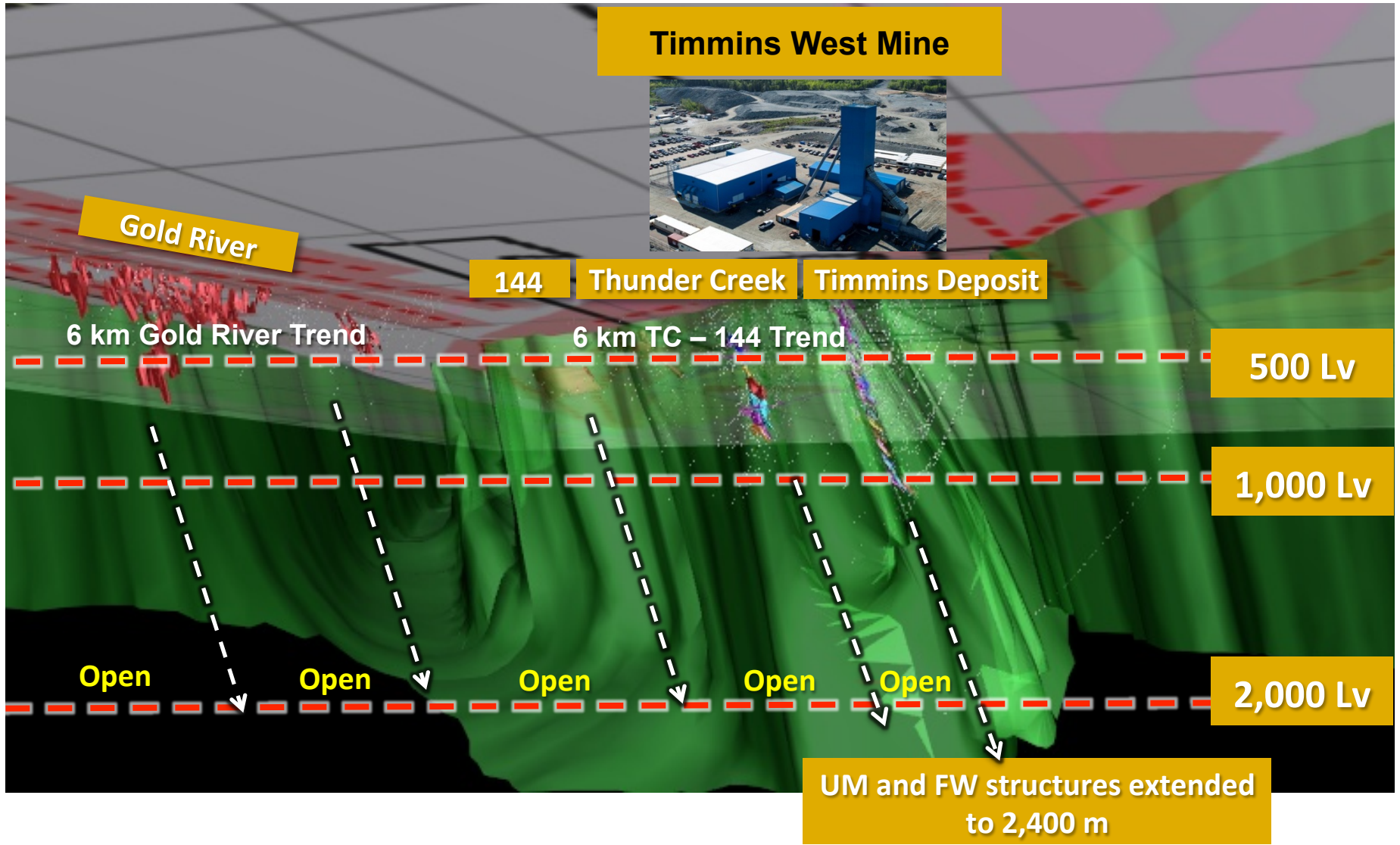
	Early Stage	Advanced Exploration	Development	Production
Timmins West	At full production – Large resource base with significant potential for growth			
Bell Creek	Current production above 775 L (20,900 oz in H1/14)			
Bell Creek Deep	Large resource base supports future growth			
Gold River	Large shallow resource with high-grade core			
Vogel	Shallow resources, potential open pit			
Fenn-Gib	Large initial resource, potential open pit			
144	Attractive target adjacent to Thunder Creek, initial drill results encouraging			
Marlhill	Small initial resource adjacent to Bell Creek, potential open pit			
Wetmore	Exploration target south of Bell Creek, encouraging initial drill results			
Casa Berardi	JV with Hecla, previous drilling showed encouraging results			

(1) Example of Forward-Looking Information

Timmins West Complex



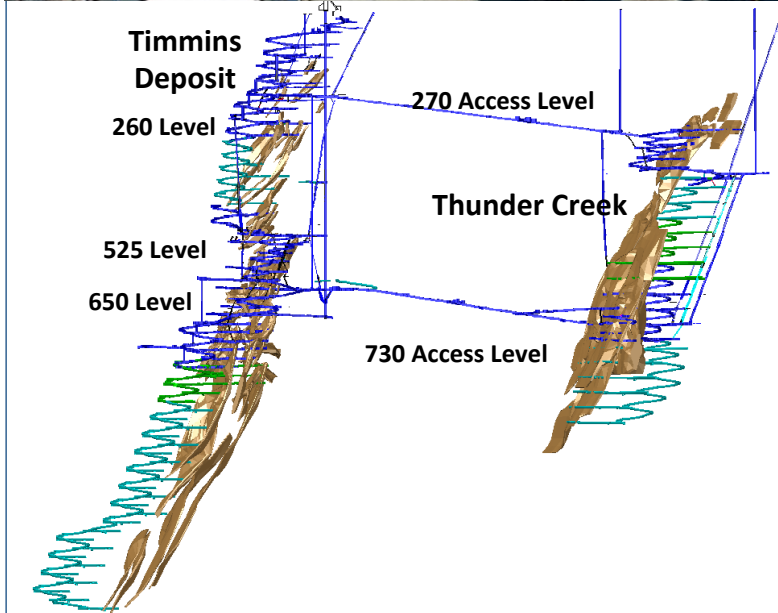
Timmins West Mine



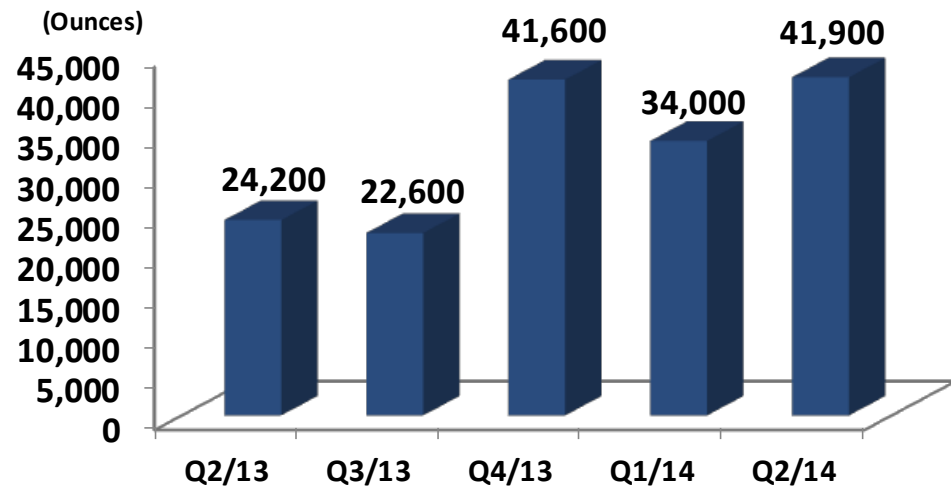
Timmins West Mine



- Produced 75,900 oz in H1/14 (464,700 tonnes @ 5.2 gpt), 41,900 ounces in Q2/14
- Produced 24,200 oz in 2014⁽¹⁾
- Current estimate includes 3.3 million ounces of gold at an average grade of 4.6 gpt for 492,200 oz⁽²⁾
- Large resource base⁽³⁾ to support new reserves and extend mine life



Quarterly Production



(1) Example of Forward Looking Information

(2) See press release dated March 18, 2014 for review of estimates and assumptions relating to reserves and resources

