



FALCO RESOURCES

THE LEADING CANADIAN GOLD DEVELOPER

Corporate Presentation

PRECIOUS METAL SUMMIT – COLORADO
SEPTEMBER 2016

CAUTIONARY STATEMENT

Disclaimer

This presentation contains a review of the Company's properties in Canada. Viewers are cautioned that the projects are at an early stage of exploration and that estimates and projections contained herein are based on limited and incomplete data. More work is required before the mineralization on the projects and their economic aspects can be confidentially modeled. Therefore, the work results and estimates herein may be considered to be generally indicative only of the nature and quality of the projects. No representation or prediction is intended as to the results of future work, nor can there be any promise that the estimates herein will be confirmed by future exploration or analysis, or that the projects will otherwise prove to be economic.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this presentation, which has been prepared by management. There can be no assurance that any of the assumptions in the resource estimates will be supported by a Pre-feasibility or Feasibility Study or that any forward looking event will come to pass. The data is incomplete and considerable additional work will be required to complete further evaluation, including but not limited to drilling, engineering and socio-economic studies and investment.

Past performance is no guarantee of future performance and all investors are urged to consult their investment professionals before making an investment decision. Investors are further cautioned that past performance is no guarantee of future performance

Forward-Looking Statements

Certain information included in this presentation constitutes forward-looking statements, including any information as to our projects, plans and future performance. All statements, other than statements of historical fact, are forward-looking statements. The words "expect", "believe", "anticipate", "will", "intend", "estimate", "forecast", "budget", "schedule" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements.

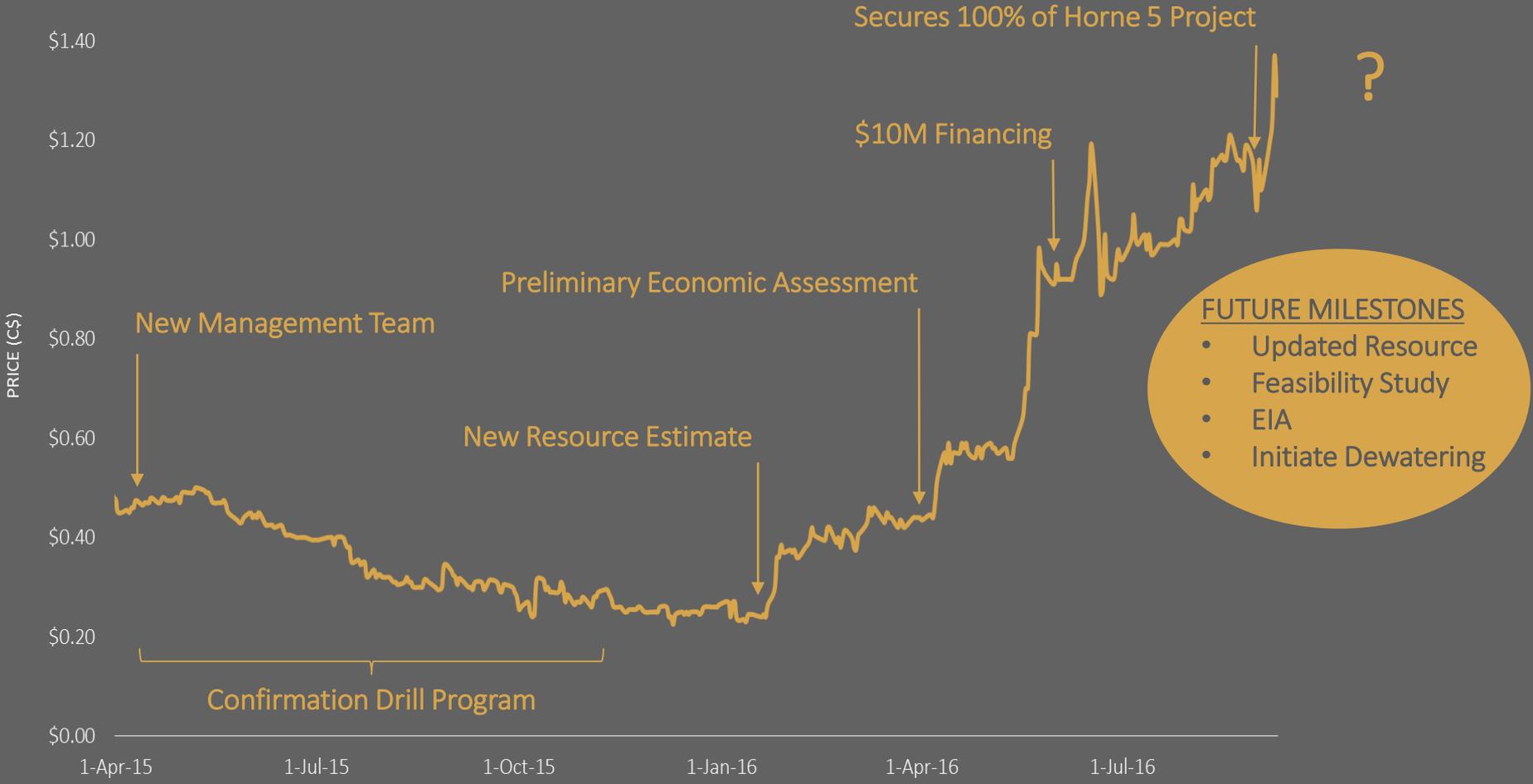
Such factors include, but are not limited to: changes to current estimates of mineral resources; labour availability; litigation; availability of and increased costs associated with contractors and exploration equipment; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses and permits; contests over title to properties; uncertainty with the Company's ability to secure capital to execute its business plans; changes in national and local government legislation in Canada; risk of loss due to sabotage and civil disturbances; risks arising from holding derivative instruments; and business opportunities that may be pursued by the Company. Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.

