



# Lake Shore Gold Corp.

## A Low-Cost Canadian Gold Producer

Precious Metals Summit – Zurich (November 3 and 4, 2015)

TSX & NYSE MKT : LSG  
[www.lsgold.com](http://www.lsgold.com)

# 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](http://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., Senior Vice-President, Exploration. Mr. Kallio is an employee of Lake Shore Gold Corp., and is a "qualified person" as defined by NI 43-101.



# LSG: Progress & Opportunity in the Timmins Camp



## Low-cost gold production

Guidance: 180k oz  
<US\$650/oz Cash Cost<sup>(1)</sup>  
<US\$950/oz AISC<sup>(1)(2)</sup>

YTD: 136.2k oz  
US\$567/oz  
US\$845/oz



## Strong balance sheet

- Cash (Oct. 2015): \$88M
- Senior debt fully repaid



## Attractive organic growth

- Mill to 5,500 tpd, 144 Trend, Bell Creek Deep, Whitney Project

**In a World-Leading, Low-Risk Gold Jurisdiction**

(1) Example of Non-GAAP measure, see Slide 22 for more information  
(2) Refers to all-in sustaining costs

# LSG: Low-Cost Canadian Gold Producer

- Two producing mines and a central mill in Timmins, Ontario, Canada
  - Timmins West Mine
  - Bell Creek Mine & Mill
- Large land position in right geology
- Strong organic growth
  - Large resource base, exploration upside



## Timmins, Ontario

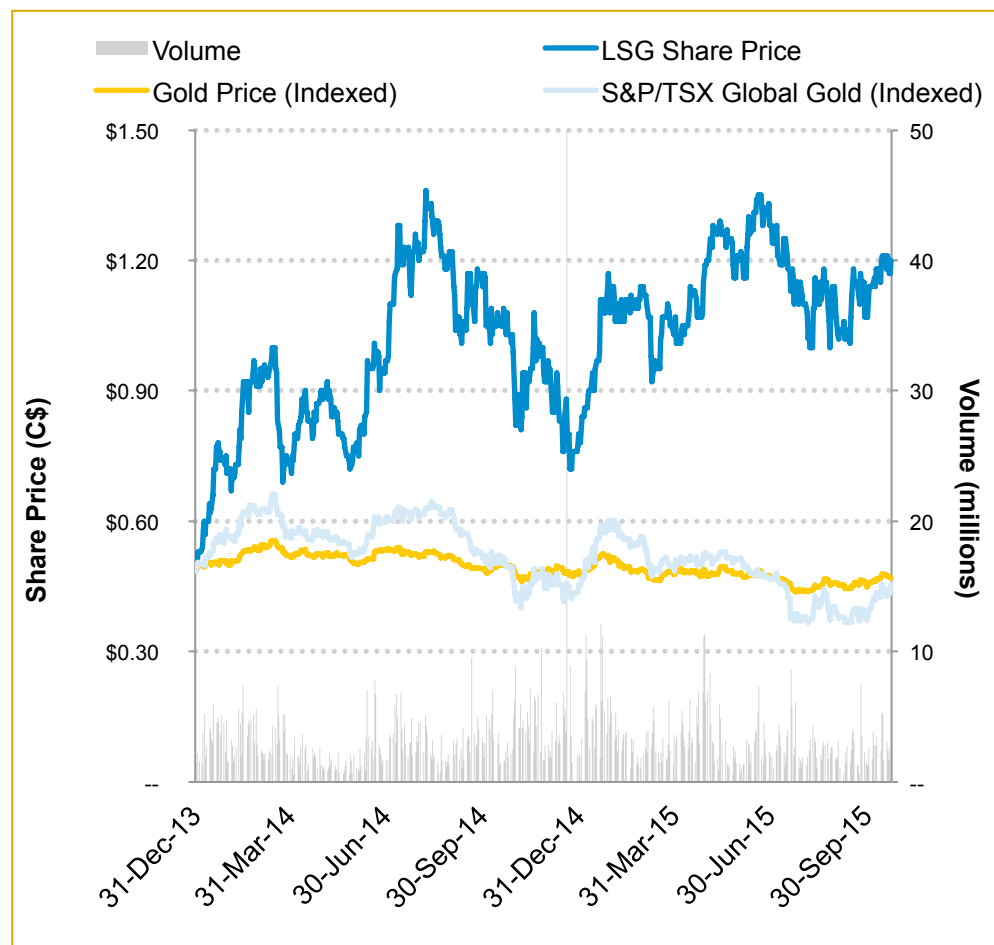
- Over 70M ozs Au of mined resources to date
- Favourable geology
- Supportive government
- Part of Abitibi Greenstone Belt





# LSG – Share Price Performance Versus Peers

LAKE SHORE GOLD PERFORMANCE

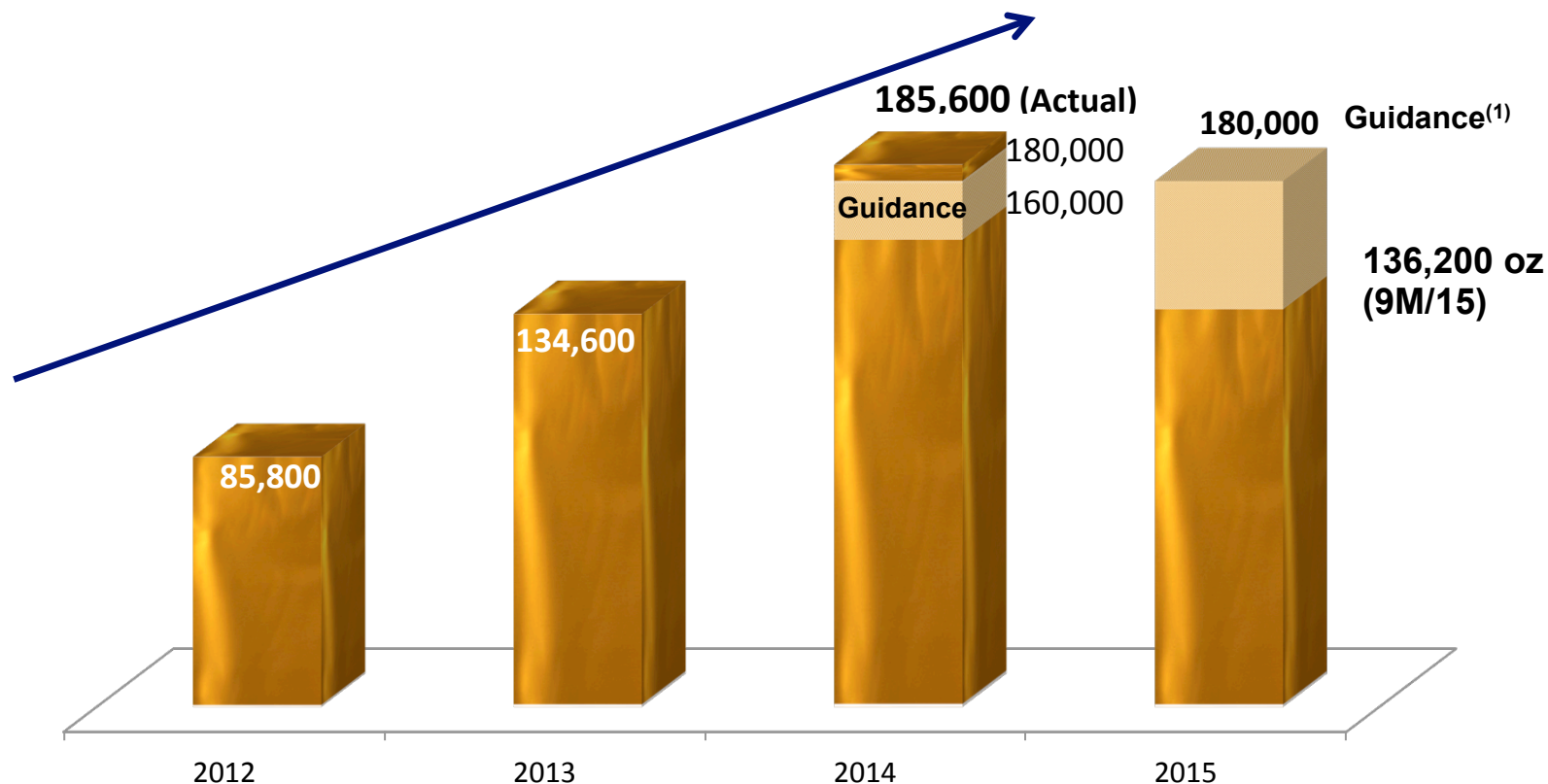


Lake Shore Gold has outperformed both spot gold and the gold index in a challenging market environment

## Lake Shore Gold (TSX, NYSE MKT: LSG)

<b>Shares O/S (Basic)</b>	456,309,000
<b>Price (Oct. 30/15)</b>	\$1.16
<b>Market Cap.</b>	\$529,300,000
<b>52 Week High/Low</b>	\$1.38/\$0.70
<b>3M av. Daily Volume</b>	1,900,000
<b>Balance Sheet</b>	Cash: \$88M Convertible Debenture <ul style="list-style-type: none"> <li>• \$103.5 M</li> <li>• 6.25%</li> <li>• \$1.40 strike price</li> <li>• Sept. 2017</li> </ul>

# Solid Production - @ 675,000 Oz Produced Since Development Began



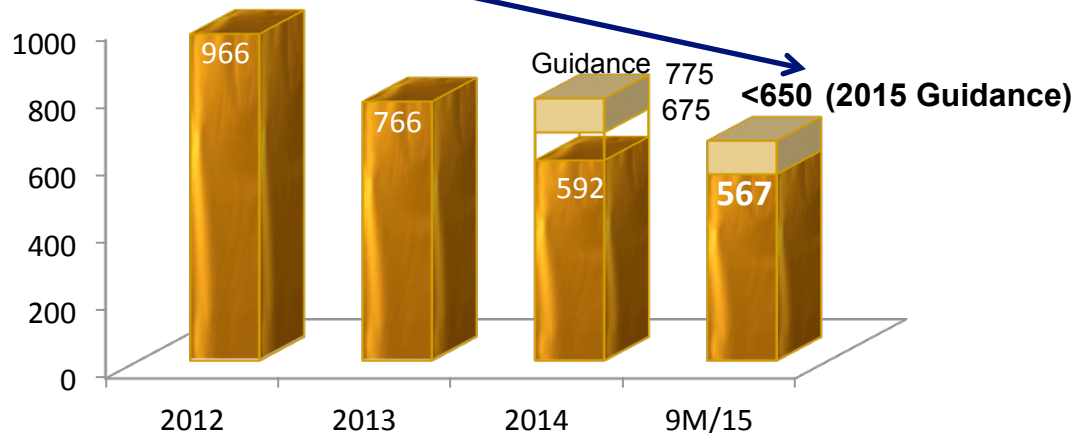
- Record production of 185,600 in 2014
- 136,200 oz produced in 9M/15, guidance revised to at least 180,000 oz
  - Previous guidance: 170,000 to 180,000 oz
- Three consecutive years of meeting or beating guidance