(3) Resources are inclusive of reserves

Timmins West Complex



Timmins West Mine



Gold River

144

Thunder Creek

Timmins Deposit

6 km Gold River Trend

TC - 144 Trend

500 Lv

1,000 Lv

Open

Open

Open

Open

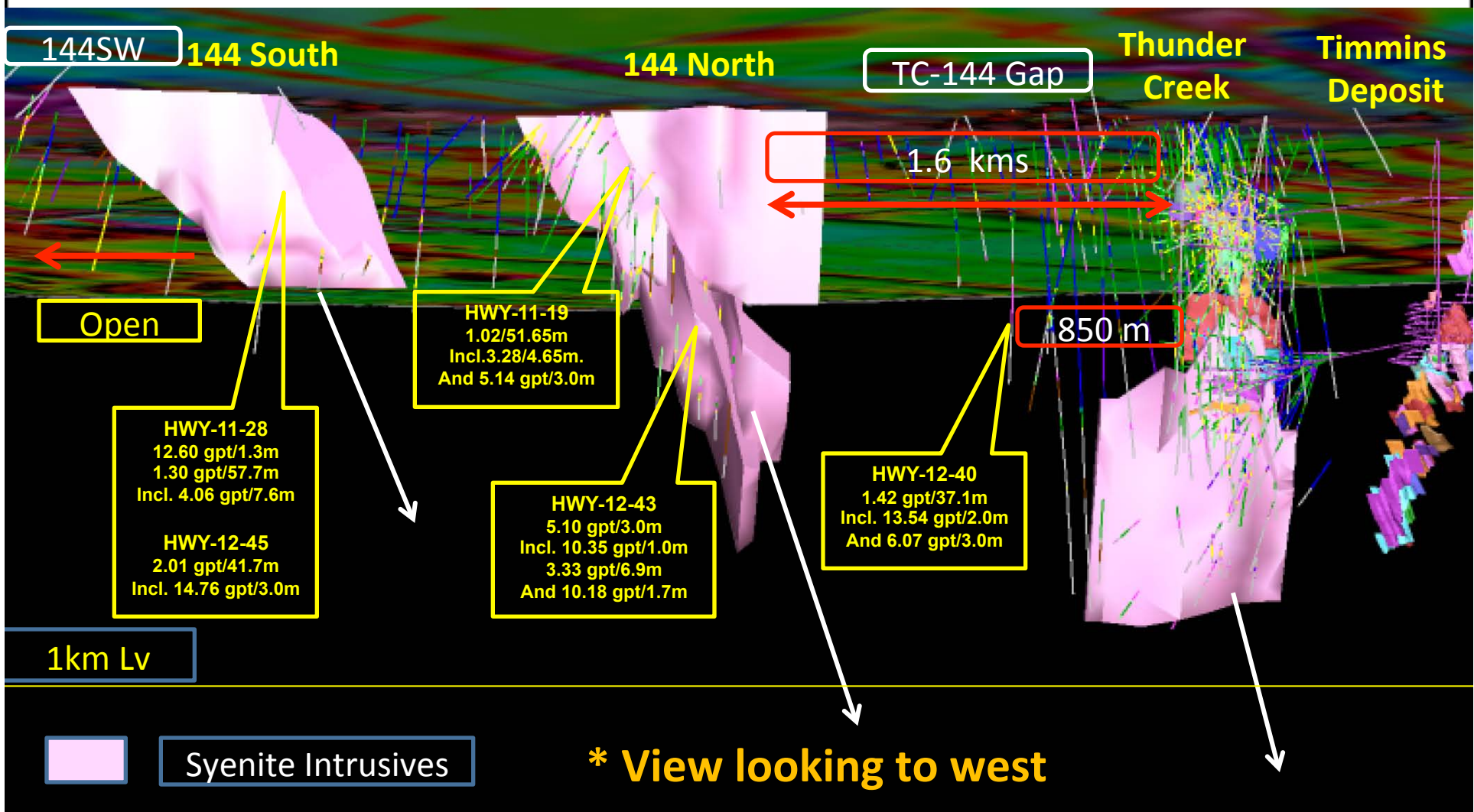
Open

2,000 Lv

UM and FW structures extended to 2,400 m

144 – High Potential Exploration Target

Pursuing Continuation of Key Sedimentary/Volcanic Contact



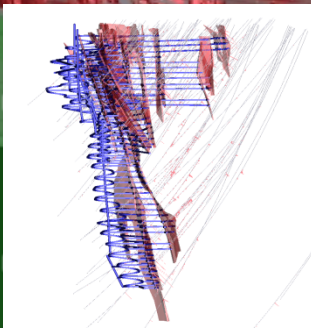
Timmins West Complex



Timmins West Mine



Gold River



144

Thunder Creek

Timmins Deposit

Trend

6 km TC – 144 Trend

500 Lv

1,000 Lv

Open

Open

Open

Open

Open

2,000 Lv

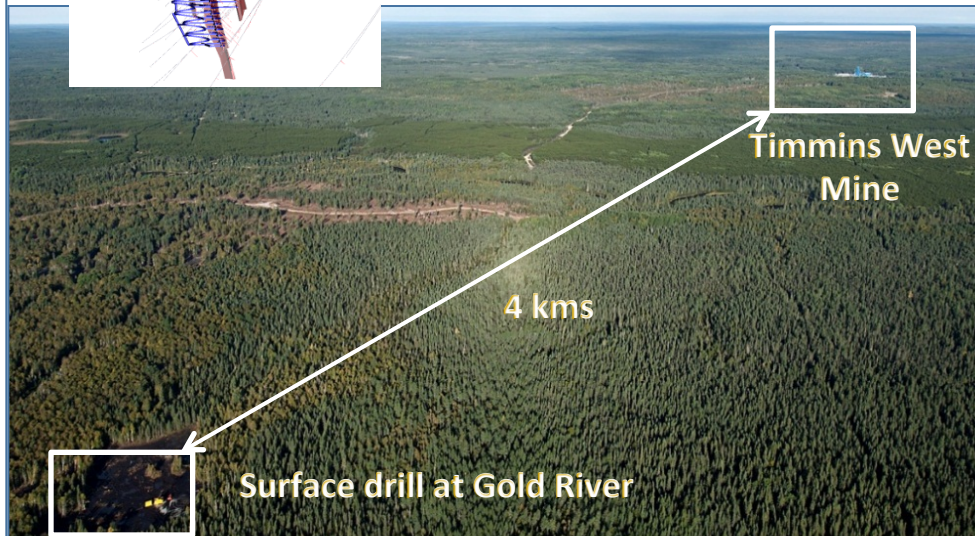
UM and FW structures extended to 2,400 m

Gold River: Shallow Resource & High-Grade Core



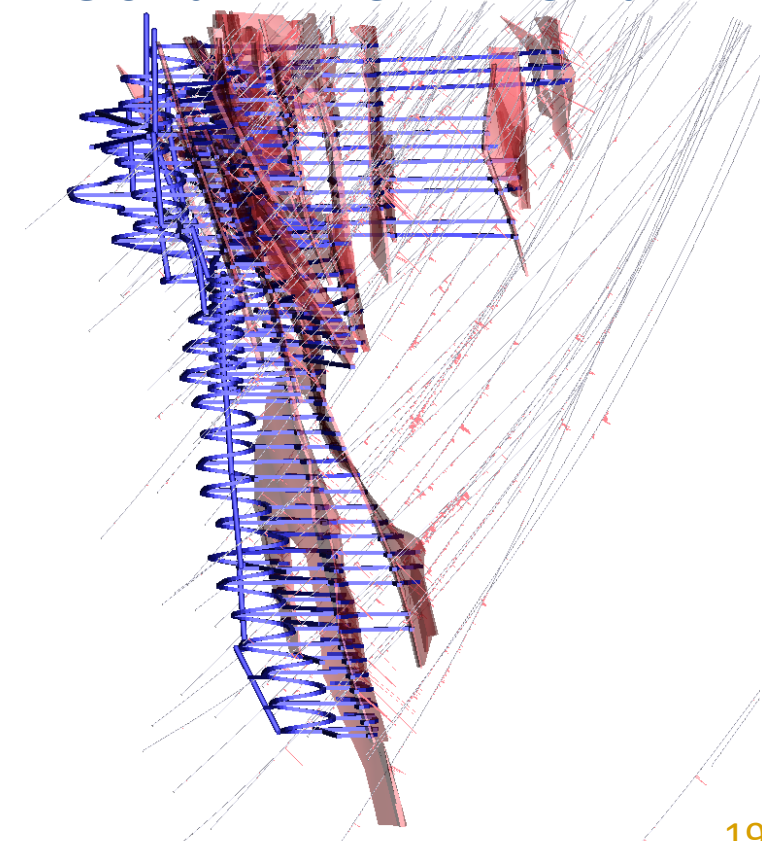
- 2.5 km long mineralized trend
- Two deposits, both within 4 km of Timmins West Mine
- Over a million ounces in resource, majority within 400 m from surface
- High-grade core in East Deposit (310,900 oz @ 9.81 gpt) between 400