Cautionary Note to U.S Investors Concerning Measured, Indicated and Inferred Resources

This presentation uses the terms "measured," "indicated" and "inferred resources. We advise investors that while those terms are recognized and required by Canadian regulations, the United States Securities and Exchange commission does not recognize them. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. United States investors are also cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable.

18 MONTHS IN REVIEW – HORNE 5 PROJECT DEVELOPMENT





TSXV:FPC

C\$147M

MARKET CAP

~C\$10M

CASH & CASH EQUIVALENTS

6.6M GOLD EQ OZ

TOTAL RESOURCES

236,000 GOLD OZ

ESTIMATED AVERAGE GOLD
ANNUAL PRODUCTION

US\$427 PER GOLD OZ

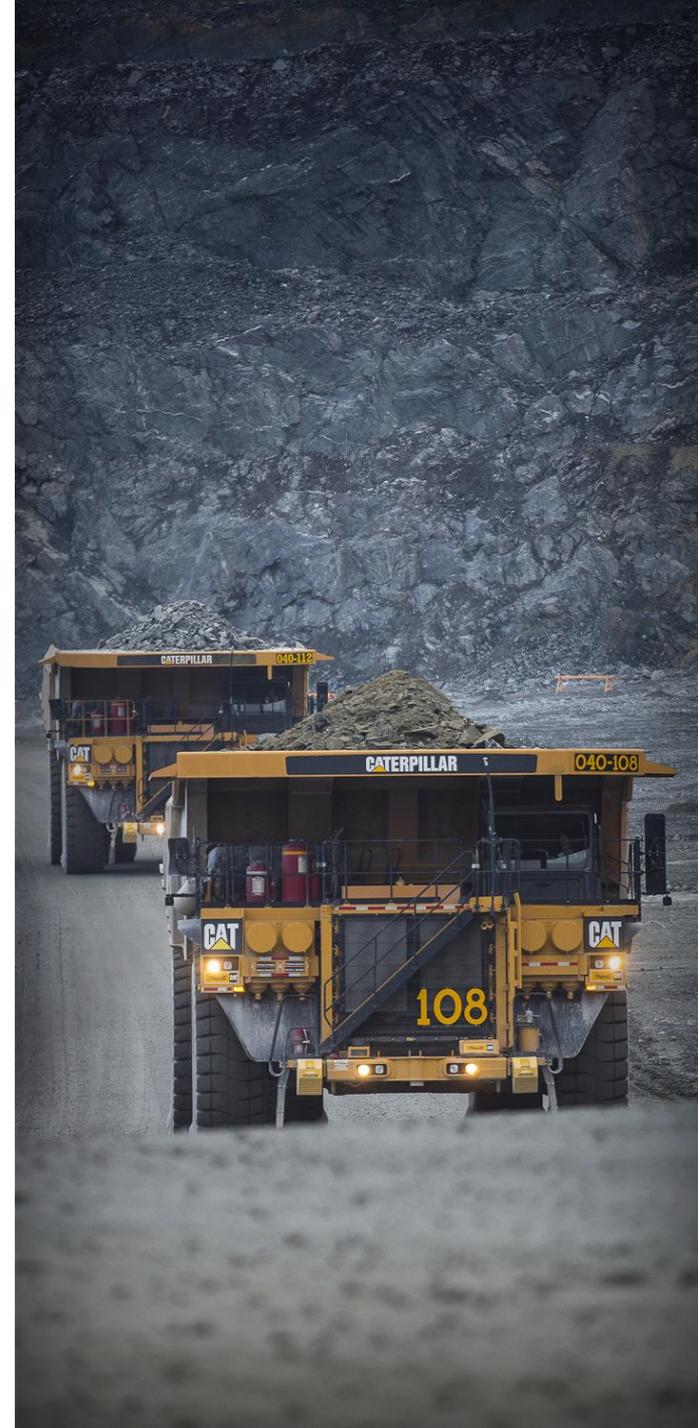
ALL-IN SUSTAINING COST

US\$680M

DEVELOPMENT CAPITAL EXPENDITURE

12 YEARS

INITIAL MINE LIFE



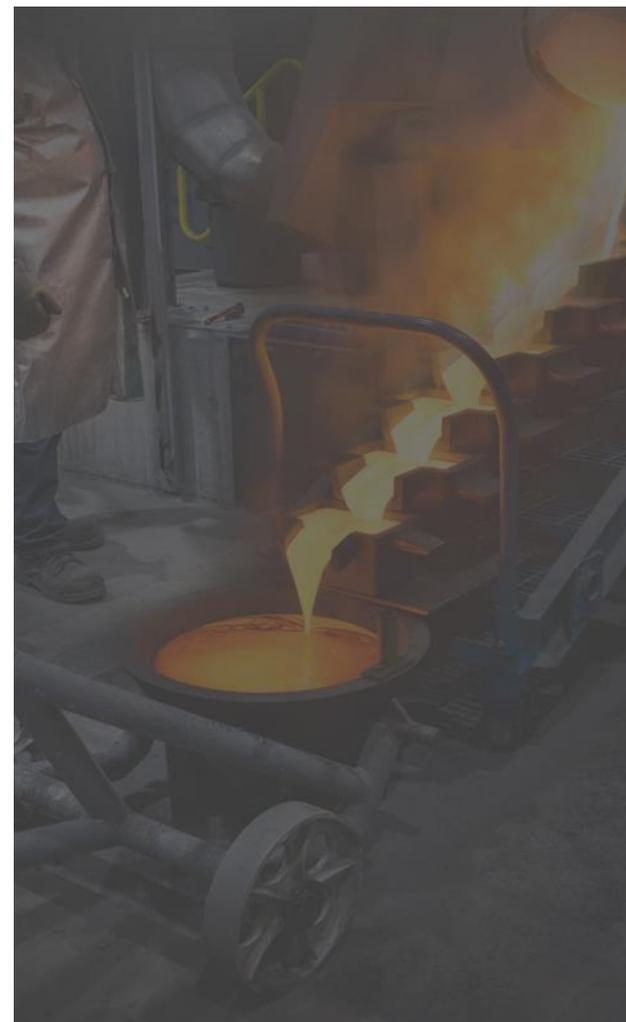
HORNE 5 PROJECT – KEY ATTRIBUTES

HIGHLY
MECHANIZED,
LARGE SCALE &
HIGH TONNAGE
GOLD PROJECT

STRONG RESOURCE
GROWTH
POTENTIAL

PROVEN TEAM &
EXPERIENCED
MINE BUILDERS

LOW ALL-IN COST
OPERATION



ROUYN-NORANDA – THE BEST PLACE TO BUILD A MINE

TIER 1 LABOUR POOL

- Rouyn-Noranda and the region of Abitibi produce the most experienced miners in the world. With underground and open pit experience & capabilities

TIER 1 SUPPLIERS

- Access to tier 1 mining equipment suppliers & mining contractors in the world
- ~80% of required suppliers & contractors located within 1 hour from project

TIER 1 POWER

- Access to one of the most affordable and reliable power source in the world
- Hydro power – clean & renewable

RAIL & HIGHWAY

- Rail: Reception of equipment, reagents, but also shipment for concentrates
- Highway access: Regional suppliers, miners, etc.

CLEAR PERMITTING

- Québec Government: a strong supporter of the mining industry
- Clear permitting process & BAPE process for operations over 2,000 tpd

NO CAMP

- Proximity to the town of Rouyn-Noranda eliminates the need for a camp
- Access to better & experienced miners; better work-life balance & conditions

NO WAREHOUSE

- Proximity to the town of Rouyn-Noranda eliminates the need for a warehouse
- Access to suppliers warehouse; reduced size of required working capital

NO SEASONALITY

- Weather conditions allow to build and produce all-year round

CANADIAN DOLLAR

- Majority of costs associated with project build in Canadian dollars
- In underground operations >75% of operating costs are in local currency