(1) Contains Forward-looking Information



# Low Unit Costs

**Cash Operating Costs<sup>(1)</sup>**  
(US\$/Ounce)



- 2015 guidance revised to <US \$650/oz from between US\$650 and US\$700

**All-In Sustaining Costs<sup>(1)</sup>**  
(US\$/Ounce)

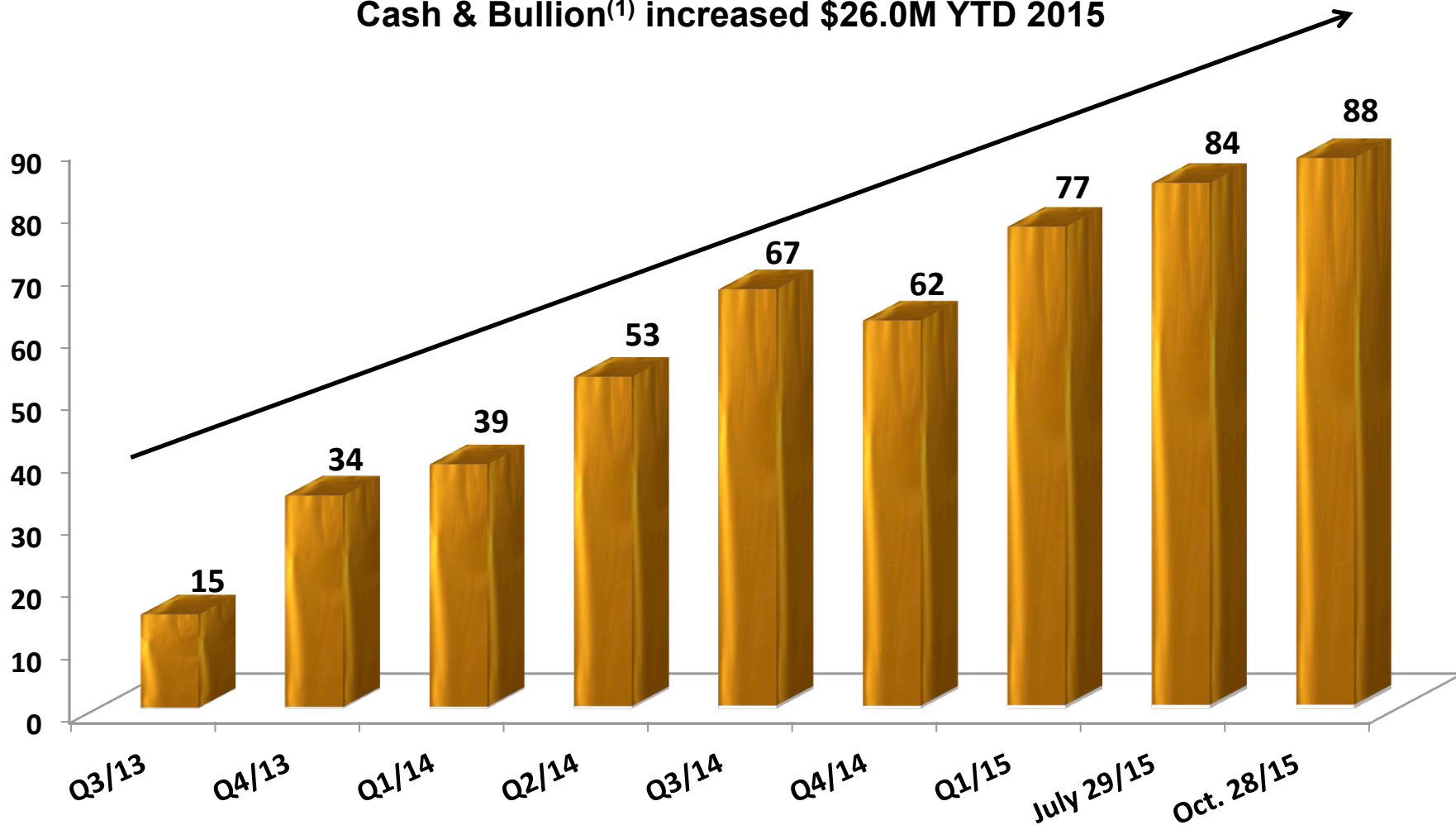


- 2015 guidance revised to <US \$950/oz from between US\$950 and US\$1,000

(1) Contains Forward-looking Information

# Strong Growth in Cash and Bullion

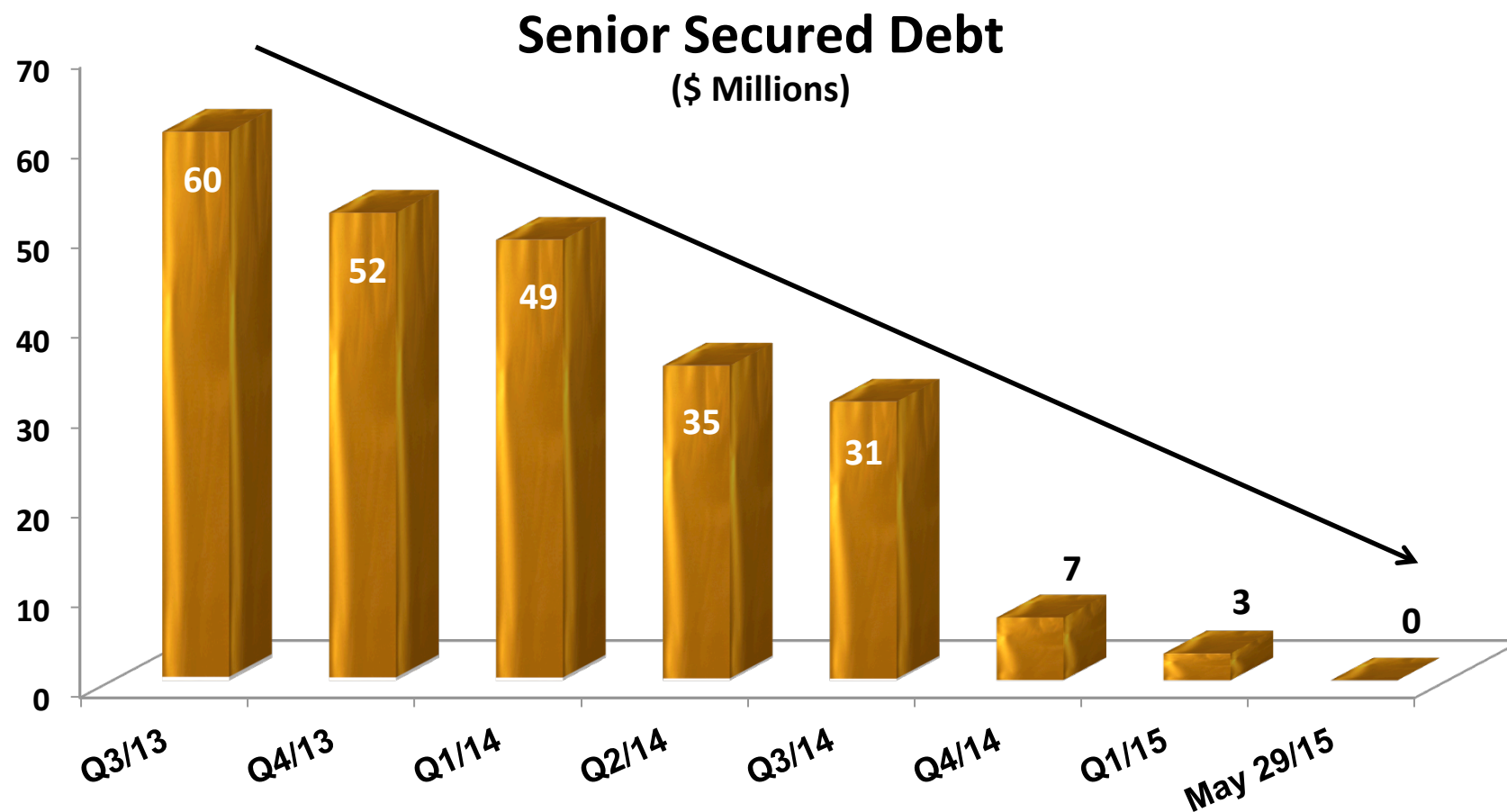
Cash & Bullion<sup>(1)</sup> increased \$26.0M YTD 2015



(1) Bullion valued at market prices at period end



# Senior Secured Debt Fully Repaid

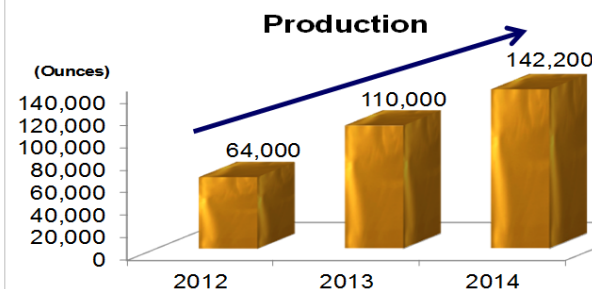


# Lake Shore Gold – Established Quality Operations

## TIMMINS WEST COMPLEX



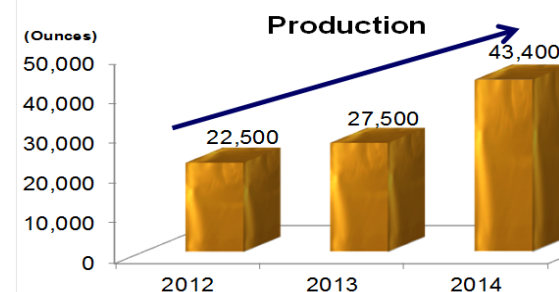
- Large-scale mining complex with multiple deposits
  - Timmins Deposit
  - Thunder Creek
  - Gold River
- Timmins West Mine: 142.2k oz in 2014, 107.6k oz in 9M/15
- 509.7k oz in reserves (3.7M tonnes at 4.3 grams per tonne)
- Two major discoveries at 144, exploration upside along 144 Trend



## BELL CREEK COMPLEX - MINE



- Produced 43.4k oz in 2014, 28.6k oz in 9M/15
- More than doubled reserves in Mar. '15 to 263.6k oz (1.8M tonnes at 4.6 grams per tonne)
- Underground exploration program focused on increasing reserves and resources and further extending mine life
- Significant resource potential at depth



## BELL CREEK COMPLEX – MILL



- Conventional gold mill circuit, involving crushing and grinding, gravity and leaching, followed by CIL and CIP processes for gold recovery
  - Achieved recoveries of 96.7% in 9M/15 (consistently above 95%)
- Processed 1,245,000 tonnes in 2014, 952,000 tonnes in 9M/15