- potential for resource expansion series



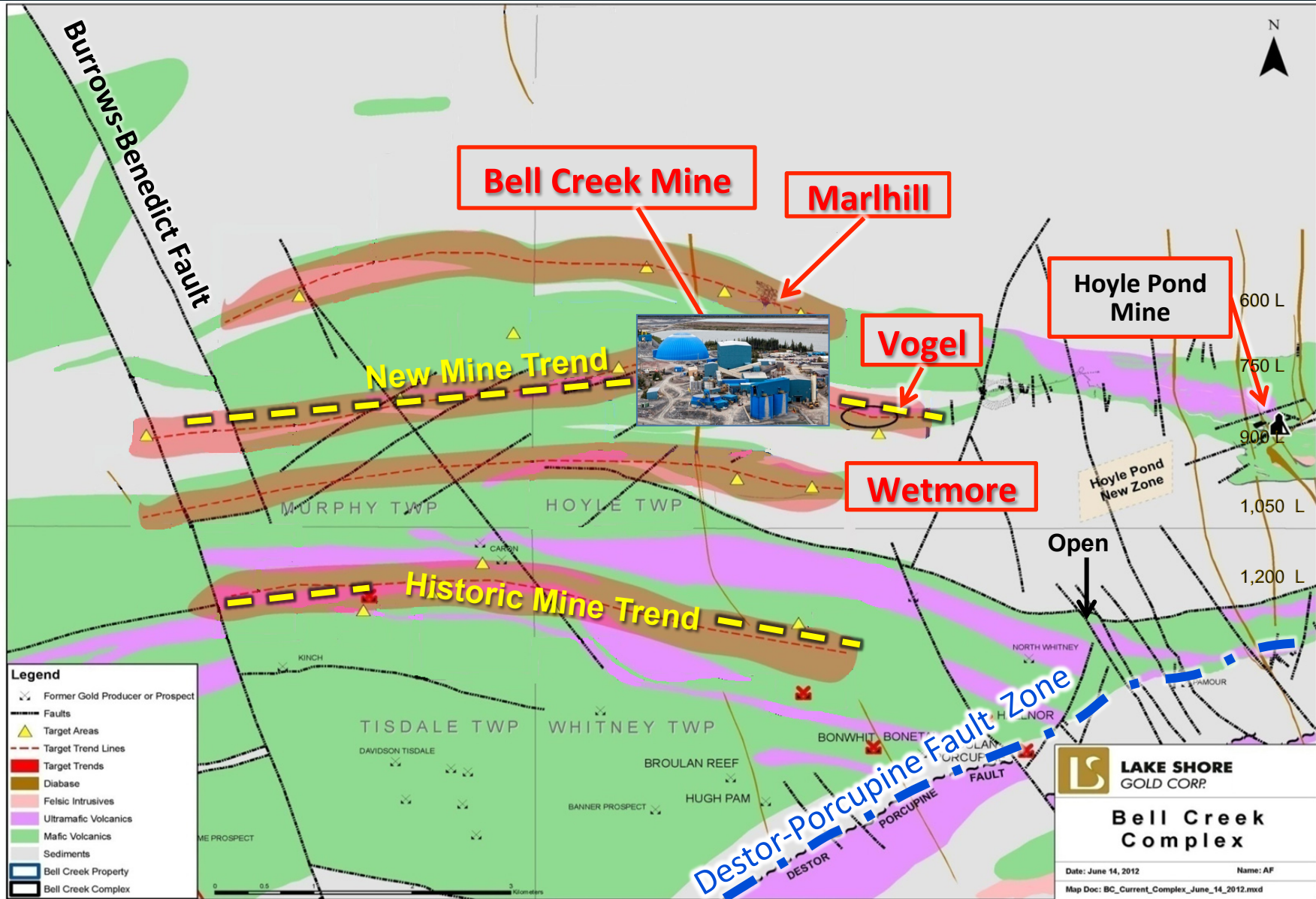
Current Reserves & Resources			
Resource	Tonnes	Grade	Ounces
Indicated	690,000	5.3	117,000
Inferred	5,273,000	6.1	1,028,000

Gold River Trend



(1) Included in inferred resources

Bell Creek Complex



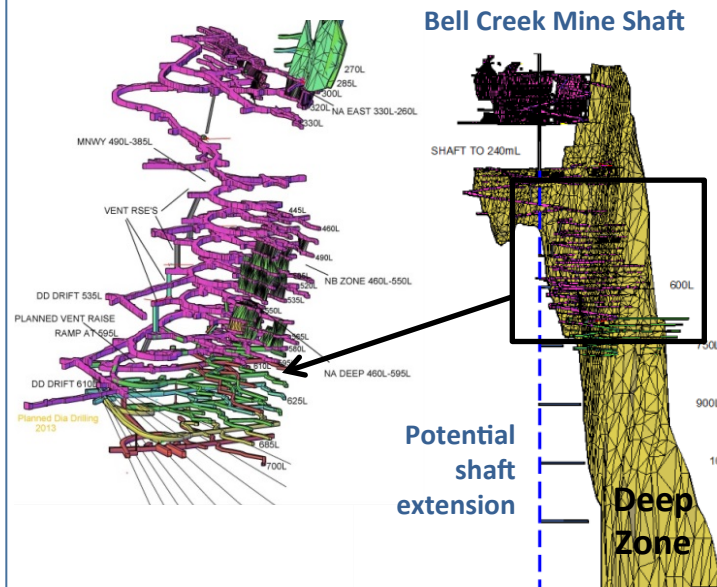
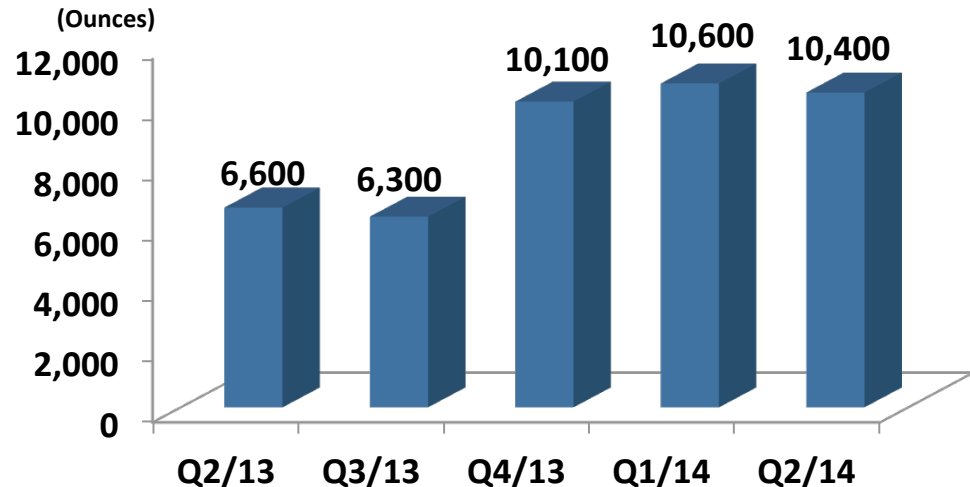
Bell Creek Mine



- Produced 21,000 oz in H1/14 (129,000 tonnes @ 5.3 gpt)
- Targeting approx. 40,000 oz in 2014⁽¹⁾
- Significant potential for growth at depth
- March 2014 reserve estimate of 707,000 tonnes at 4.7 gpt for 106.600 oz, all above 775 Level⁽²⁾
- Reserves are less than 10% of total resources