LOCATED NORTH OF THE CITY OF ROUYN-NORANDA

HORNE 5 PROJECT LOCATED IN AN INDUSTRIAL PARK



HORNE 5 PROJECT | 2016 KEY PEA HIGHLIGHTS AT \$1,250 GOLD PRICE

POST-TAX NPV
\$667 MILLION
IRR 16.0%
(5% DISCOUNT)

~236,000 OZS OF
ANNUAL
PRODUCTION

INITIAL 12 YEAR
LIFE OF MINE

AISC OF US\$427
PER GOLD OZ

ALL-IN COST OF
US\$660
PER GOLD OZ
(AISC + CAPEX)

START OF
PRODUCTION
MID 2020

*All-in Sustaining Costs are presented as defined by the World Gold Council ("WGC") less Corporate G&A
Note: Commodity Price Assumptions in US\$ - \$1,250/oz Au, \$17.00/oz AG, \$2.85/lb CU, \$1.00/lb ZN

HORNE 5 PROJECT | PEA LIFE OF MINE PRODUCTION METRICS



TOTAL MATERIAL MINED	(M tonnes)	63.8
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AVERAGE DILUTED GRADE OF MATERIAL	(g/t AuEq)	2.60
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TOTAL GOLD CONTAINED	(M Ozs Au)	3.4
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TOTAL GOLD PRODUCED	(M Ozs Au)	2.9
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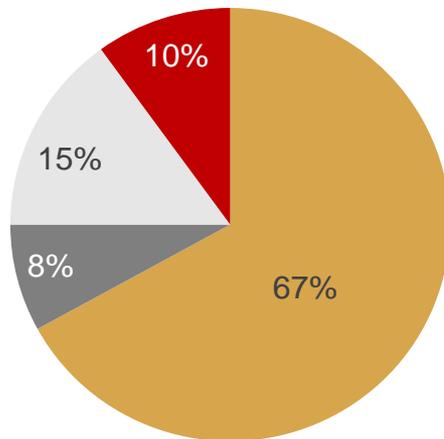
PAYABLE GOLD PRODUCED	(%)	86.8%
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NSR / TONNE	(C\$/tonne)	106
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AVERAGE GOLD PRODUCTION LIFE OF MINE	(Kozs Au)	236
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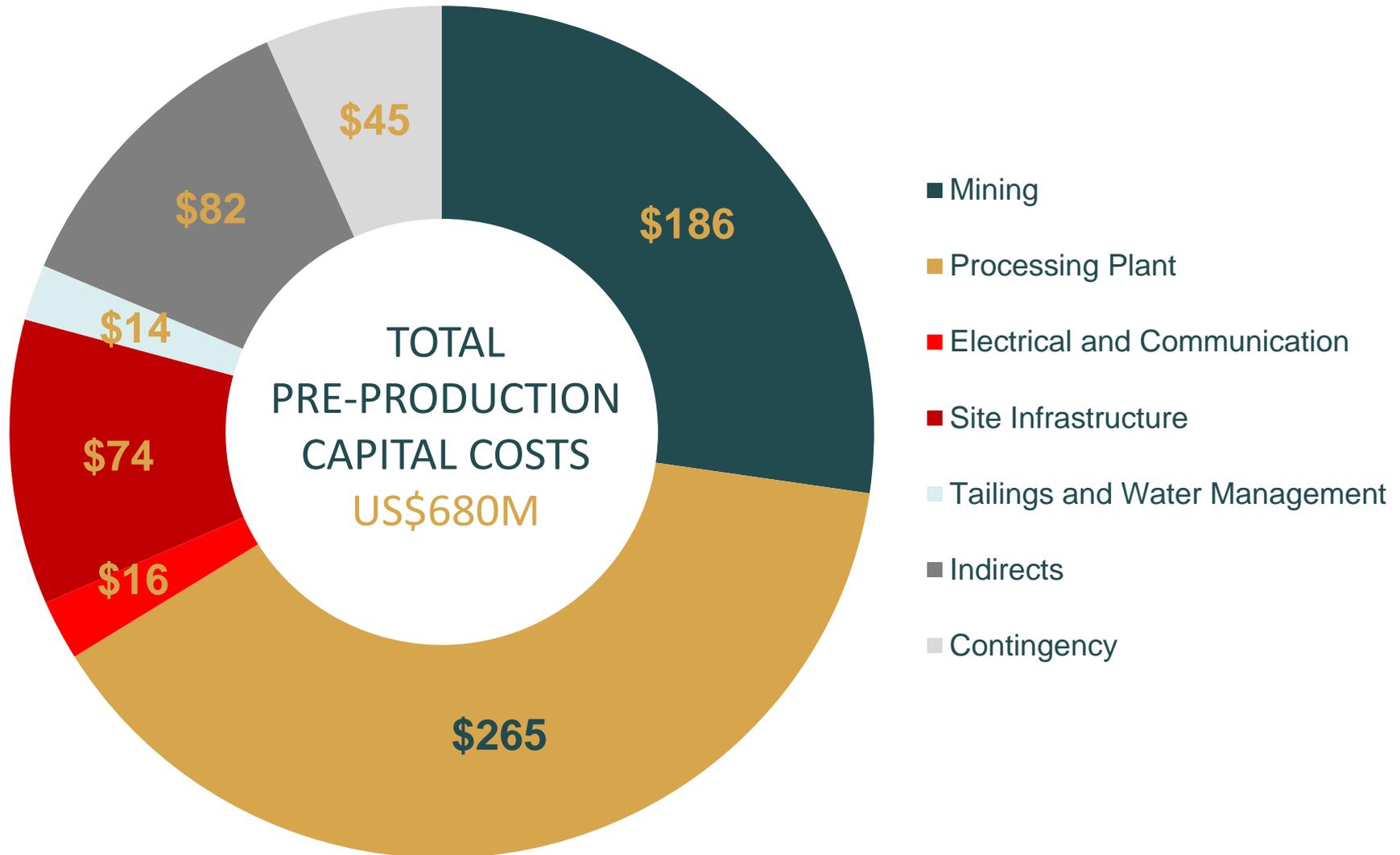
LIFE OF MINE	(Years)	12
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NSR REVENUE SPLIT