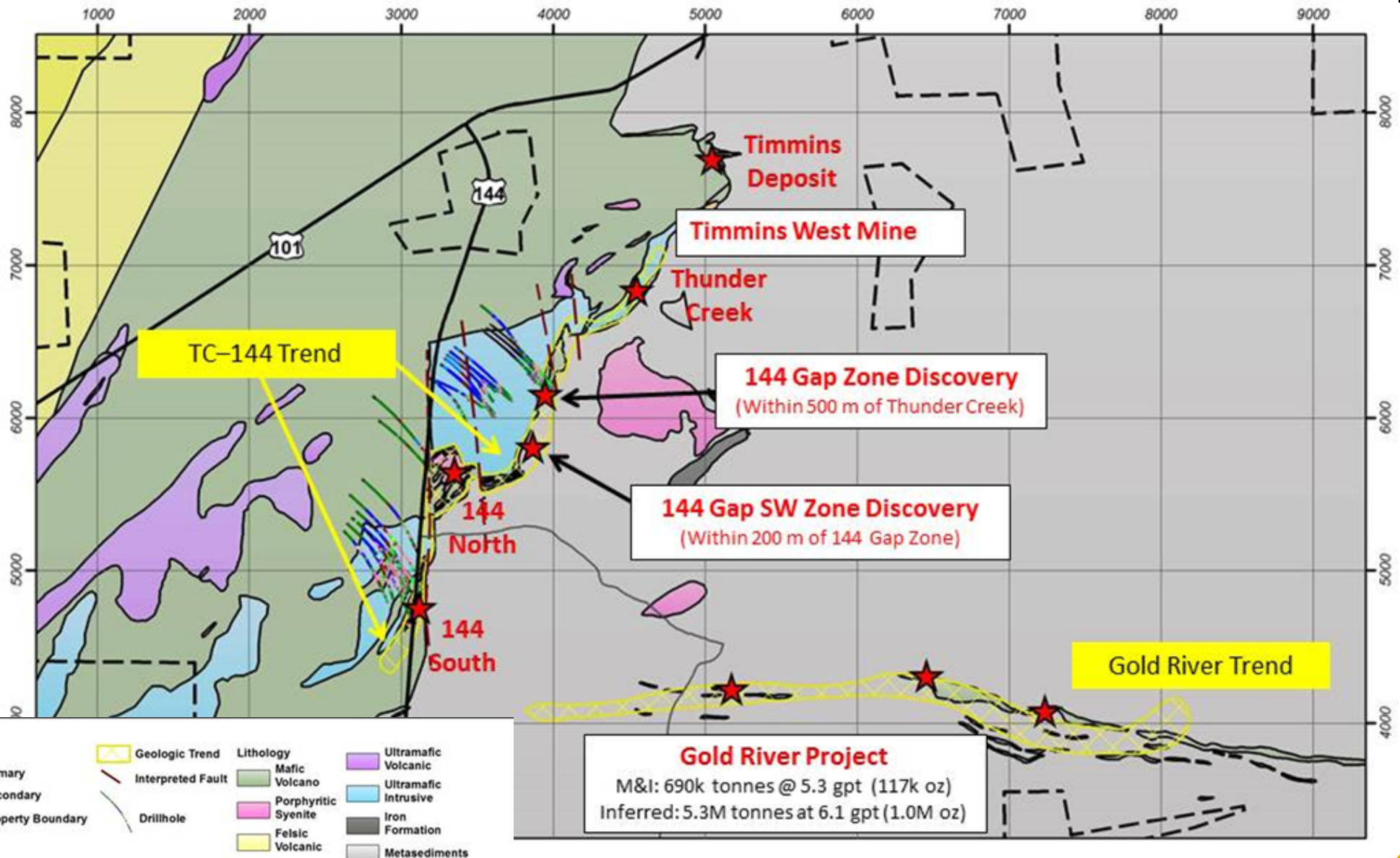


Well-Built Infrastructure Supports Low Costs, Growth

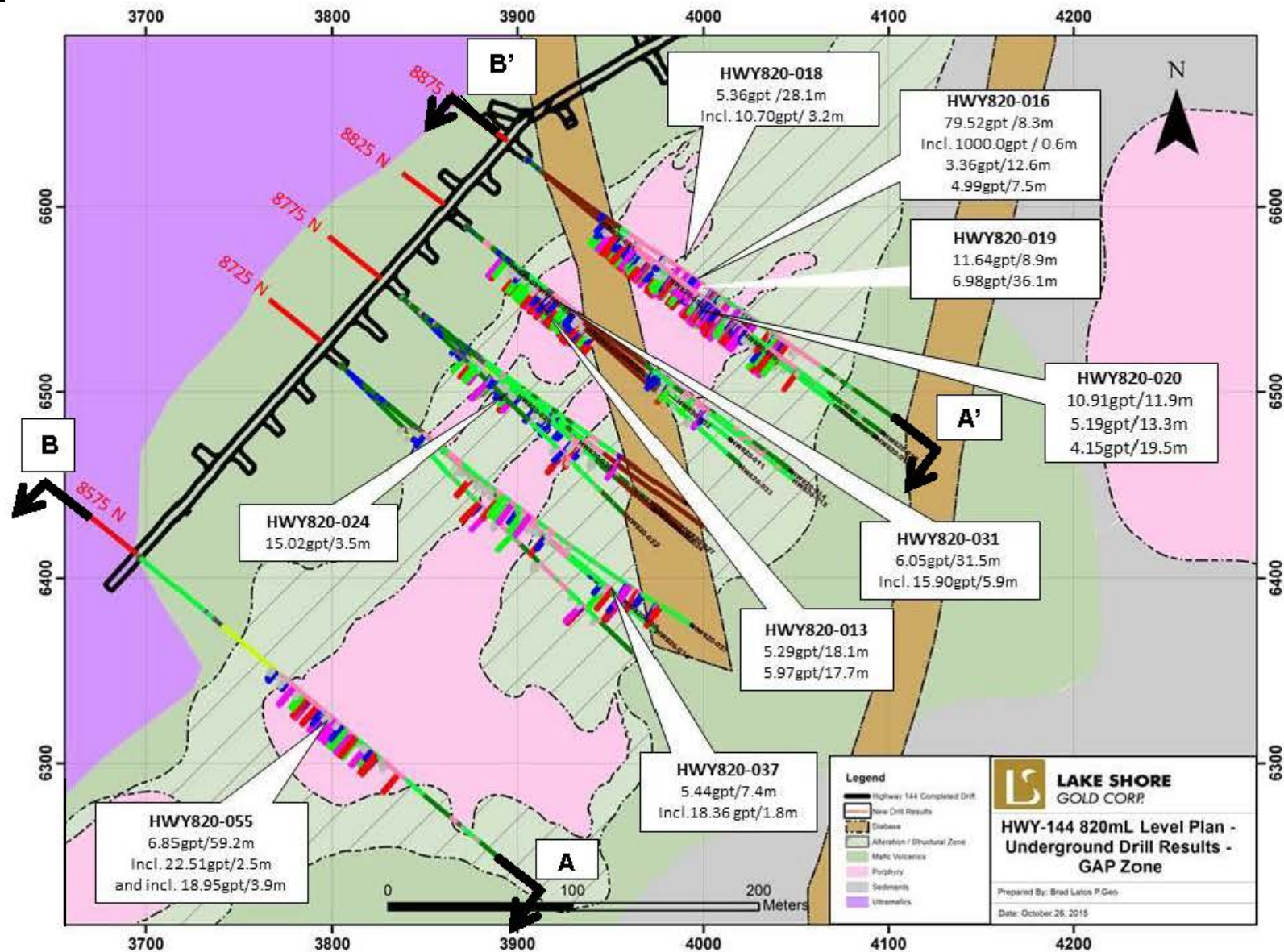


# Timmins West Complex

## Potential for Multiple Gold Deposits

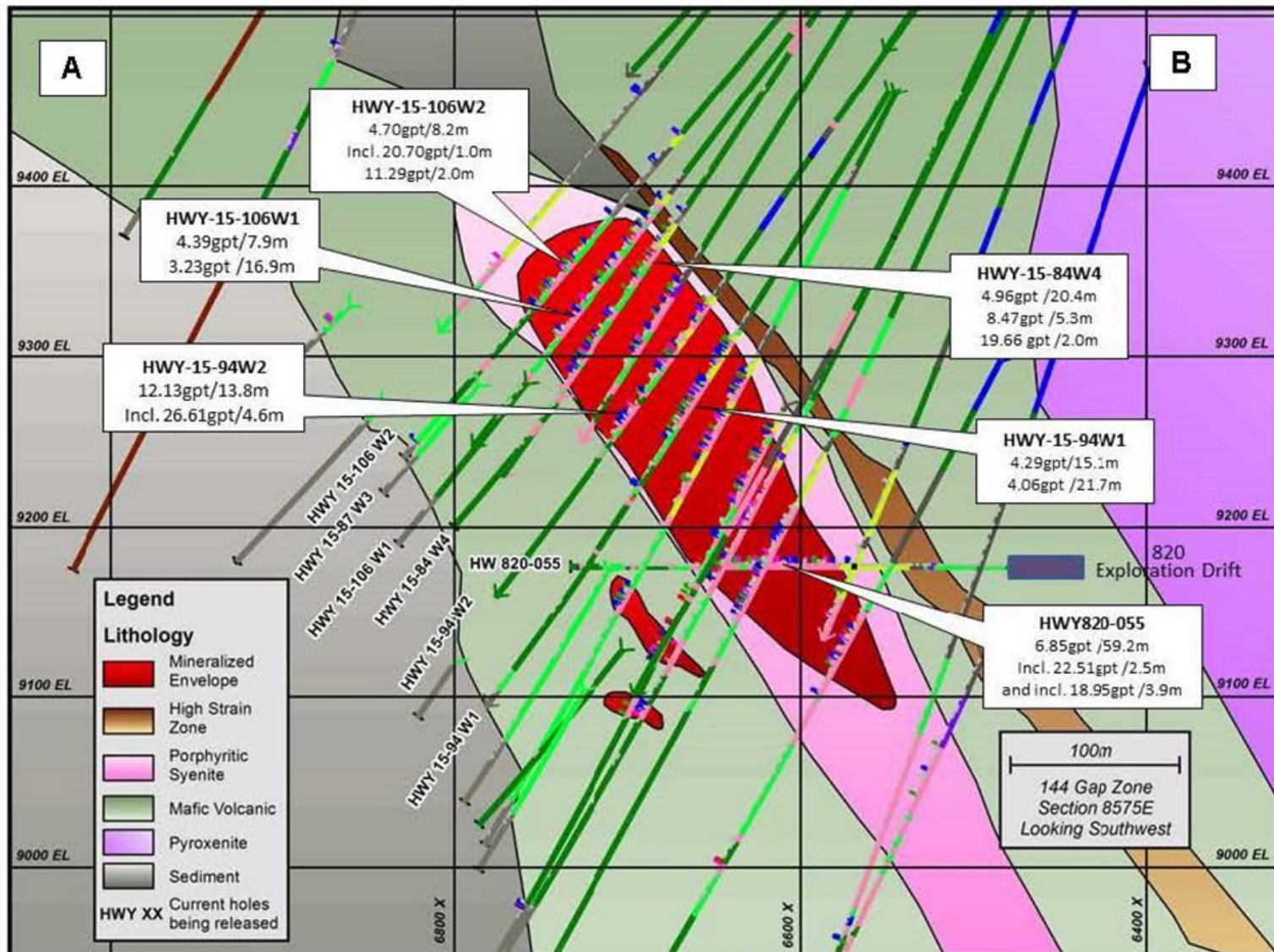


# 144 Gap Zone – Favourable Results from U/G Drilling

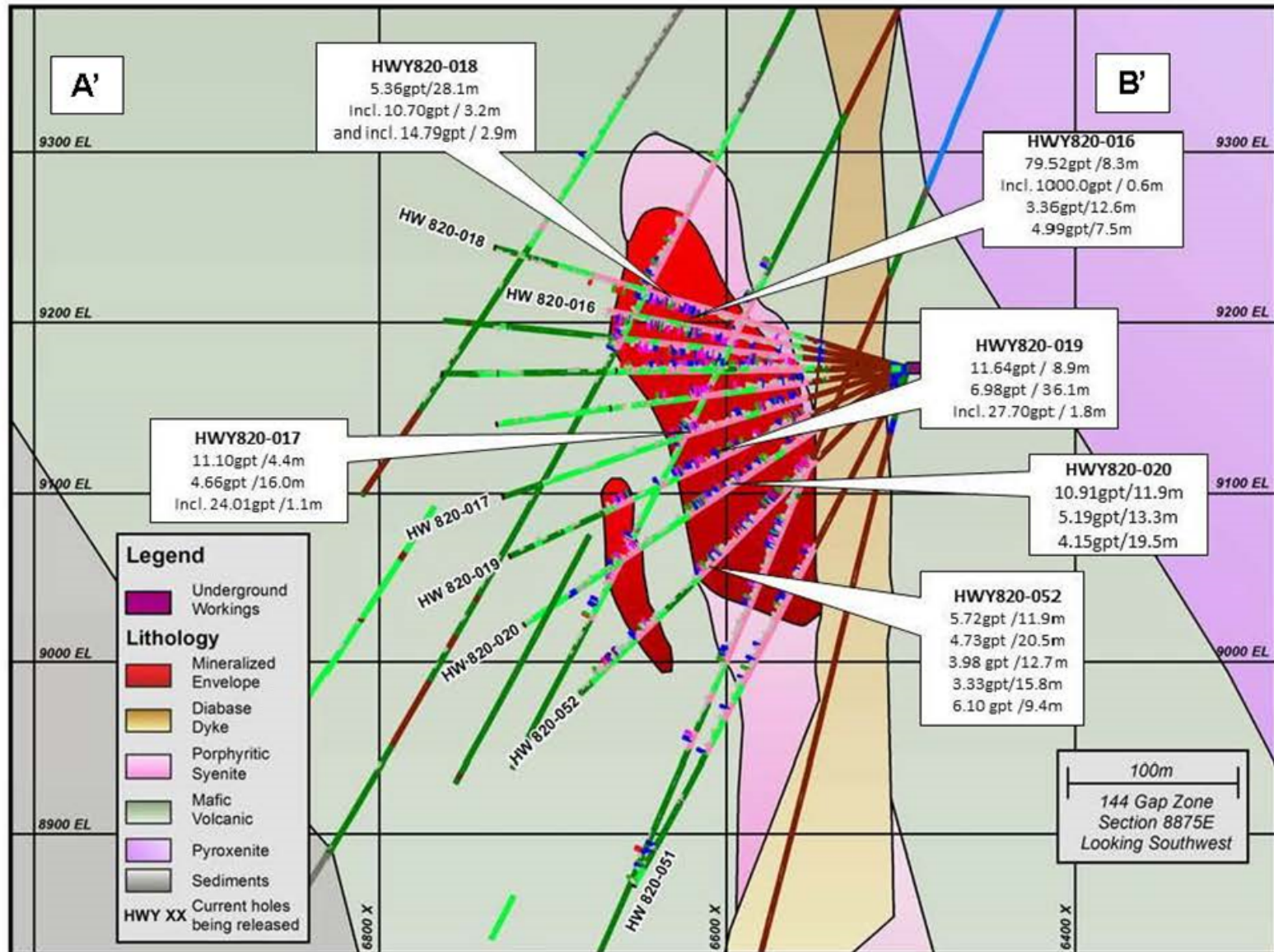




# 144 Gap Zone – Section 8575N

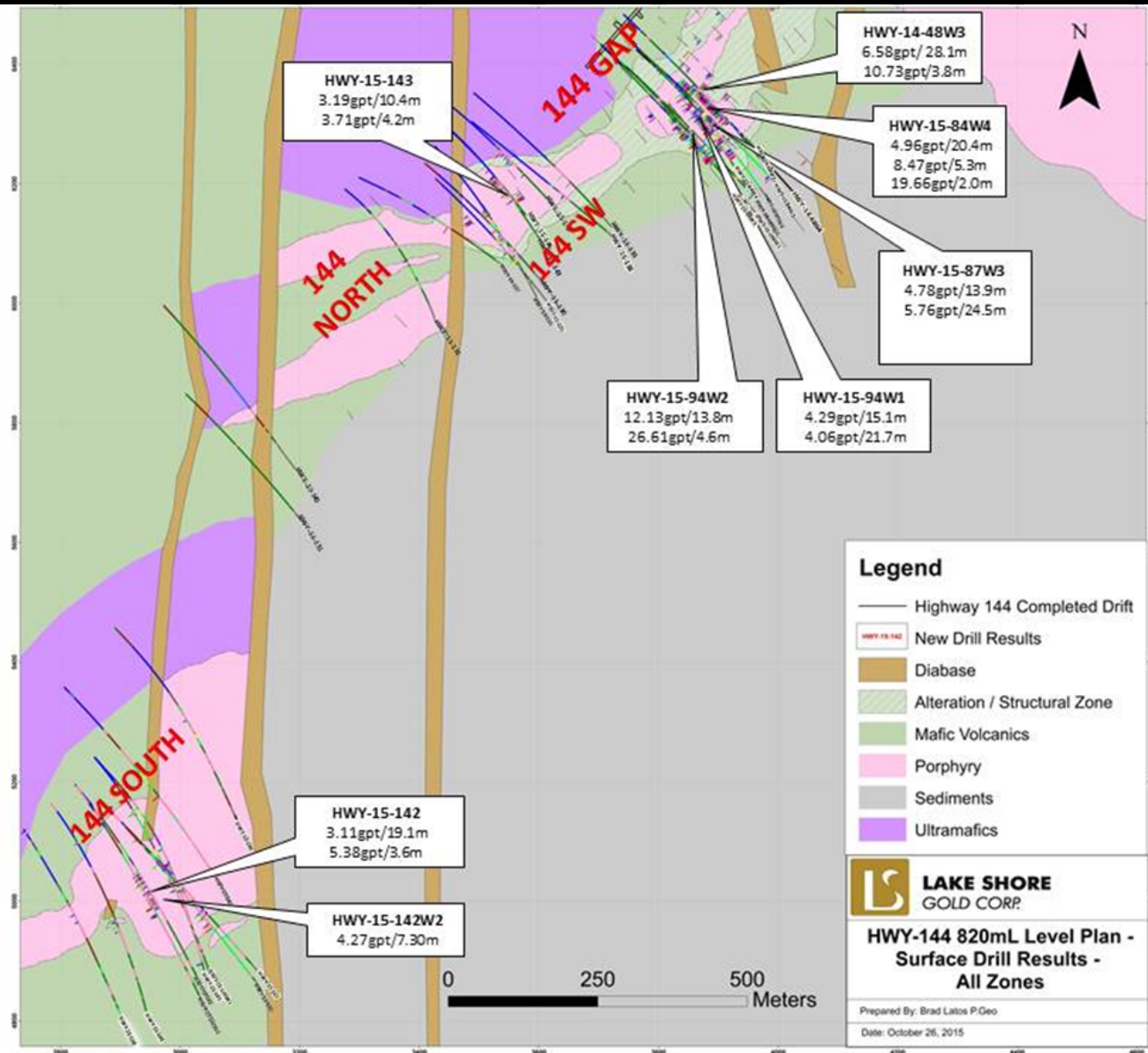


# 144 Gap Zone – Section 8875N



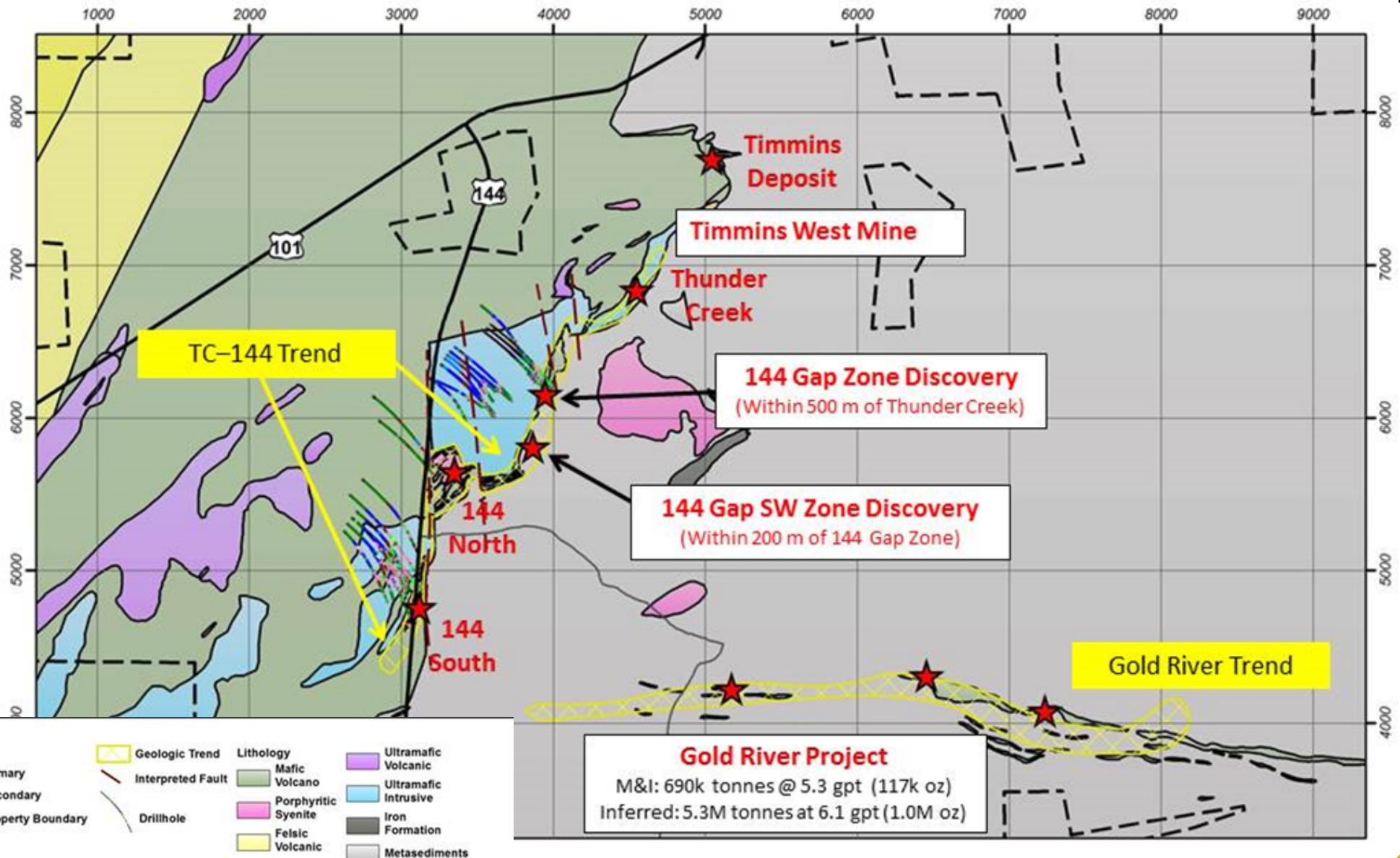


# New Mineralization Discovered at 144 South



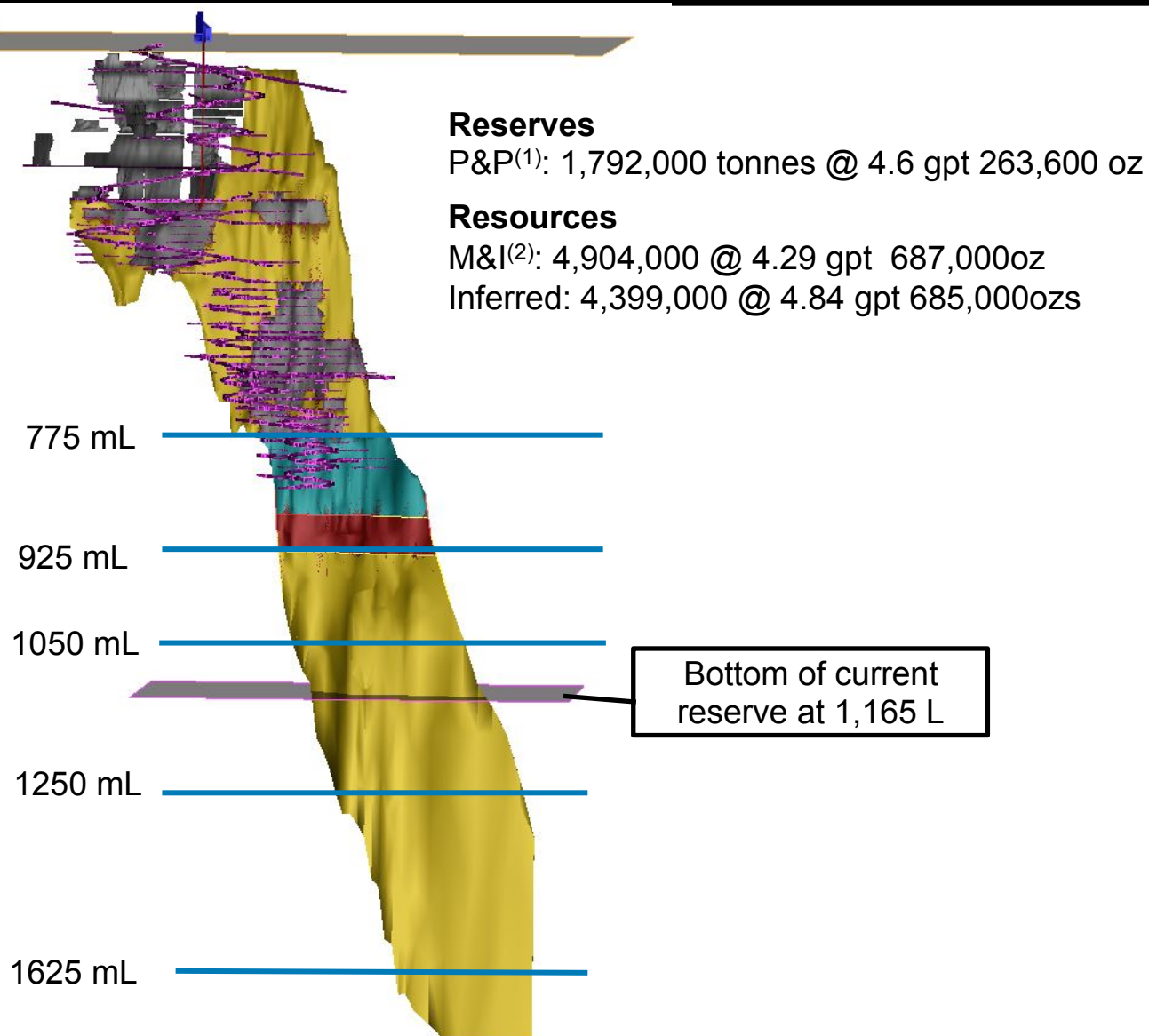
# Timmins West Complex

## Potential for Multiple Gold Deposits



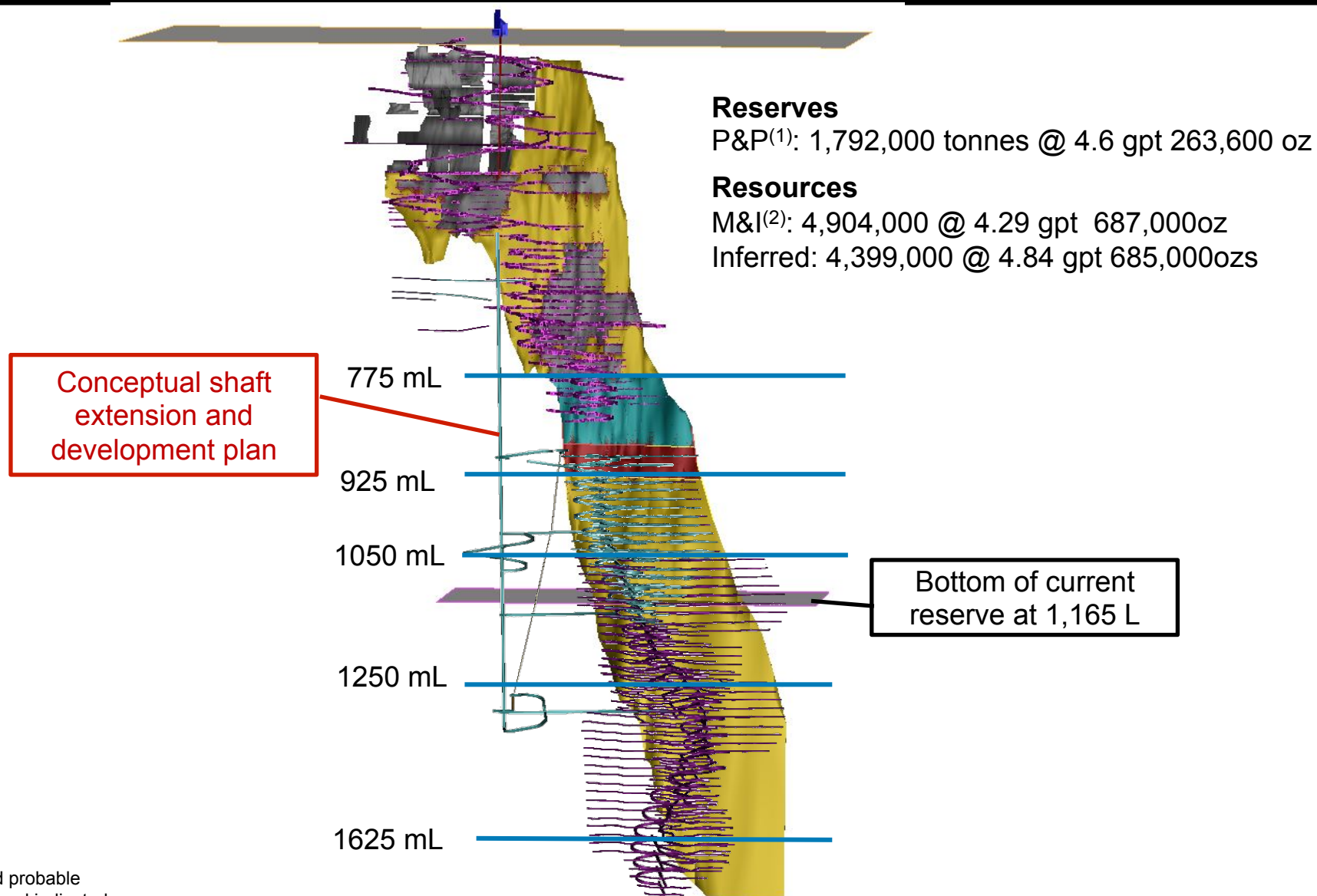


# Bell Creek Mine – Growth Potential



(1) Refers to proven and probable  
(2) Refers to measured and indicated

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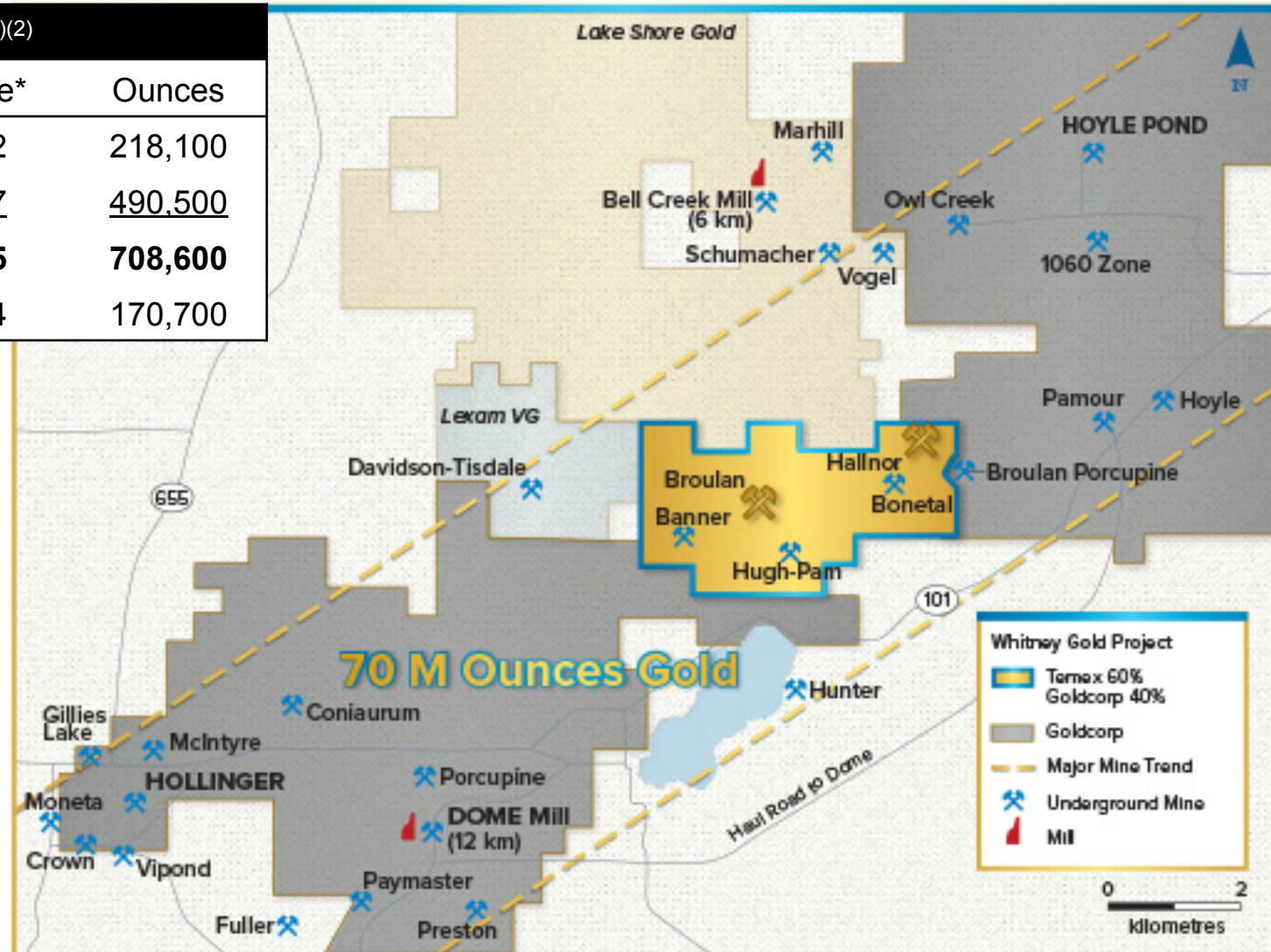
# Temex Transaction

## Whitney Project – In-Market Acquisition

Whitney Project JV – Resources<sup>(1)(2)</sup>

	Tonnes	Grade*	Ounces
Measured	970,000	7.02	218,100
Indicated	<u>2,300,000</u>	<u>6.77</u>	<u>490,500</u>
<b>Total M&amp;I</b>	<b>3,270,000</b>	<b>6.85</b>	<b>708,600</b>
Inferred	1,000,000	5.34	170,700

\* Grams per tonne