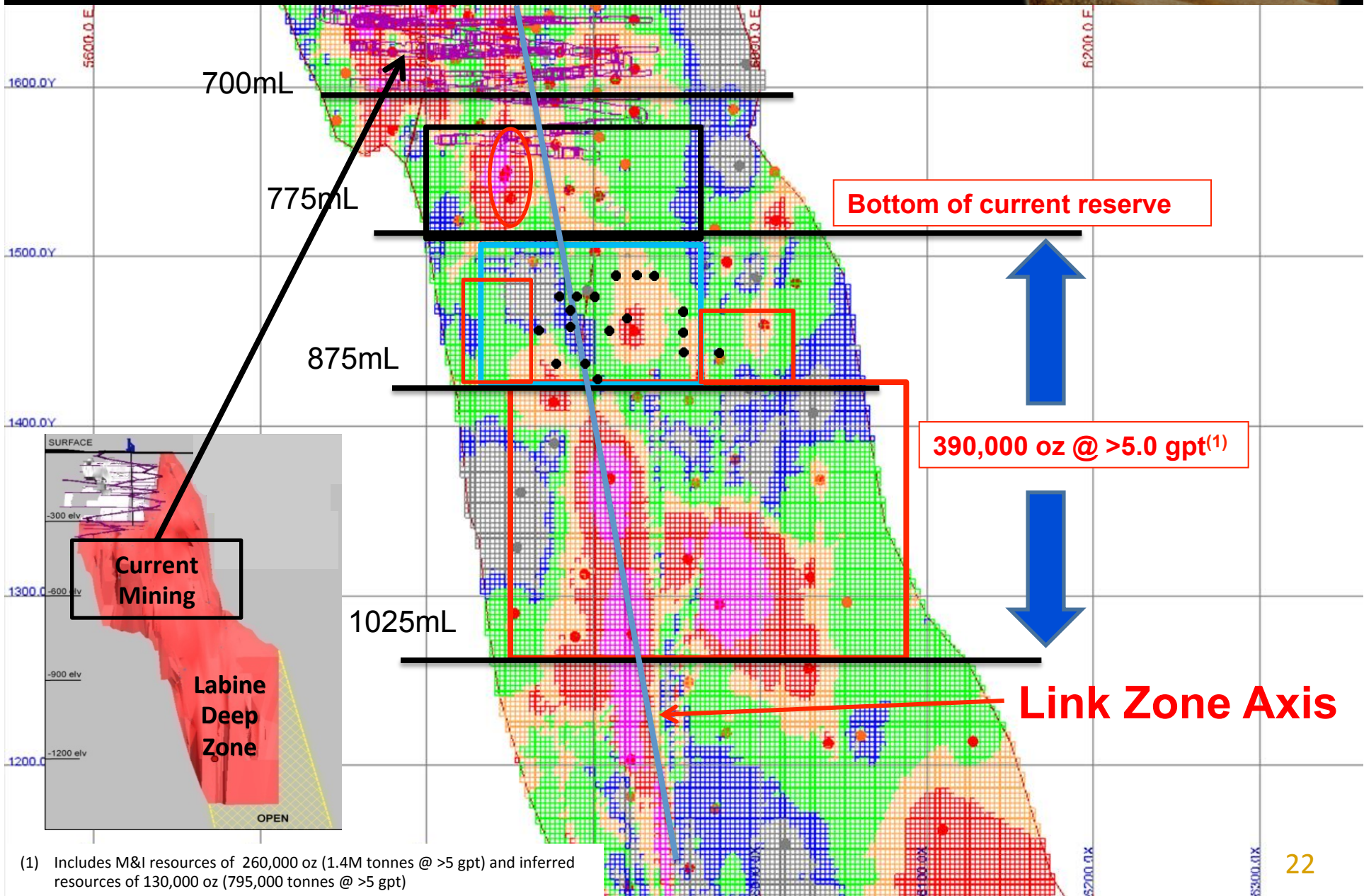
Quarterly Production



(1) Example of Forward Looking Information
 (2) See press release dated March 18, 2014 for review of estimates and assumptions relating to reserves and resources.

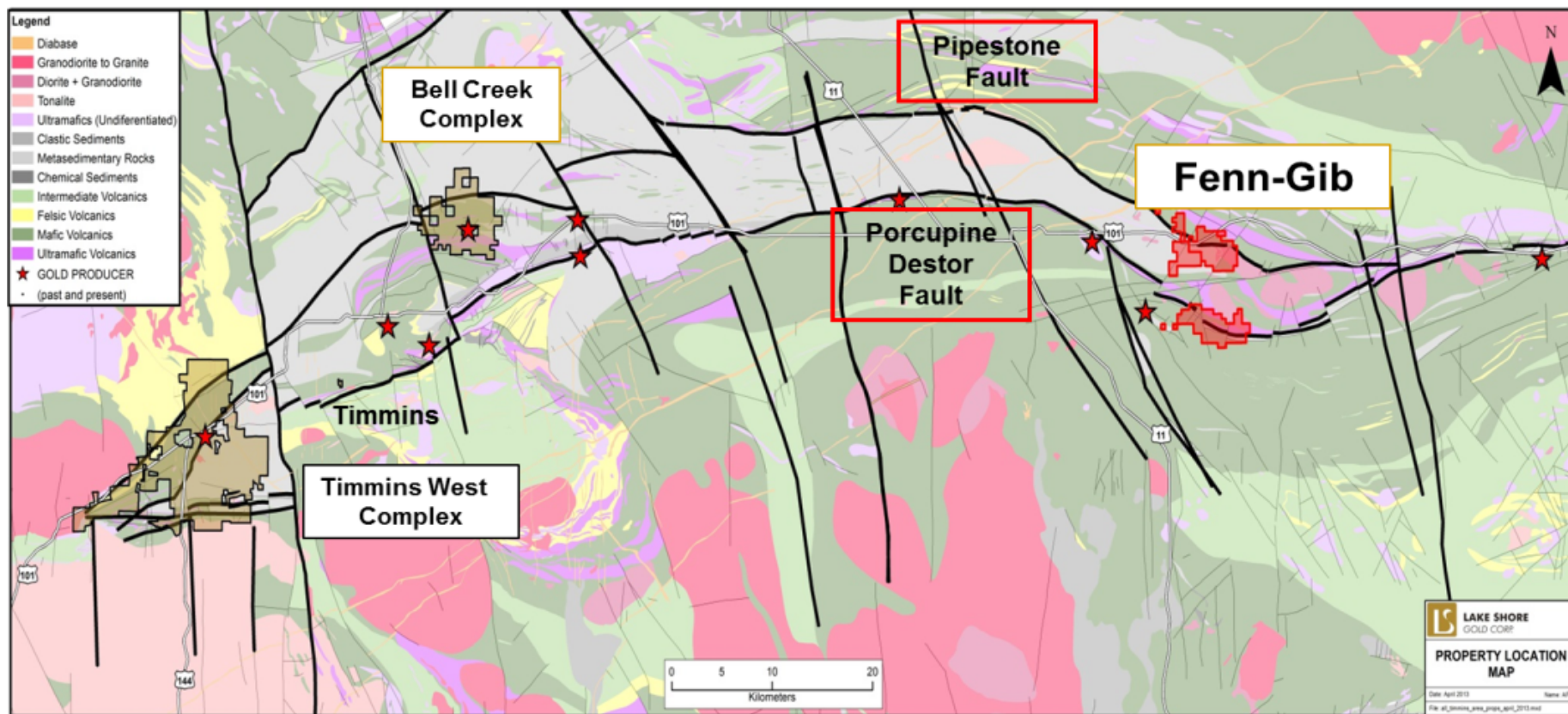
Bell Creek Labine Deep Zone

Initially targeting 400,000 oz of Resources 775 L to 1,050 L



(1) Includes M&I resources of 260,000 oz (1.4M tonnes @ >5 gpt) and inferred resources of 130,000 oz (795,000 tonnes @ >5 gpt)

