

Developing an Open Pit Gold Project in Brazil

September 2016 TSX:BSX



Introductory Matters



Currency: All dollar figures represent U.S dollars unless otherwise noted.

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Information Regarding Scientific and Technical Information: The qualified persons responsible for the preparation of the "Volta Grande Project, Pará, Brazil NI 43-101 Technical Report" effective as of March 30, 2015, are the following: Derek Chubb, P.Eng., of Environmental Resources Management Inc.; Dr. Lars Weierhauser, PhD, P.Geo., Dr. Jean-Francois Couture, P.Geo., and Dr. Oy Leuangthong, P.Eng. (Mineral Resource), of SRK Consulting (Canada) Inc.; Gordon Zurowski, P.Eng (Mining), of AGP Mining Consultants Inc.; Alexandre Luz, MAusIMM (Economic Analysis) of L&M Advisory; Aron Cleugh (Metallurgy and Process) and Stefan Gueorguiev, P.Eng. (Infrastructure and Autor of the Technical Report), of Lycopodium Minerals Canada Ltd.; Paulo Franca, AusIMM, of VOGBR Recursos Hidricos e Geotencia Ltda.; and George Wahl, P.Geo, of W.H. Wahl & Associates Consulting; each of whom are "independent" of Belo Sun within the meaning of National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), and is considered, by virtue of his education, experience, and professional association, to be a "qualified person" within the meaning of NI 43-101.

Stéphane Amireault, VP Exploration for Belo Sun and a "qualified person" under NI 43-101 by virtue of his education, experience, and professional association, has reviewed and approved the scientific and technical information herein.

The scientific and technical information included in this document regarding the Volta Grande Project has been summarized from the Technical Report, and is qualified in its entirety with reference to the full text of the Technical Report and is subject to all the assumptions, conditions and qualifications set forth in the Technical Report. See the Technical Report, each filed on the Corporation's profile at <u>www.sedar.com</u>, for details regarding the data verification undertaken with respect to the scientific and technical information included in this document regarding the Volta Grande Project, for additional details regarding the related exploration information, including interpretations, sample, analytical and testing results and for additional details regarding the mineral resource and mineral reserve estimates disclosed herein.

Due to the uncertainty that may be attached to inferred mineral resource estimates, it cannot be assumed that all or any part of an inferred mineral resource estimate will be upgraded to an indicated or measured mineral resource estimate as a result of continued exploration. Confidence in an inferred mineral resource estimate is insufficient to allow meaningful application of the technical and economic parameters to enable an evaluation of economic viability sufficient for public disclosure, except in certain limited circumstances set out in NI 43-101. The mineral resource estimate includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral resources will be converted to the measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied. There is no assurance that mineral resources will be converted into mineral resources.

Notes to Mineral Resource and Mineral Reserve Estimates: The CIM Definition Standards were followed for Mineral Resources and Mineral Resources are exclusive of the Measured and Indicated Mineral Resources. Measured and Indicated Mineral Resources are inclusive of Mineral Reserves.

Value Opportunity: Volta Grande



Good Location

- Brazil: a mining-friendly country
- Para State: 2nd most active mining state in Brazil, with goal to be 1st

Advanced Stage of Development

- Construction license expected in 2016
- All necessary surface rights acquired

Positive Feasibility Study ⁽³⁾

- Projects 17 year mine life with average annual gold production of 205,000 oz
- First 10 years of full production: average of 268,000 oz gold annually (5)
- Pre-Tax IRR of 37%; Pre-Tax NPV of \$942M⁽¹⁾
- Post-Tax IRR of 26%; Post-Tax NPV of \$665M (1)

Large Resources & Reserves; Long-term growth potential

- Mineral Reserves: 3.8 Moz at 1.02 g/t ^(2,3,4)
- Measured & Indicated Mineral Resources: 5Moz at 0.98 g/t and Inferred 1.1 Moz at 0.90 g/t (3,4)
- Property covers over 120 km of "Três Palmeiras" greenstone belt

Proven Management Team

- Track-record of successfully permitting, building and operating mines in Brazil

Notes: (1) 5% disc.; \$1,200/oz Au; 3.1:1 exchange rate; (2) See slide 19 for details regarding mineral resources and reserve estimates; (3) See cautionary notes on slide 2; (4) Effective date for the Mineral Reserve Estimate and Mineral Resource Estimate is March 30, 2015; and (5) Average production from year 1-10 outlined in the Technical Report.

Volta Grande Project Location





- Located in Para, the 2nd most active mining state in Brazil
- Project located ~65km SE of Altamira city (150,000 ppl)
- World's 3rd largest hydroelectric dam located ~2km north of property
- Project located within the +120km long "Tres Palmeiras Greenstone Belt", a vastly unexplored area which hosts many gold occurrences.