- (1) Lake Shore Gold has not verified the mineral resources disclosed in the technical reports for either the Whitney Project. To the best of Lake Shore Gold's knowledge, information, and belief, there is no new material scientific or technical information that would make the disclosure of the mineral resources inaccurate or misleading.

- (2) 60% Interest

# LSG: Progress & Opportunity in the Timmins Camp



## Low-cost gold production

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## Strong balance sheet

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\$88M

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## Attractive organic growth

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- 

**In a World-Leading, Low-Risk Gold Jurisdiction**





# **APPENDIX**

# Non-GAAP Measures<sup>(1)</sup>

## **Cash Operating Costs and Cash Operating Costs Per Ounce**

Cash operating costs are disclosed on a per ounce sold basis. Cash operating costs and cash operating cost per ounce sold are Non-GAAP measures. In the gold mining industry, cash operating costs and cash operating costs per ounce are common performance measures but do not have any standardized meaning. Cash operating costs are derived from amounts included in the Consolidated Statements of Comprehensive Income (Loss) and include mine site operating costs such as mining, processing and administration as well as royalty expenses, but exclude depreciation, depletion and share-based payment expenses and reclamation costs. Cash operating costs per ounce are based on ounces sold and are calculated by dividing cash operating costs by commercial gold ounces sold; US\$ cash operating costs per ounce sold are derived from the cash operating costs per ounce sold translated using the average Bank of Canada C\$/US\$ exchange rate for the period. The Company discloses cash operating costs and cash operating costs per ounce as it believes the measures provide valuable assistance to investors and analysts in evaluating the Company's operational performance and ability to generate cash flow. The most directly comparable measure prepared in accordance with GAAP is total production costs. A reconciliation of cash operating costs and cash operating cost per ounce to total production costs for the three and nine months ended September 30, 2015 and 2014 is set out on page 20 of the Company's MD&A filed on SEDAR at [www.sedar.com](http://www.sedar.com) and at [www.lsgold.com](http://www.lsgold.com).

## **All-in Sustaining Costs and All-In Sustaining Costs Per Ounce**

All-in sustaining costs are disclosed on a per ounce sold basis. All-in sustaining costs and all-in sustaining cost per ounce sold are Non-GAAP measures. These measures are intended to assist readers in evaluating the total costs of producing gold from current operations. While there are no standardized meanings across the industry for these measures, the Company's definitions