Fenn-Gib: Potential Large-Scale Open Pit

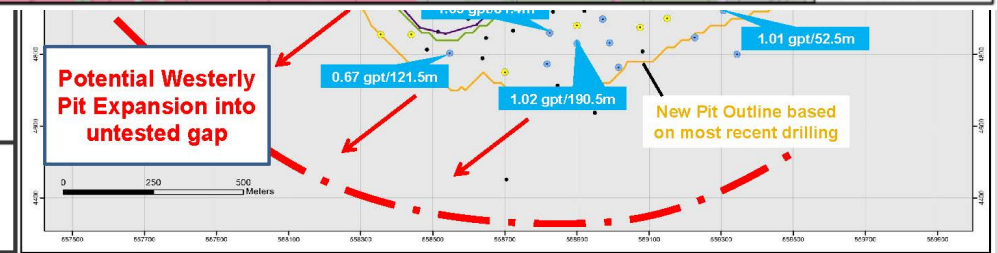
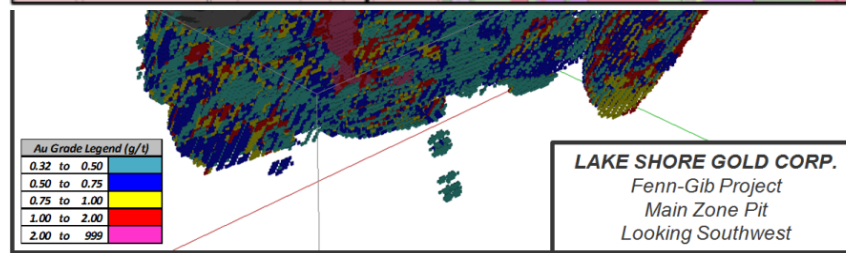
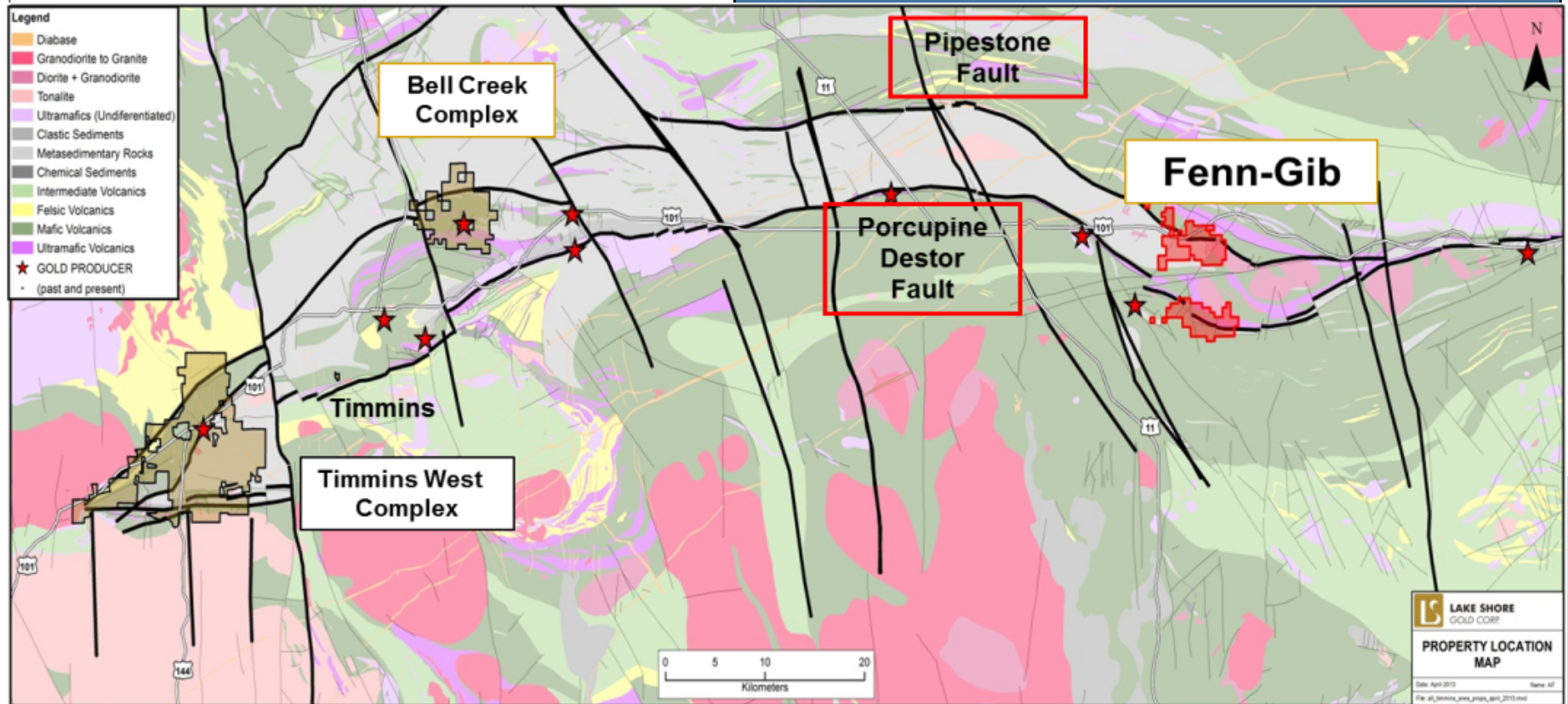


Fenn-Gib: Potential Large-Scale Open Pit



■ Fenn-Gib – near surface resource with




Current Reserves & Resources



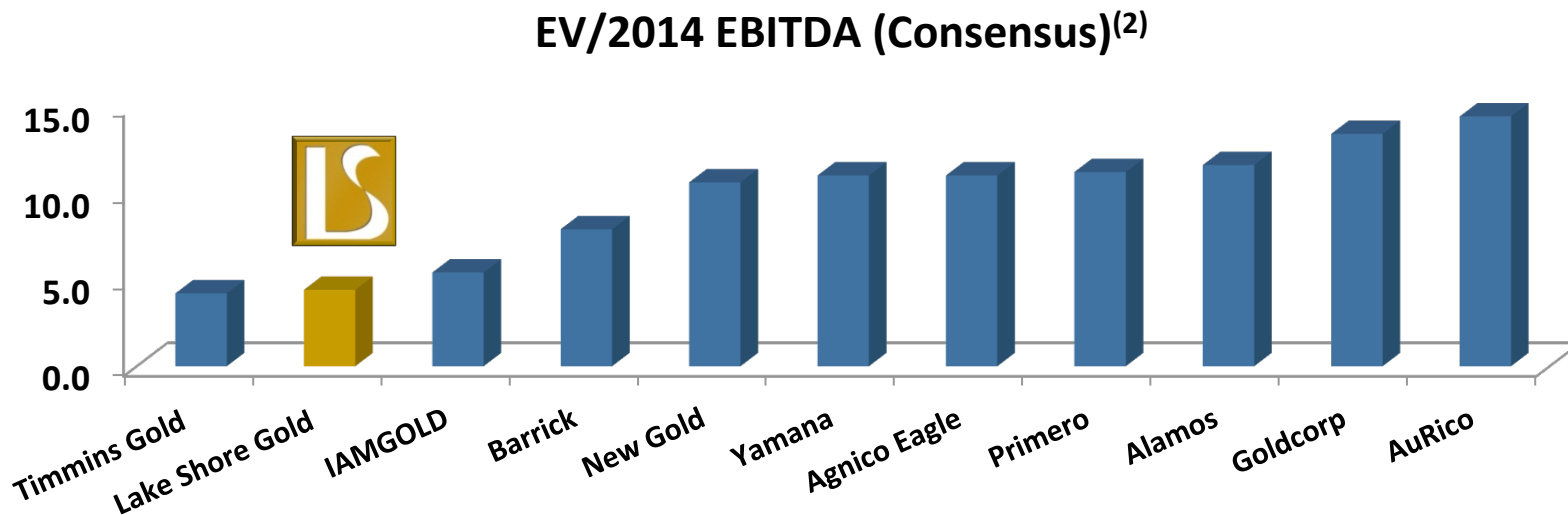
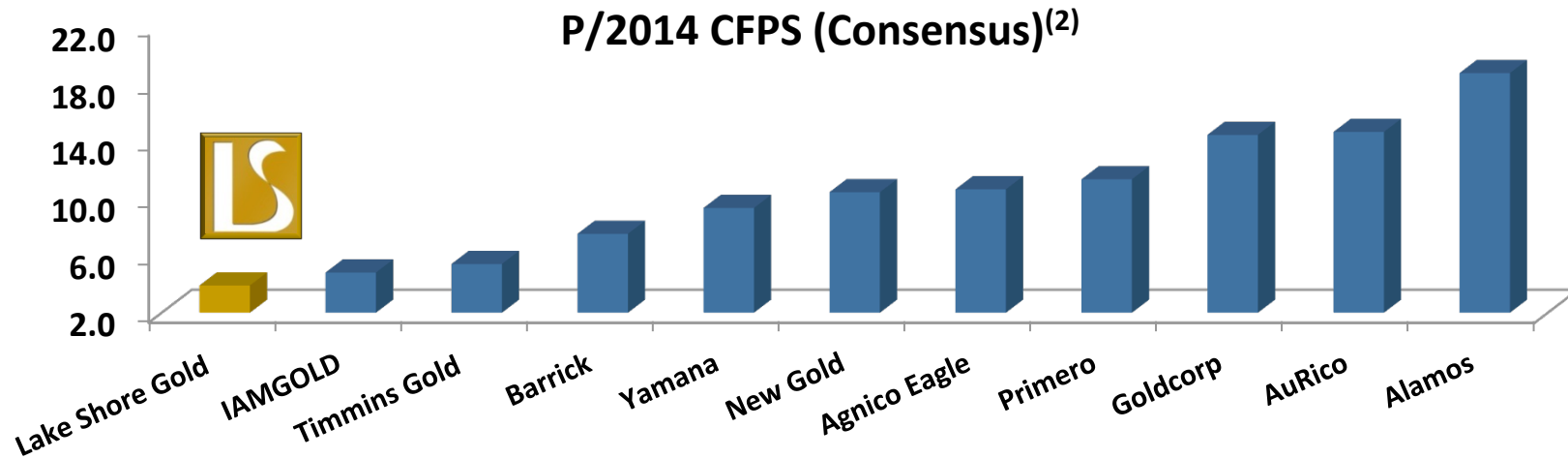
(1) Example of Forward Looking Information

LSG: An Attractive Investment with Valuation Upside



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-  **Favourable risk profile, located in Timmins Camp**