Property and Infrastructure





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Altamira (population: +/- 150,000)





Altamira Airport





Pimental Dam





Belo Monte Dam





Access Road from Altamira to Site





Volta Grande Camp Site



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Mine Friendly Jurisdiction





- Brazil has the 7th largest economy in the world, following the US, China, Japan, Germany, France and the UK (2014 World GDP Ranking)
- Strong mining country. Average annual mining production revenues of +/- US\$55 billion.
- Estimated US\$75 billion in investments planned in Brazil mining sector from 2012-2016.*
- \$Real currency vs. US dollar exchange rate provides competitive cost structure.

Pará State



- Mining Plan 2014-2030: Goal to become #1 mining state in Brazil
- Excellent road infrastructure; access to power and water
- Mining Production by State:







Production Projections

- Average LOM annual gold production of 205,000 oz, 17 year mine life
- First 10 years: 268,000 oz gold annually ⁽²⁾

Forecast Economics

- Pre-Tax IRR of 37%; Post-Tax IRR of 26% (\$1,200 / oz Au)
- Pre-Tax NPV of \$942 million; Post-Tax NPV of \$665 million (5% discount rate)

Operating Costs Estimates

- Average cash operating costs of \$618 / oz Au
- All-in sustaining cash operating costs of \$779 / oz Au

Capital Expenditures

- Pre-production capital costs of \$298 million (after tax)
- Annual LOM sustaining capital costs of \$7.3 million

Gold Price, Exchange Rate and IRR Sensitivity



Changes in gold price and exchange rate since completion of the Feasibility Study have favourable effects on the economics of the project.



Notes: Feasibility Study considers gold price of \$1,200/oz; Real:USD exchange rate of 3.1:1



		Gold Price						
	\$1,300	\$1,200 (Base Case)	\$1,100					
Pre-Tax NPV (5%)	\$1,171 million	\$942 million	\$712 million					
Pre-Tax IRR	43%	37%	29%					
Post-Tax NPV (5%)	\$855 million	\$665 million	\$472 million					
Post-Tax IRR	32%	26%	20%					

Coperating Costs Estimates (1)



Mining	\$10.62 / tonne milled
Processing	\$7.26 / tonne milled
G&A	\$0.84 / tonne milled
Total Operating Cost/Tonne Ore	\$18.72 / tonne milled
Cash Operating Cost	\$618 / ounce
All-in Sustaining Cost	\$779 / ounce



Mineral Reserve Estimate – North Block (March 30, 2015)

Classification	Tonnes	Gold Grade	Contained Gold
Proven	41,757,000	1.07 g/t	1,442,000 oz
Probable	74,212,000	0.98 g/t	2,346,000 oz
Proven & Probable	115,969,000	1.02 g/t	3,788,000 oz

The mineral reserves for the Volta Grande Project are based on the conversion of measured and indicated mineral resources (see mineral resources table below) within the current Feasibility Study mine plan. Measured mineral resources are converted directly to Proven mineral reserves and Indicated mineral resources to Probable reserves.

Mineral Resource Estimate – North Block (March 30, 2015)

Classification	Tonnes	Gold Grade	Contained Gold
Measured	44,075,000	1.07 g/t	1,512,000 oz
Indicated	112,518,000	0.95 g/t	3,444,000 oz
Measured & Indicated	156,593,000	0.98 g/t	4,956,000 oz
Inferred	39,767,000	0.90 g/t	1,151,000 oz

Mineral resources are not mineral reserves and have not demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. Open pit mineral resources are reported at a cut-off grade of 0.4 g/t Au (based on a gold price of \$1,400/oz).

*See notes on slide 3, in particular for identity of qualified persons who prepared these estimates. **The Technical Report containing the Mineral Resource and Mineral Reserve calculations can be found on <u>www.belosun.com</u> and on SEDAR at <u>www.sedar.com</u>.

Feasibility Study Envisaged Mine Infrastructure





Feasibility Study Estimated Project Schedule



		2015		2016			2017				2018					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EIA Approval																
Receipt of Preliminary Licence (LP) 🗸																
Updated Mineral Resource 🗸																
Completion of Feasibility Study																
Construction Licence Submission																
Funding Preparation																
Construction Licence Approval																
Engineering & Construction																
Construction Start																
Commissioning																
Production Ramp-up																
Commercial Production															7	

Mineral Growth Potential

Located Within Large Gold Belt





Mineral Growth Potential

Near-Term Growth in South Block





Cumulative Resources (estimated sum of historical production and current resource estimates based on available public information)

Mineral Growth Potential

Precambrian Gold Belt Comparison

Gold Production & Mineral Resources vs. Strike Length





Mineral Growth Potential

North Block vs. South Block





Mineral Resource Calculations

*See cautionary notes on slide 2.