conform to the all-in sustaining costs definition as set out by the World Gold Council in its guidance note dated June 27, 2013. The Company defines all-in sustaining costs as the sum of production costs, 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 costs exclude growth capital, growth exploration expenditures, reclamation cost accretion not related to current operations, interest expense, debt repayment and taxes. The costs included in the calculation of all-in sustaining costs are divided by commercial gold ounces sold to obtain the all-in sustaining cost per ounce; US\$ all-in sustaining cost per ounce sold is translated using the average Bank of Canada C\$/US\$ exchange rate for the period. The most directly comparable measure prepared in accordance with GAAP is total production costs. A reconciliation of all-in sustaining cost to amounts included in the Consolidated Statements of Comprehensive Loss (Income) for the three and nine months ended September 30, 2015 and 2014 is set out on page 21 of the Company's MD&A filed on SEDAR at [www.sedar.com](http://www.sedar.com) and at [www.lsgold.com](http://www.lsgold.com).

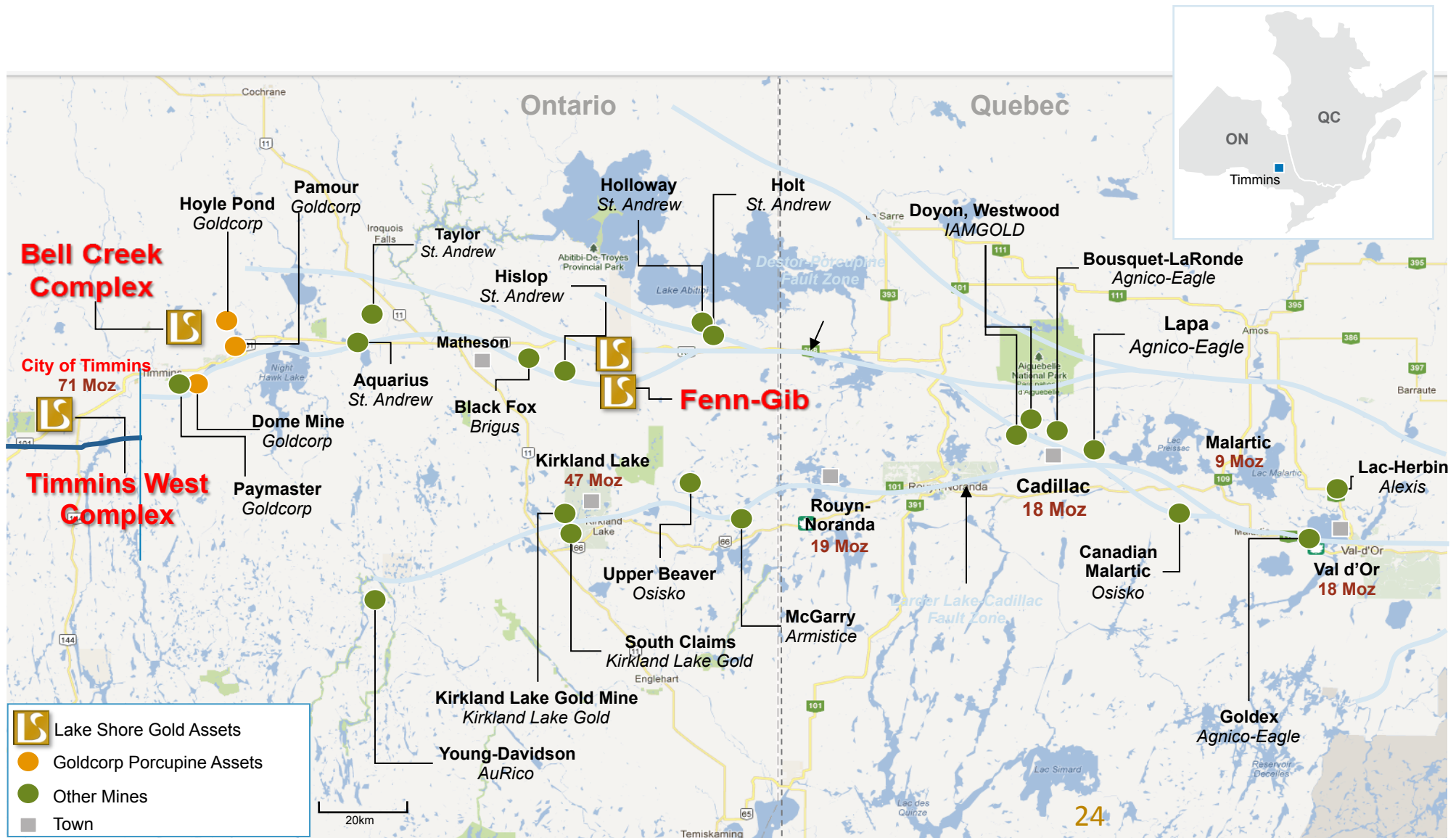
(1) The Company's MDAs for the full-year 2014 and for the first nine months and third quarter of 2015 are posted at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.lsgold.com](http://www.lsgold.com).