LSG – Valuation Upside⁽¹⁾



(1) Examples of forward-looking information

(2) Source: TD Securities, Precious Metals Outlook (August 25/14), share prices updated for close on Sept. 5/14



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APPENDIX

Reserves & Resources

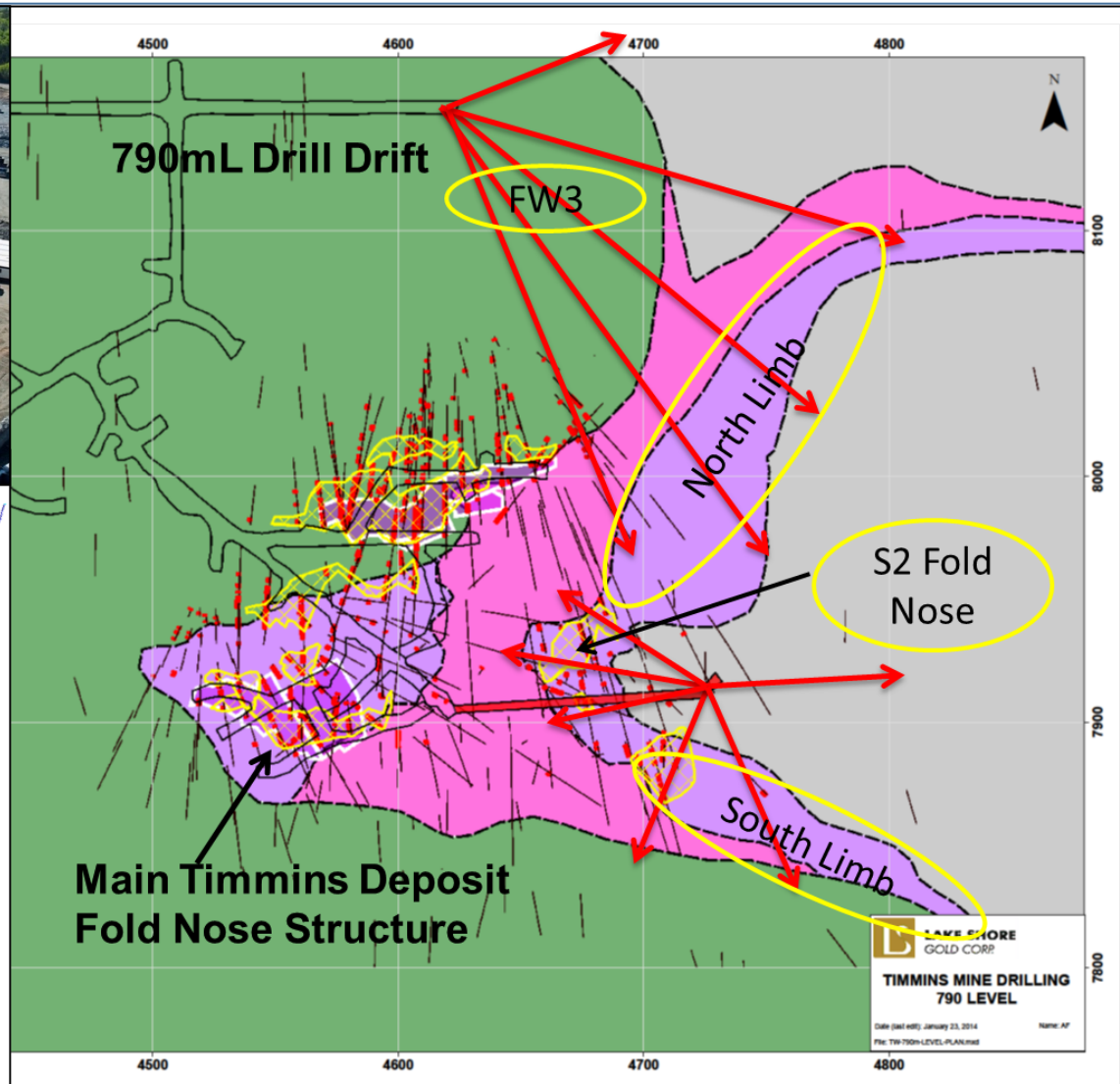
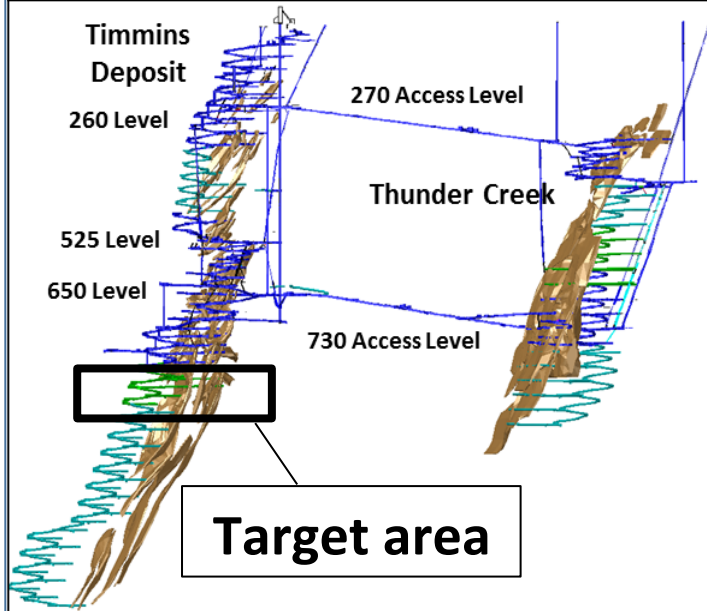


Probable Reserves ⁽¹⁾			
	Tonnes	Au Grade (g/t)	Contained Ounces
Timmins West Mine	3,332,000	4.6	492,200
Bell Creek Mine	<u>707,000</u>	<u>4.7</u>	<u>106,600</u>
Total	4,039,000	4.6	598,800
Measured & Indicated ⁽²⁾			
	Tonnes	Au Grade (g/t)	Contained Ounces
Timmins West Mine	4,364,000	5.1	715,000
Gold River	690,000	5.3	117,000
Bell Creek Mine	4,542,000	4.6	672,000
Vogel	2,219,000	1.75 ⁽³⁾	125,000
Marlhill	395,000	4.5	57,000
<u>Fenn Gib</u>	40,800,000	0.99 ⁽³⁾	<u>1,300,000</u>
Total			2,985,000
Inferred			
	Tonnes	Au Grade (g/t)	Contained Ounces
Timmins West Mine	2,939,000	5.5	516,000
Gold River	5,273,000	6.1	1,028,000
Bell Creek Mine	5,935,000	4.6	872,000
Vogel	1,459,000	3.60 ⁽⁴⁾	169,000
<u>Fenn-Gib</u>	24,500,000	0.95 ⁽³⁾	<u>750,000</u>
Total			3,335,000

(1) Reserves as at March 2014 and calculated using average price of US\$1,100/oz (2) Resources are inclusive of reserves (3) Open-pit resources (4) Combination of underground and open-pit resources. See press release dated March 18, 2014 for details of assumptions and estimates used in reserve and resource calculations for Timmins West Mine and Bell Creek Mine. See www.lsgold.com for estimates and assumptions relating to resources at other properties