Meters Drilled

Mineral Growth Potential

North Block Section 800NW (2010)





North Block Section 800NW (2015)





Mineral Growth Potential

South Block (Itata vertical cross section put to scale)





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Mineral Growth Potential

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Overview Mineral Growth Targets







Appendices



APPENDICES Capital Structure



Capitalization Summary:

Shares Outstanding	464.7 M
Fully Diluted	484.2M

Stock Performance (Sept. 8, 2016):

Share price	\$0.94
52 Week Range	\$0.17 - \$1.10
Market Capitalization	\$427.5M
Avg. Volume (3 month)	700,000

Major Shareholder Distribution:

Agnico Eagle Mines	19.4%
Sun Valley Gold	18.2%
Canadian Gold Funds	~19%
European Gold Funds	~7%
US Gold Funds	~6%
Management & Insiders	~6%

*As at May 11, 2016

Cash & Cash Equivalents: ~ \$87 million

~ \$87 million (as at September 8, 2016) APPENDICES



TD	TD Securities	Dan Earle
CIBC	CIBC	Jeff Killeen
BMO Capital Markets	BMO Capital Markets	Brian Quast
NATIONAL BANK	National Bank Financial	Shane Nagle
	Cormark Securities	Richard Gray
CANACCORE Genuity	Canaccord Genuity	Eric Zaunscherb
DUNDEE CAPITAL MARKETS Dundee Securities Ltd.	Dundee Capital Markets	Matt O'Keefe
Scotiabank [™]	Scotiabank Global Banking	Ovais Habib

APPENDICES Experienced Board & Management



Management Team

Peter Tagliamonte, P.Eng. MBA, President & CEO, Director

30 years of mine development and operations experience, including 20 years in Central and South America.
 Former CEO of Sulliden Gold, Central Sun Mining and COO of Desert Sun.

Ian Pritchard, Chief Operating Officer

• 30 years of experience in project and operations management in mining industry internationally as well as North America.

Ryan Ptolemy, Chief Financial Officer

Certified General Accountant and CFA charter holder.

Joseph Milbourne, VP Technical Services

Metallurgist with over 40 years of experience in Central and South America

Stephane Amireault, VP Exploration

Professional engineer with 25 years experience in gold exploration. Extensive experience in Central and South America.

Mauro Barros, Country Manager, Brazil

Since 2010, has been responsible for the Company's corporate affairs, government relations and permitting.

Caroline Arsenault, Corporate Communications

• Has served as Manager of Investor Relations and Corporate Communications for various mining companies since 2008.

Pat Gleeson, Corporate Secretary

• Has served as general counsel to a number of public companies since April 2007 and practiced law at leading Canadian law firm.

Board of Directors

Mark Eaton, Executive Chairman

- Denis C. Arsenault, Director
- Peter Tagliamonte, President & CEO, Director
- Stan Bharti, Vice-Chairman

Carol Fries, Director
William Clarke, Director

APPENDICES Tailings Storage Facilities Raised Embankment Designs





* See cautionary notes on slide 2

\$40.00

\$35.00

Cost per Tonne Ore Milled

TSX: BSX



APPENDICES Life-of-Mine Production/Grade/Cost



300,000

275,000

1.80

1.60

APPENDICES – Feasibility Study **Project Optimization**



- Leased mining equipment, versus owner purchased.
- Optimize crushing, grinding circuits and site infrastructure.
 - Crushing jaw crusher instead of a single gyratory crusher.
 - Grinding single SAG and ball mill in a SABC configuration.
 - Grinding staged installation of SAG mill (3.5 Mt/a) followed by the ball mill (7 Mt/a).
 - Progressive construction of the TMF.
- Staged project development.
 - Project Optimization 3.5 Mt/a expanding to 7 Mt/a.
- Fit for purpose design based on Lycopodium proven track-record on similar type projects.

APPENDICES – Feasibility Study Mining



Mining Sequence

- Pre-production mining starts in Ouro Verde (OV) as a rock quarry within the pit limits.
- Rock used to build roads with mine equipment rather than more expensive contractors.
- OV and Grota Seca (GS) are mined simultaneously to provide equal blend of material to the mill.
- OV is comprised of 3 phases with the initial phase targeting high grade and low strip ratio.
- GS has 6 phases targeting the higher grade portions initially in two main areas.
- Each pit area has its own waste dump location immediately to the south.
- OV pit will provide waste rock for TMF dam construction as required over the life of the mine.
- Low grade material will be stockpiled on a large pad which provides feed material later in the mining schedule or as required if a significant rainfall event occurs.