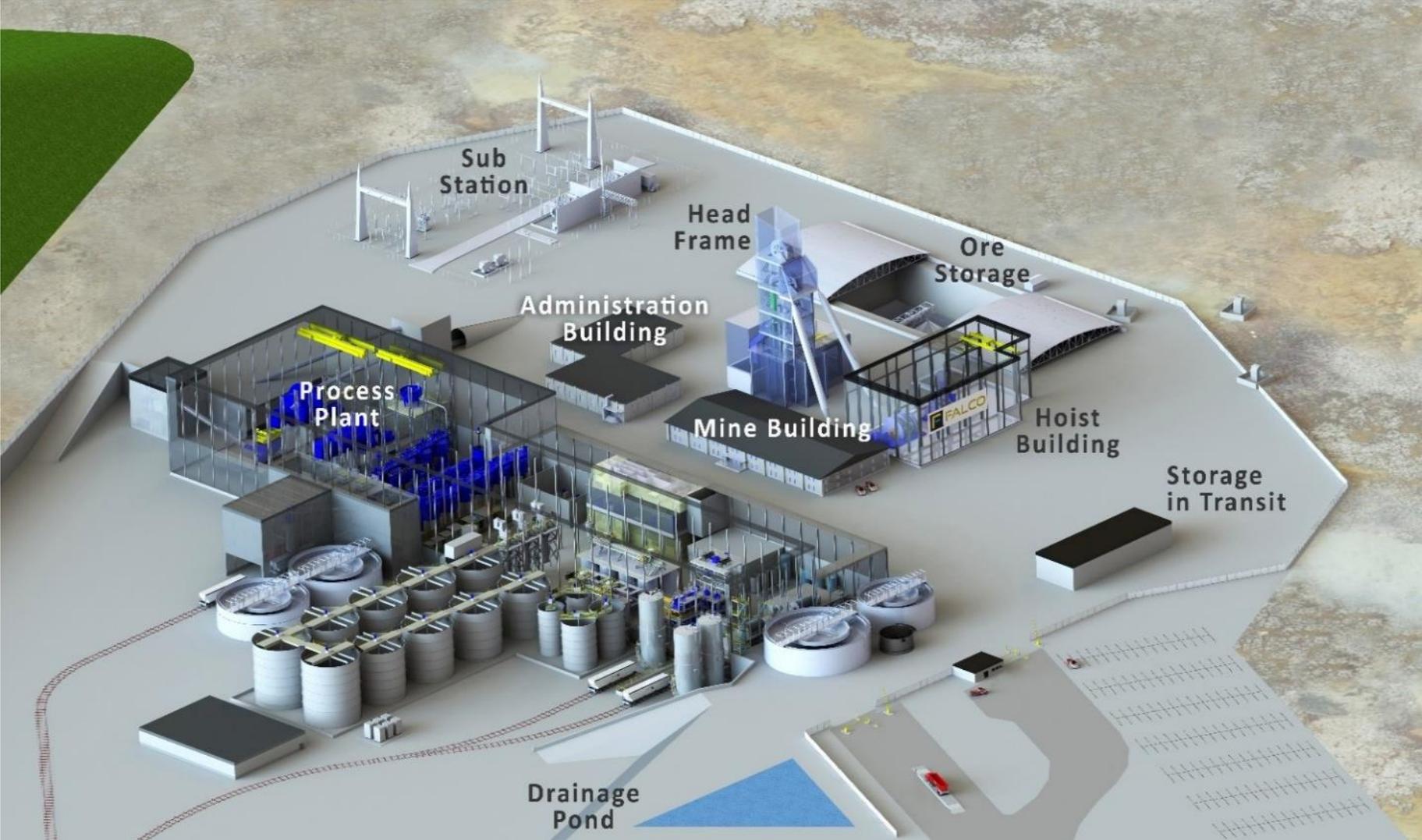
■ Gold ■ Silver ■ Zinc ■ Copper

HORNE 5 PROJECT | PRE-PRODUCTION CAPITAL COST US\$680M



Note: Amounts may vary due to rounding.

HORNE 5 PROJECT | SITE LAYOUT



HORNE 5 PROJECT | HIGH LEVEL OF AUTOMATION



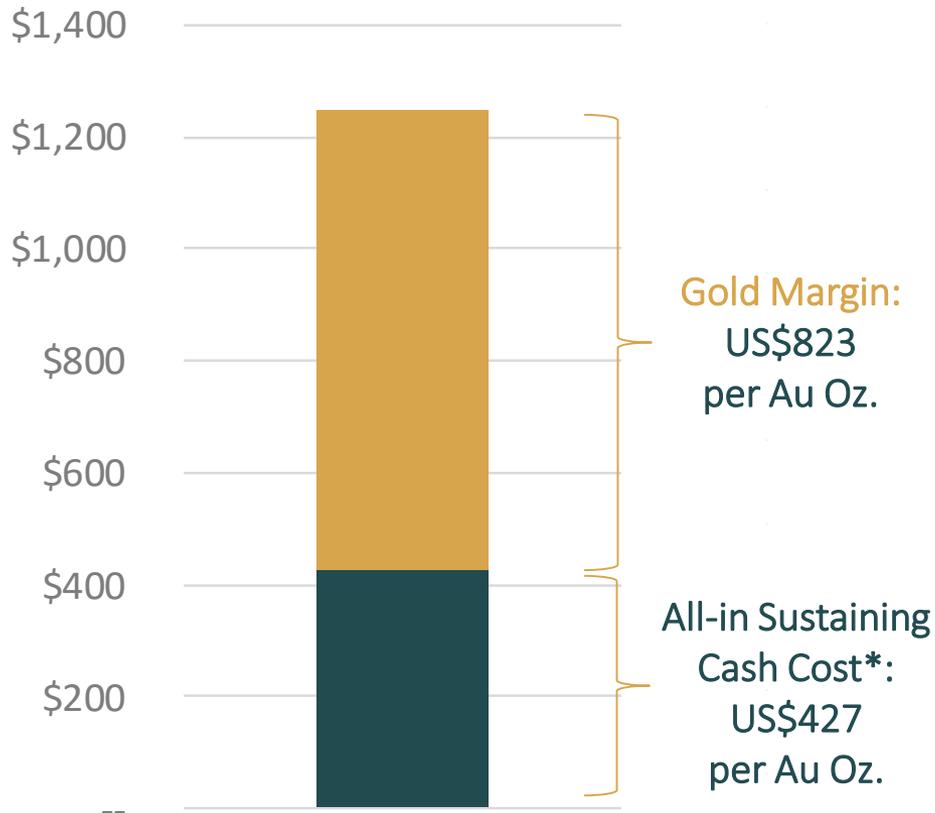
Surface control underground operations:

- Hoist – production and services
- Teleoperation of loaders
- Monitoring and management of ventilation requirements
- Monitoring of the paste backfill distribution
- Water pumping monitoring
- Staff & equipment location monitoring



HORNE 5 PROJECT | LOW ALL-IN SUSTAINING COSTS – PER GOLD OUNCE

Margin (US\$)