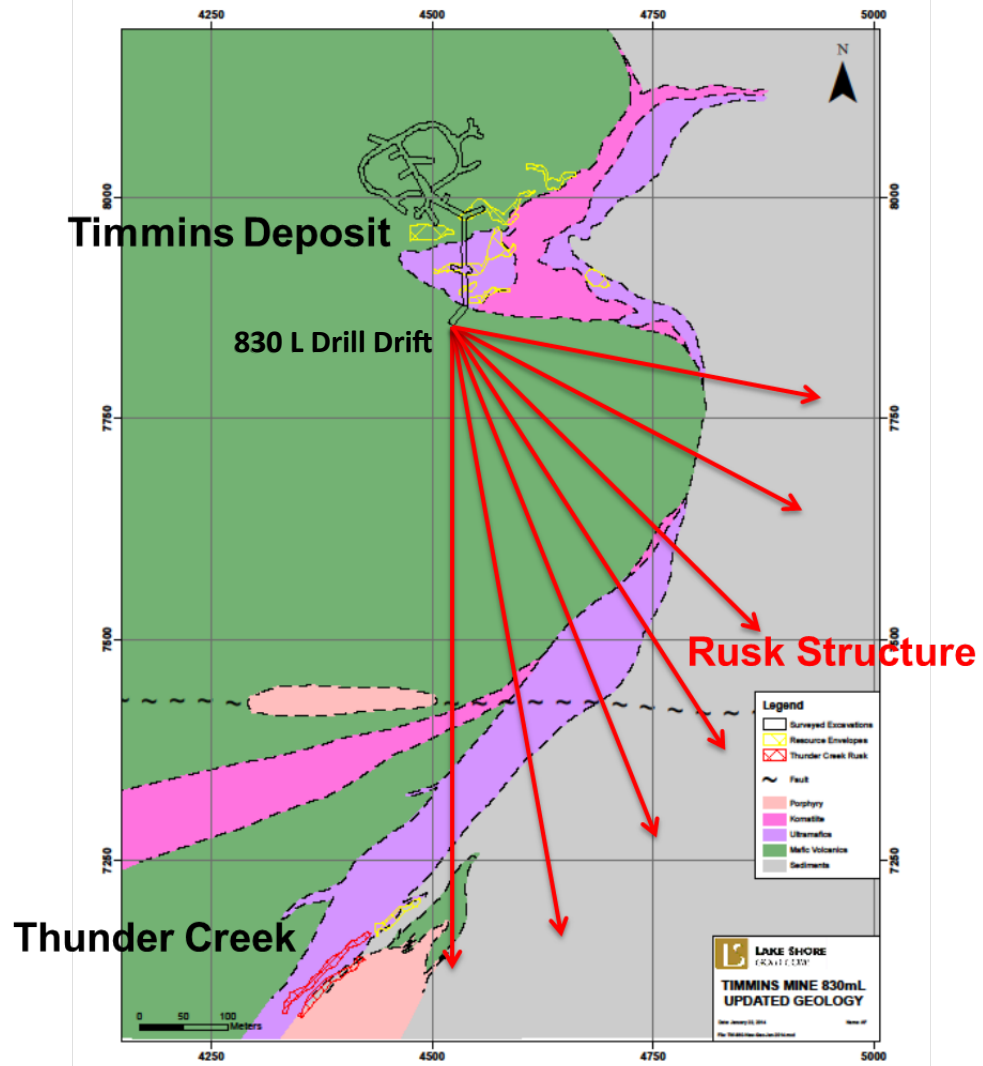
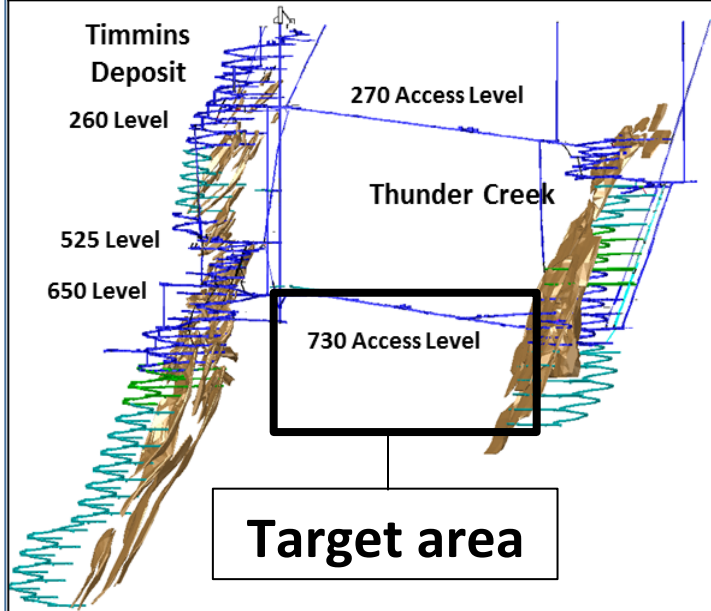
Timmins West Mine

Drilling for New Resources



Timmins West Mine

Drilling to Convert and Expand Resources

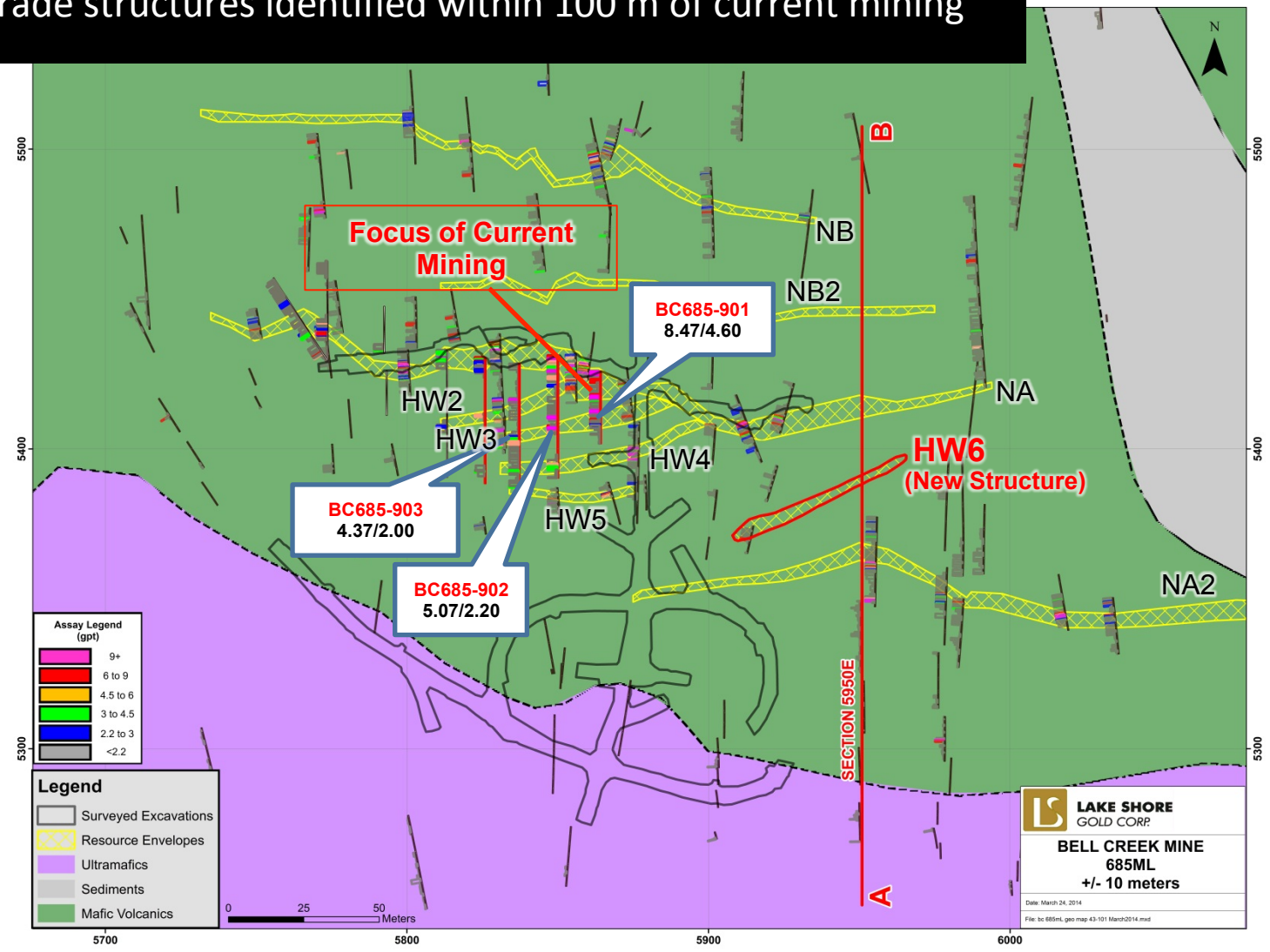


Grow Resources and Reserves

Bell Creek Mine – New High-Grade Structures



- High-grade intercepts reported in untested gap in North A Zone
- High-grade structures identified within 100 m of current mining