Conventional Mining Method

- Down the hole (DTH) hammer drills (200 mm) ideally suited for harder rock provide higher productivity (in use at Detour Lake, and Malarctic).
- Hydraulic front shovels (22 m³) and front end loaders (18 m³) provide selectivity in ore/waste separation.
- CAT 785 trucks (or equivalent) are common trucks in Brazil, favoured by contractors for reliability, parts availability (tires, etc.) ease of maintenance and haulage speed.
- Larger support backhoe in each pit for ore/waste contact separation and dilution control.
- Standard support equipment including track dozers, graders, water trucks, small backhoes, etc.
- Significant pumping capability to provide in pit water control after rainfall events.

APPENDICES – Feasibility Study Mining Operating Costs



	Per Tonne Mined	Per Tonne Ore	%
Labour	\$0.19	\$1.08	10%
Fuel and Power	\$0.36	\$2.08	19%
Consumables	\$0.58	\$3.32	30%
Repair and Maintenance Parts	\$0.46	\$2.63	24%
Services	\$0.02	\$0.09	1%
Lease Cost	\$0.29	\$1.69	16%
Total	\$1.90	\$10.89	100%

APPENDICES – Feasibility Study Mine Infrastructure Location





APPENDICES – Feasibility Study **Processing Facility**





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APPENDICES – Feasibility Study Test Work Summary (1997 to 2014)



Source	Title	Date of Issue
TVX	Early Metallurgical Studies	1997
Verena	Early Metallurgical Studies	2008
HDA Servicos	Design and Simulation of Volta Grande Industrial Comminution Circuit	Sep-11
HDA Servicos	Process Development for Volta Grande Gold Project Ore	Oct -11
SGS Minerals S.A.	Comminution and Leaching Metallurgical Tests on Gold Ore – Volta Grande Project	Dec-12
McClelland Laboratories	Report on Heap Leach Cyanide Testing	Feb-13
Pocock Industrial	Flocculant Screening, Gravity Sedimentation, and Pulp Rheology Studies Conducted for Belo Sun Mining Corporation; Volta Grande Project.	Aug-13
SGS Minerals S.A.	Gravity concentration and Leaching Tests on Gold Ores – Volta Grande Project	Feb-14
SGS Minerals S.A.	CIP and CIL Circuit Modelling Memo	Mar-14
SGS Minerals S.A.	Comminution, Gravitational Concentrations, and Leaching Tests on Gold Ore Samples	Mar-14

APPENDICES – Feasibility Study Metallurgy & Test Work Highlights



- Heap leaching recoveries were too low for further consideration.
- Free milling with +90% recoveries from cyanide leaching.
- Flow sheet design is based on conventional primary crushing, grinding, leach and CIP.
- SO₂ / air cyanide destruct yields CN_{WAD} levels of < 1 ppm.</p>
- Clean ore with no deleterious materials including As and Hg.
- Amenable to grinding (SAB and SABC circuit configurations).
- 40% 50% Au recovery from gravity.
- Slurry is easy to pump / agitate / settle when blended with moderate amounts of saprolite.
- Majority of the ore has a net acid consuming potential due to high carbonate content.
- Silver upside. 15k to 30k ounces of silver produced annually.

Process Flow Diagram (Initial + Expansion)





APPENDICES – Feasibility Study **Process Plant Parameters**



- Conventional Crush, Grind, Leach/CIP circuit
- \$7.26/t LOM process operating cost (not including G&A)

Annual Processing Rate	3,500,000 - 7,000,000 t/a
Daily throughput	10,000 - 20,000 t/d
Product P ₈₀	75 microns
SAG Mill	1 unit
SAG Mill installed power	14,000 kW
Ball Mill (7,000,000 t/a)	1 unit
Ball Mill installed power	14,000 kW
Bond ball mill work index	16 kWh/t
Average Gravity Gold Recovery	45%
Overall Gold Recovery (LOM)	93%
Pre-Leach Thickener	28 m
Leach/CIP Circuit	Leach & 6 stage CIP
Circuit residence time	32 hours



Process Operating + G&A Costs



	Per Tonne Milled	%
Labour	\$0.37	5%
Operating Consumables	\$4.46	55%
Power	\$2.12	26%
Maintenance	\$0.31	4%
G&A	\$0.84	10%
Total	\$8.10	100%

APPENDICES – Feasibility Study Cash Flow – USD Millions



Year	R\$3.1	R\$4.0
1	25,086.30	46,872.90
2	43,736.70	69,102.00
3	123,108.10	141,099.00
4	113,018.80	129,712.20
5	88,743.80	108,574.90
6	121,934.50	123,136.30
7	131,037.00	129,008.30
8	123,354.90	120,908.20
9	145,624.60	158,200.20
10	161,721.90	165,586.00



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