Cash Cost Summary

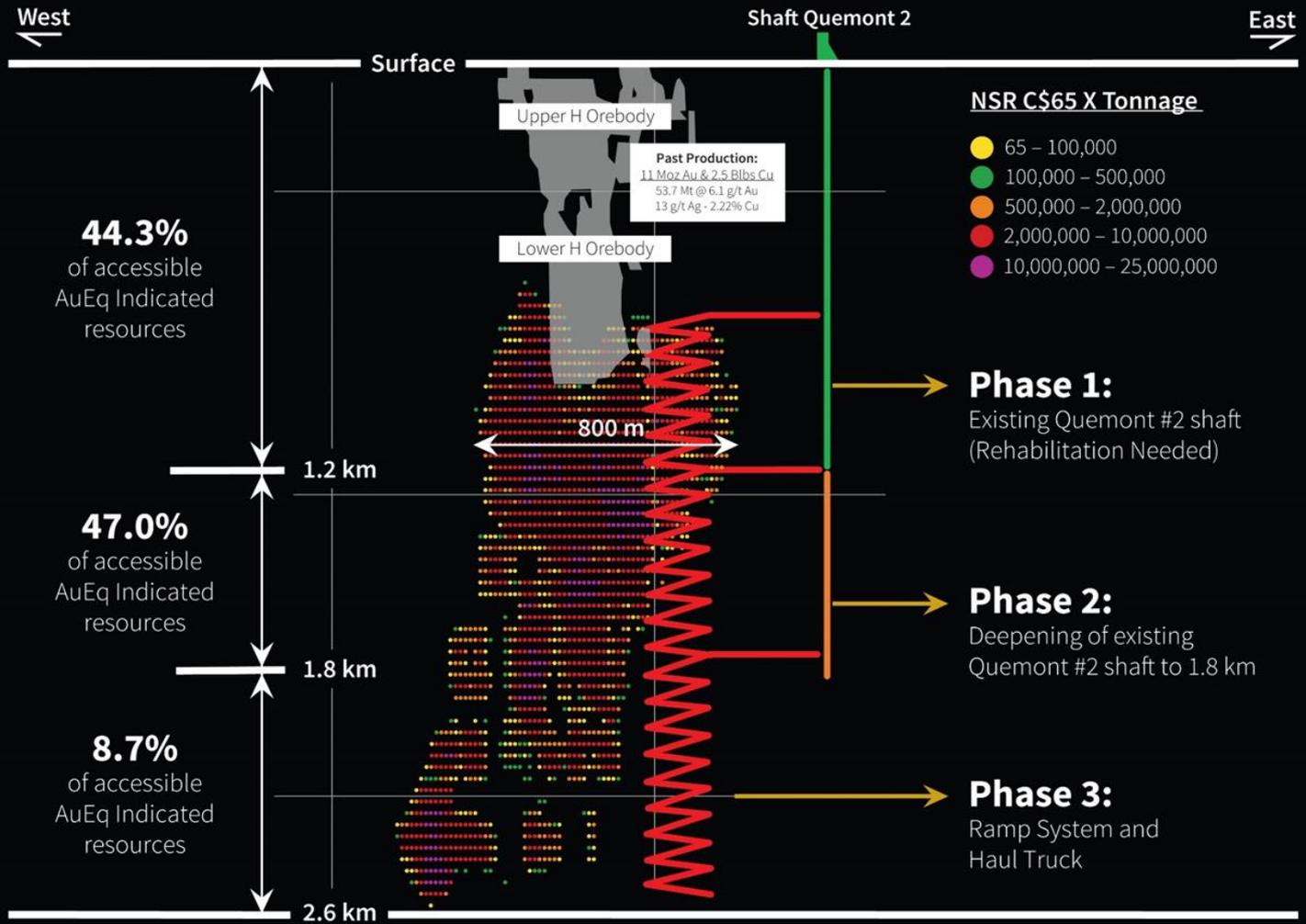
On-Site Mining	\$324
On-Site Processing	\$340
Tailings and water	\$70
On-Site G&A	\$47
Smelting and Refining	\$107
Royalties	\$35
By-Product Credit	(\$608)
Sustaining	\$98
Closure	\$13
Total	\$427
Gold Margin	\$823

- All-in Sustaining Costs are presented as defined by the World Gold Council ("WGC") less Corporate G&A
- Margin at \$1,250 Gold price