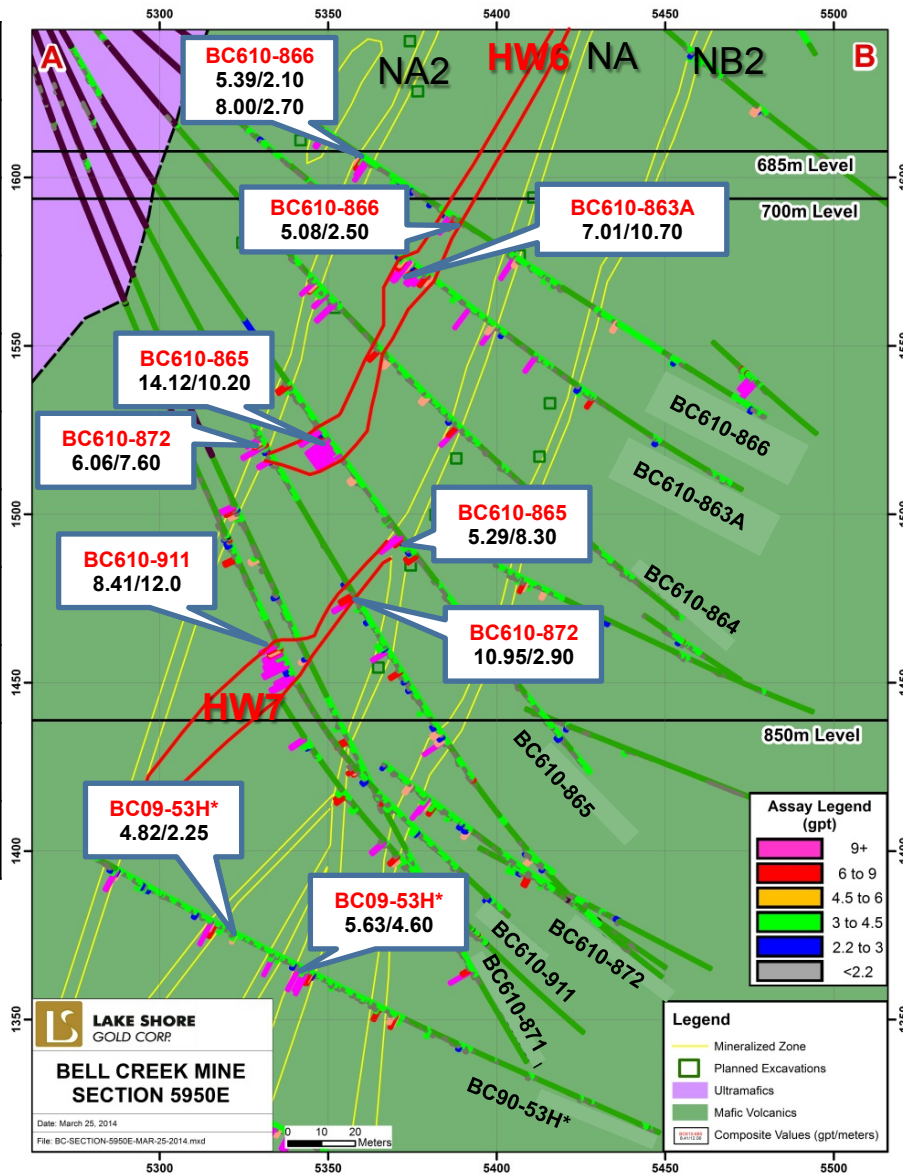


Grow Resources and Reserves

Bell Creek Mine – New High-Grade Structures

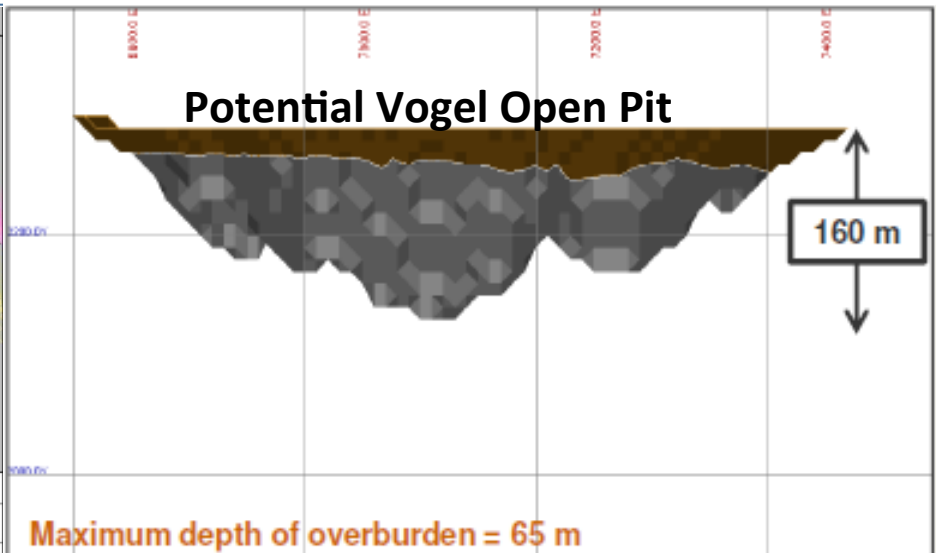
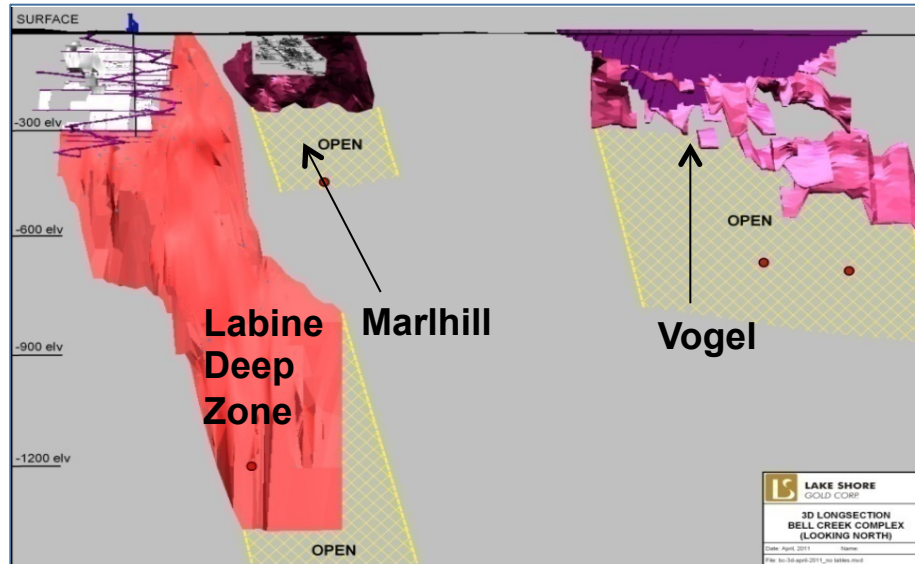


Key Intercepts		
Hole	GPT	Metres
610 865	14.12	10.2
610 911	8.41	12.0
610 863A	7.01	10.7
610 872	6.02	7.6
685 901	11.42	3.6
685 901	8.47	4.6
685 860A	7.76	8.7
685 861	5.96	6.5
685 902	6.38	6.0



- New structure

Labine Deep, Vogel & Marhill



- Large resource base below 1,050 m at Bell Creek
- Initial resources at Marhill and Vogel
- Studying open pit/underground options at Vogel
- Excellent exploration potential at all properties
- Wetmore to south future exploration target

Resources

Indicated	Tonnes	Grade	Contained Ounces
Bell Creek Mine	4,541,700	4.6	672,000
Vogel – open pit	2,291,000	1.75	125,000
Marhill	395,000	4.5	57,000
Inferred			
Bell Creek Mine	5,934,900	4.6	872,000
Vogel – underground	767,000	5.6	137,000
Vogel – open pit	692,000	1.43	32,000

Non-GAAP Measures⁽¹⁾



Cash Operating Costs per Ounce

Cash operating cost per ounce is a Non-GAAP measure. In the gold mining industry, cash operating cost per ounce is a common performance measure but does not have any standardized meaning. Cash operating costs per ounce are based on ounces sold and are derived from amounts included in the Consolidated Statements of Comprehensive Loss (Income) and include mine site operating costs such as mining, processing and administration, but exclude depreciation, depletion and share-based payment expenses and reclamation costs. The Company discloses cash cost per ounce as it believes this measure provides valuable assistance to investors and analysts in evaluating the Company's performance and ability to generate cash flow. This measure should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP such as total production costs.

All-In Sustaining Costs per Ounce

Effective the second quarter 2013, the Company has adopted a total all-in sustaining cost ("AISC") performance measure. AISC is a Non-GAAP measure. The measure is intended to assist readers in evaluating the total costs of producing gold from current operations. While there is no standardized meaning across the industry for this measure, the Company's definition conforms to the AISC definition as set out by the World Gold Council in its guidance note dated June 27, 2013. The Company defines all-in sustaining cost as the sum of cash costs from mine operations, sustaining capital (capital required to maintain current operations at existing levels), corporate general and administrative expenses, in-mine exploration expenses and reclamation cost accretion related to current operations. All-in sustaining cost excludes growth capital, reclamation cost accretion not related to current operations and interest and other financing costs.

(1) More information about cash operating costs and all-in sustaining costs and other Non-GAAP measures, including reconciliations of these measures to the most directly comparable GAAP measures, is provided on pages 18 and 19 of the Company's second quarter and first half 2014 Management's Discussion & Analysis, which is posted at www.sedar.com and on the Company's website at www.lsgold.com.