# Reserves & Resources

Probable Reserves <sup>(1)</sup>	Tonnes	Au Grade (g/t)	Contained Ounces
Timmins West Mine	3,691,000	4.3	509,700
Bell Creek Mine	<u>1,792,000</u>	<u>4.6</u>	<u>263,600</u>
<b>Total</b>	<b>5,483,000</b>	<b>4.4</b>	<b>773,300</b>
Measured & Indicated <sup>(2)</sup>	Tonnes	Au Grade (g/t)	Contained Ounces
Timmins West Mine	4,539,000	4.8	695,000
Gold River	690,000	5.3	117,000
Bell Creek Mine	4,904,000	4.4	687,000
Vogel	1,860,000	1.64 <sup>(3)</sup>	98,000
Marlhill	395,000	4.5	57,000
<u>Fenn Gib</u>	40,800,000	0.99 <sup>(3)</sup>	<u>1,300,000</u>
<b>Total</b>			<b>2,954,000</b>
Inferred	Tonnes	Au Grade (g/t)	Contained Ounces
Timmins West Mine	1,631,000	5.0	260,000
Gold River	5,273,000	6.1	1,028,000
Bell Creek Mine	4,399,000	4.8	685,000
Vogel	900,000	4.15	120,000
<u>Fenn-Gib</u>	24,500,000	0.95 <sup>(3)</sup>	<u>750,000</u>
<b>Total</b>			<b>2,843,000</b>

(1) Reserves as at December 31, 2014 and calculated using average price of US\$1,100/oz (2) Resources are inclusive of reserves (3) Open-pit resources. See press release dated March 12, 2015 for details of assumptions and estimates used in reserve and resource calculations for Timmins West Mine and Bell Creek Mine. See [www.lsgold.com](http://www.lsgold.com) for estimates and assumptions relating to resources at other properties

# Location Map





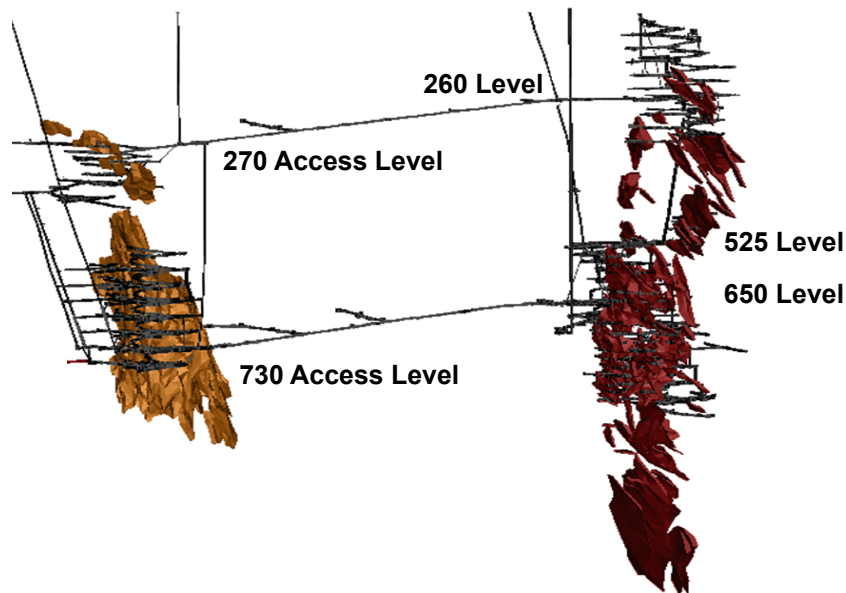
# Timmins West Mine

## A New Mine in a Proven Gold Camp

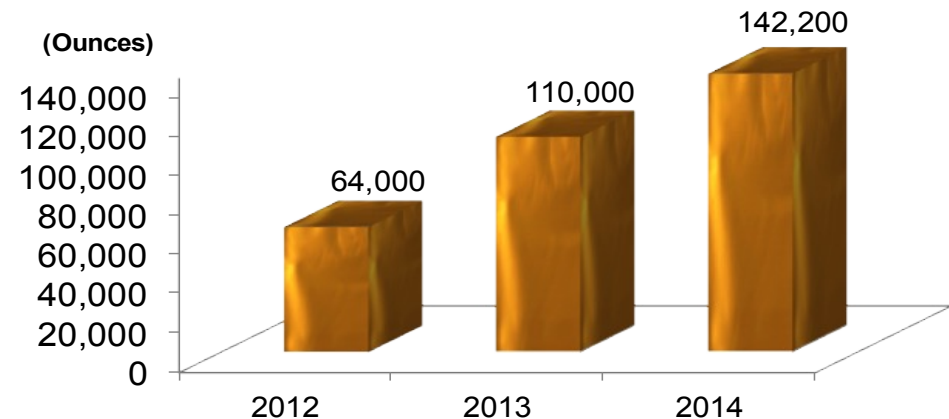


Thunder Creek

Timmins Deposit



Production

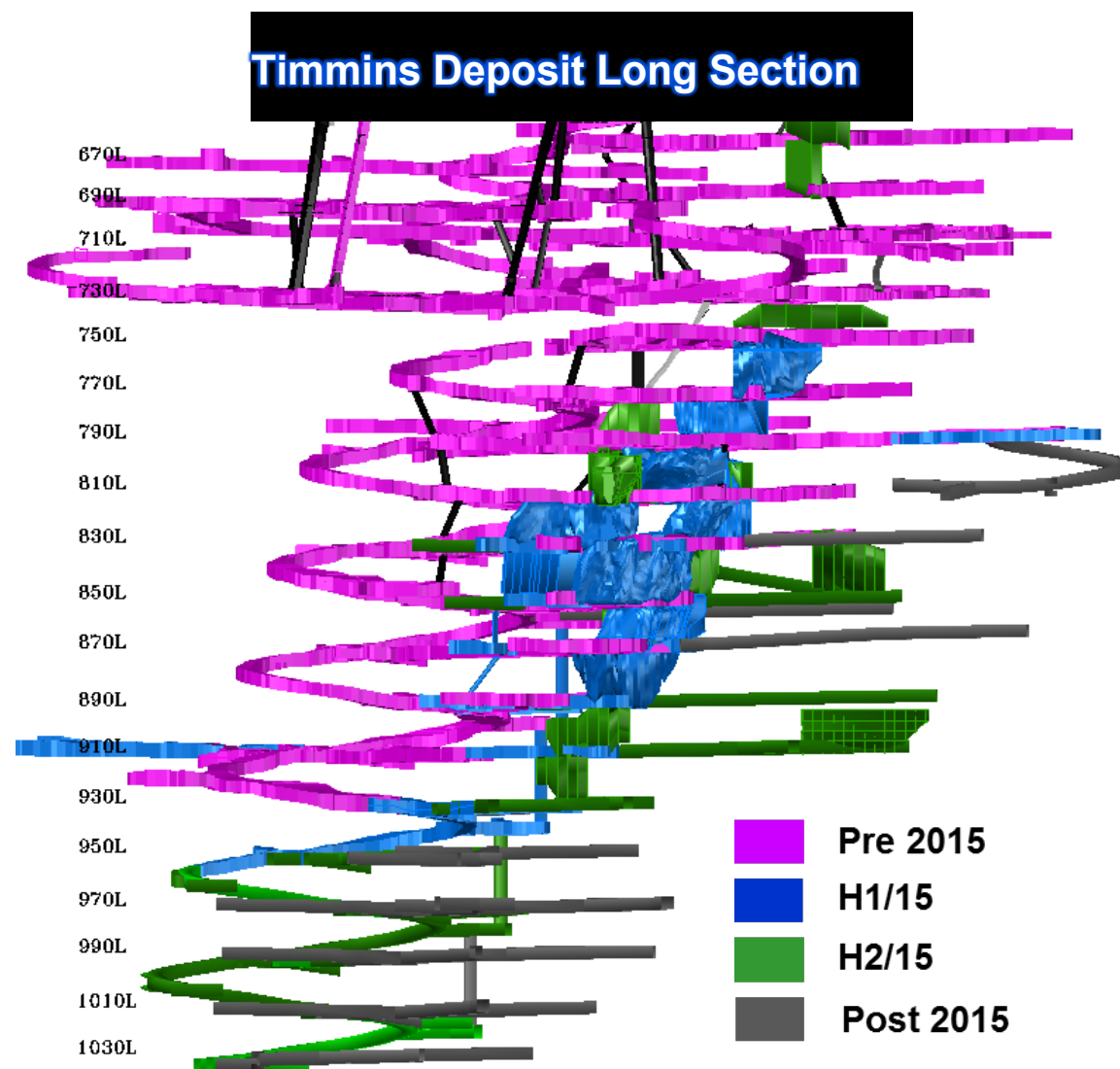


- 9M/15 production
  - 107,600 oz
  - 742,300 tonnes at grade of 4.6 gpt
- Reserves updated (Dec. 31/14)<sup>(1)</sup>
  - 509,700 oz (3.7M tonnes at 4.3 gpt)
  - Replaced reserves mined in 2014

(1) See press release dated March 12, 2015 for more information about reserves and resources

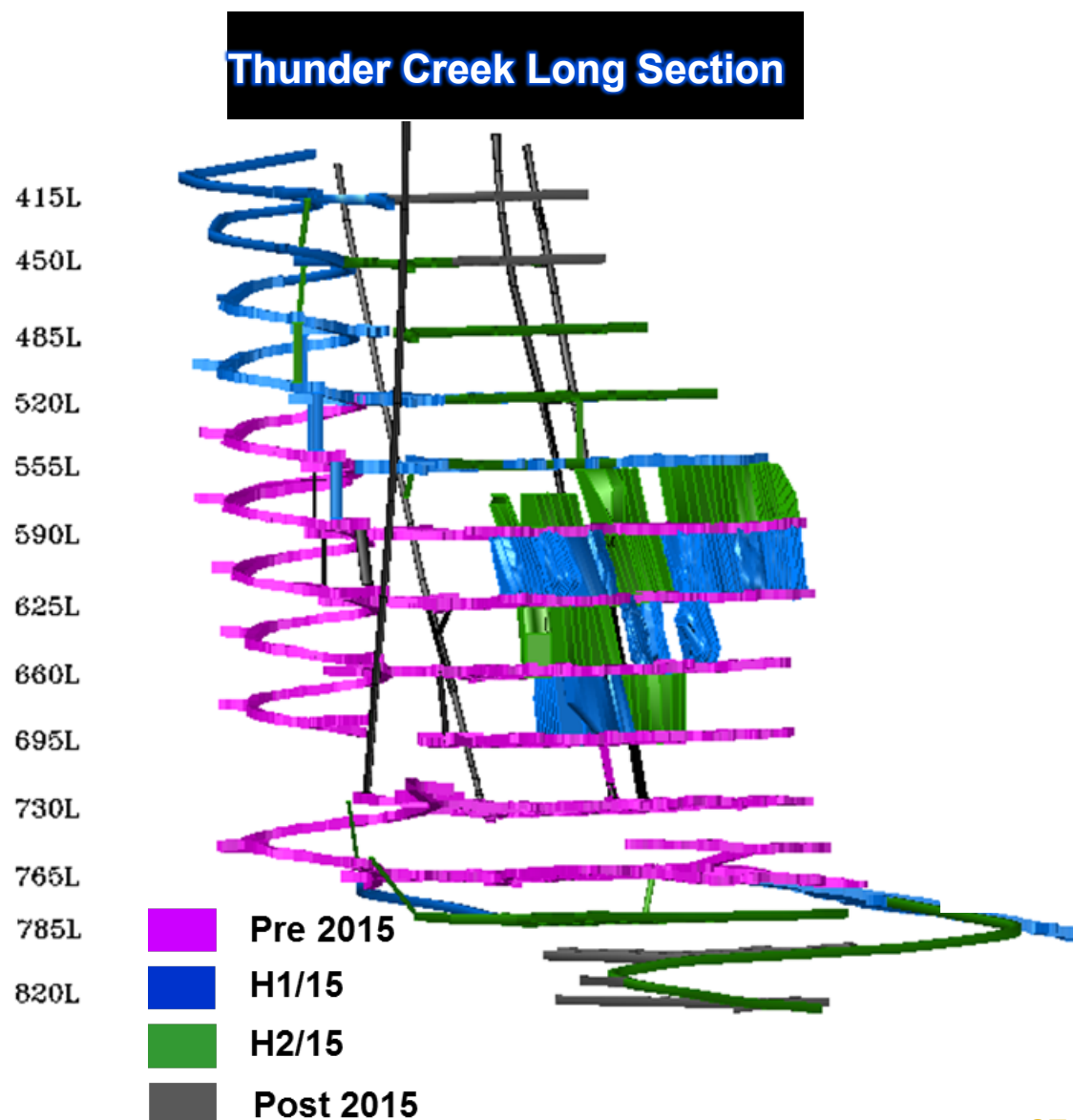
# Timmins West Mine – Timmins Deposit

- Mining Methods:
  - Sill development
  - Longitudinal longhole stoping
- Dip: 50 – 85 degrees
- Strike length: 14 – 48 m
- Width: 5 – 20 m
- Mining primarily in UM (5, 6, 7) and FW zones
- Mining horizons: 770L – 930L for longhole and sill development
- Mining recovery estimates: 95%



# Timmins West Mine – Thunder Creek

- Mining Methods:
  - Sill Development
  - Transverse Longhole stoping in Porphyry
  - Longitudinal Longhole stoping in Rusk
- Dip: 60 – 70
- Strike length: 10 to 35 m in Porphyry Zone, 15 – 30 m in Rusk
- Width: 10 – 15 m in Porphyry, 5 – 22 m in Rusk
- Mining horizons: 555L – 695L for longhole and 485L to 785L for sill development
- Mining recovery estimates: 95%

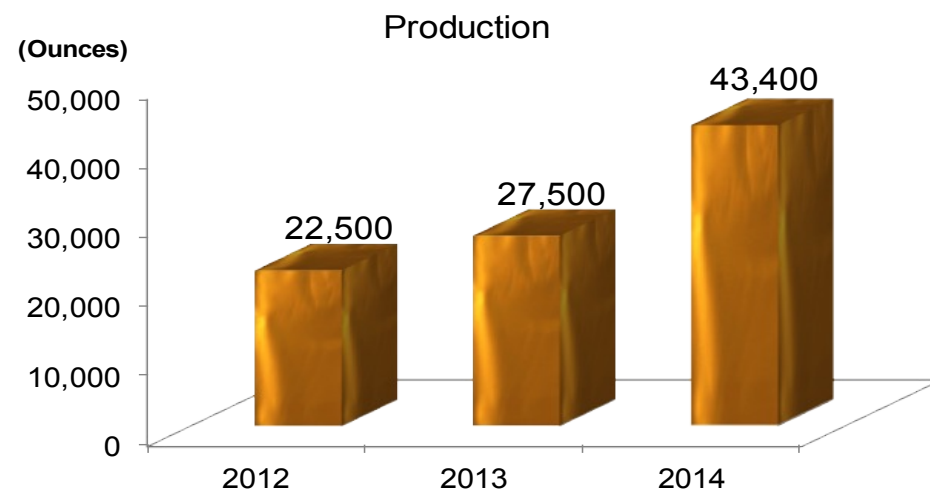
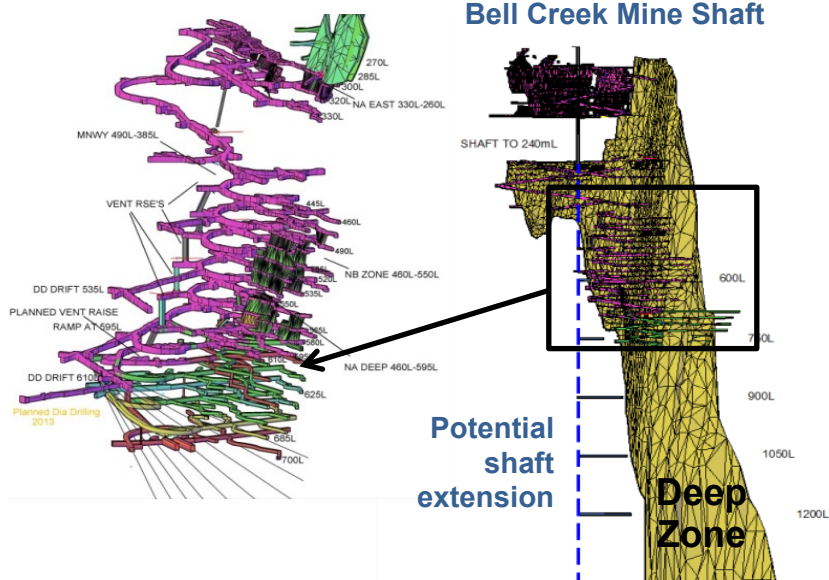




# Bell Creek Mine



Bell Creek Mine Shaft



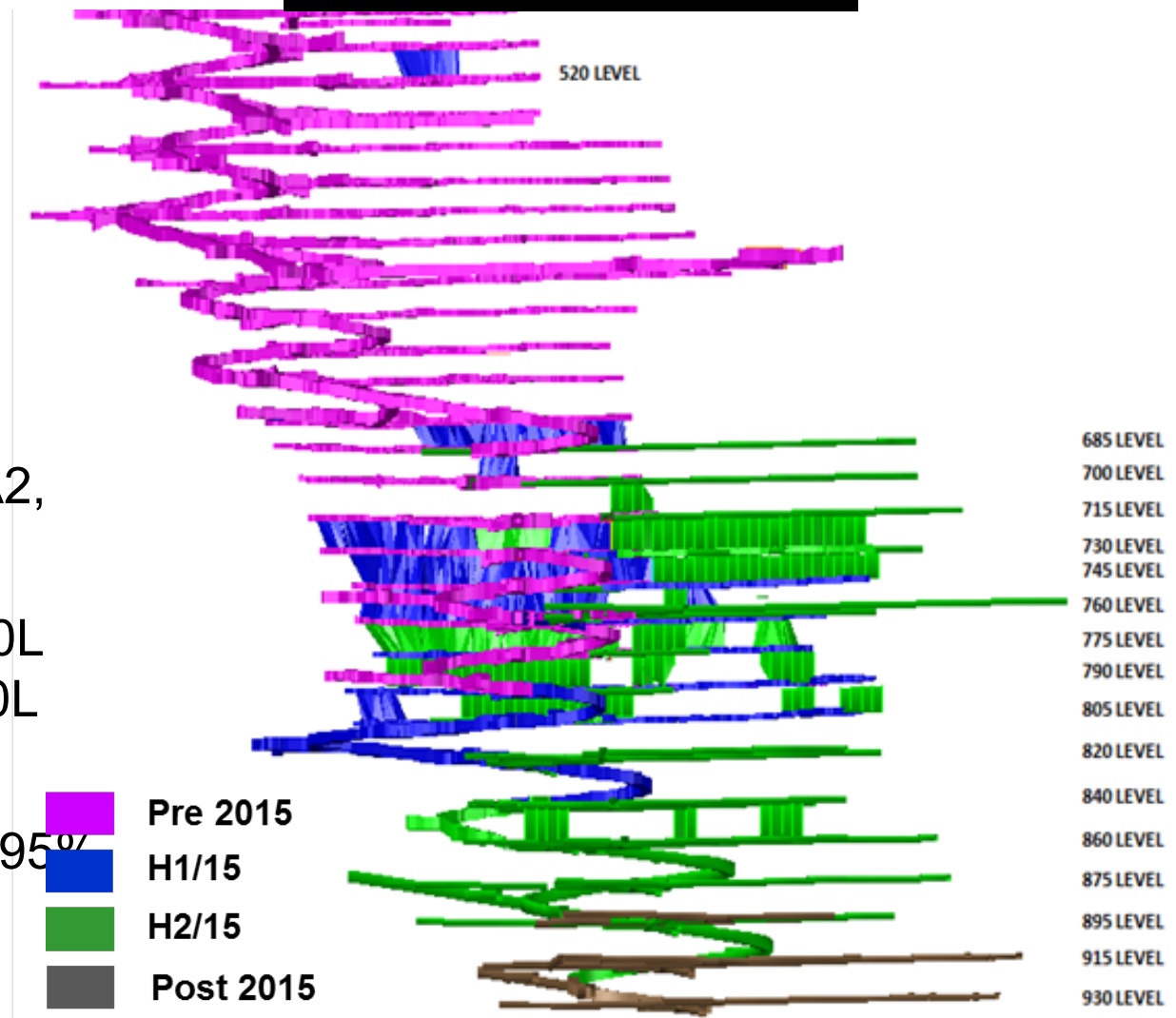
- 9M/15
  - 28,600 oz (8,000 oz in Q3/15)
  - 144,100 tonnes processed at 4.6 gpt
- More than doubled reserves in '14 update<sup>(1)</sup>
  - 263,600 oz (1.8M tonnes at 4.6 gpt)

(1) See press release dated March 12, 2015 for more information about reserves and resources

# Bell Creek Mine

- Mining Methods:
  - Sill development
  - Longhole stoping
- Dip: 72 degrees
- Strike length: Avg. 20 m
- Width: Avg. 3 m
- Mining primarily the NA, NA2, NA4 and NB2/NB3 zones
- Mining horizons: 460L – 850L for longhole and 445L – 880L for sill development
- Mining recovery estimates: 95%

## Bell Creek Long Section



# Balance Sheet – September 30, 2015

<b>Assets</b>	<b>\$ Millions</b>
Cash and cash equivalents	87
Other current assets	25
<b>Total current assets</b>	<b>112</b>
<b>Non-current assets</b>	<b>553</b>
<b>Total Assets</b>	<b>665</b>
<b>Liabilities</b>	<b>\$ Millions</b>
Accounts payable & accrued liabilities	32
Current portion of finance lease obligations	9
Other current liabilities	2
<b>Total current liabilities</b>	<b>43</b>
Long-term debt	92
Other non-current liabilities	20
<b>Total non-current liabilities</b>	<b>112</b>
<b>Total Liabilities</b>	<b>155</b>
<b>Equity</b>	<b>\$ Millions</b>
Share capital	1,057
Equity portion of convertible debentures	15
Reserves	33
Deficit	(595)
<b>Total Equity</b>	<b>510</b>