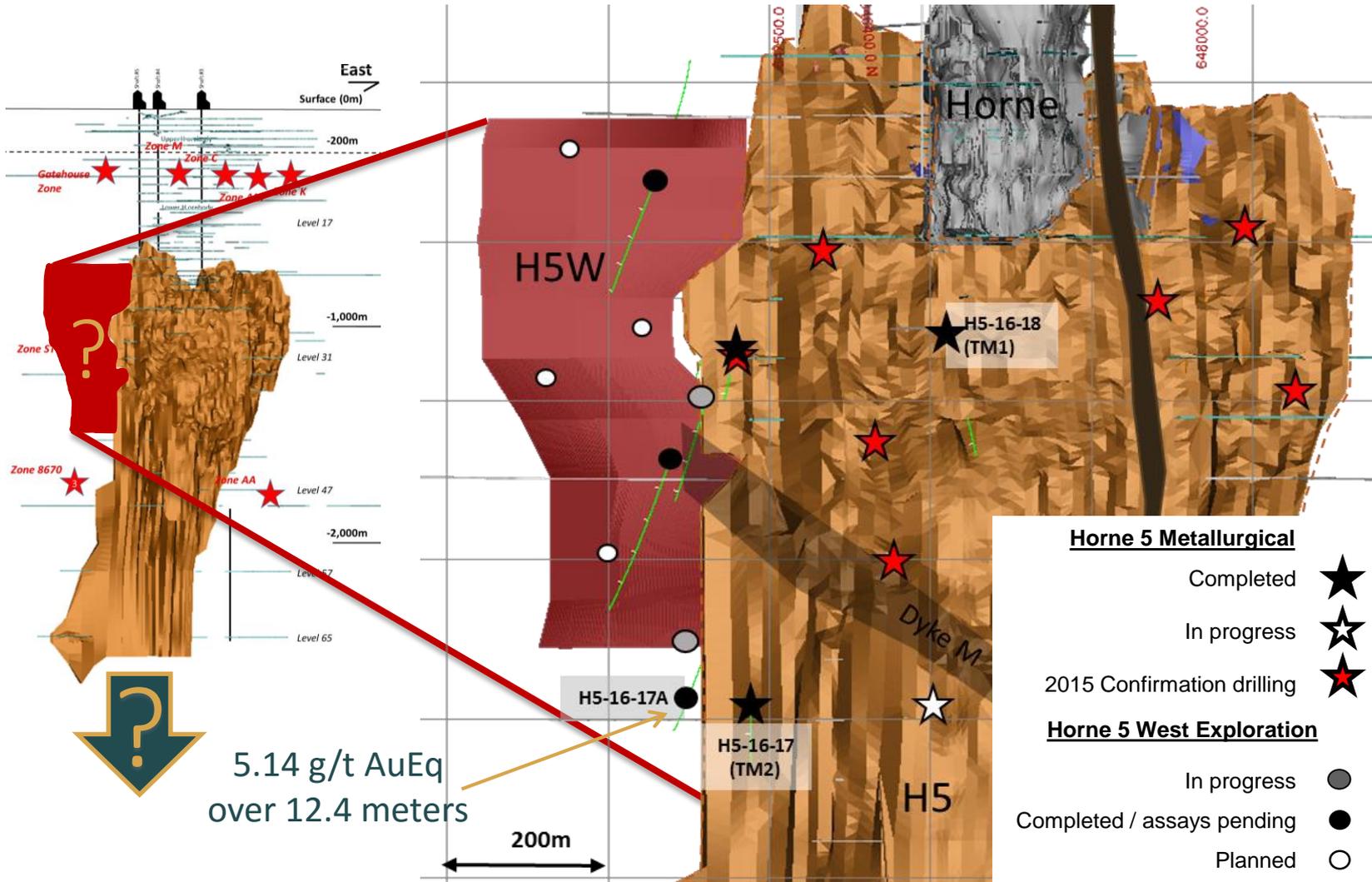
HORNE 5 PROJECT | MINING APPROACH – 3 PHASE APPROACH

ANTICIPATED
INITIAL
APPROACH

FLEXIBILITY
TO FURTHER
DEEPEN
SHAFT



HORNE 5 PROJECT | TARGETS TO INCREASE TONNAGE – STRONG GROWTH



HORNE 5 PROJECT – FEASIBILITY TEAM AND INDUSTRY PARTNERS

- **Luc Lessard**, Eng. President and CEO
 - Former COO of Canadian Malartic Partnership, Former COO and Senior VP of Engineering & Construction for Osisko Mining Corp.
 - Former VP of Engineering & Construction for Iamgold and Former Executive Director of Engineering & Construction for Cambior
- **Francois Vezina**, Eng., MBA, Mine Development – Director, Osisko Technical Services
 - Former Mine Manager Osisko and Agnico-Eagle; Technical Services Manager for Agnico-Eagle (LaRonde II, Pinos Altos, Kittilä)
- **Christian Laroche**, Eng., Processing & Metallurgy – Director, Osisko Technical Services
 - Metallurgical engineer with 15 years experience in plant design, engineering, feasibility, construction and commissioning
- **Robert Wares**, P. GEO, Geology – Chief Geologist, Osisko Technical Services
 - Co-Founder of Osisko Mining Corporation and discoverer of Canadian Malartic



Integrator & Mill Design

- Integrator for Feasibility Document
- Mill Design
- 120kv Line & Sub-station



Geology & Mining Engineering

- 43-101 Resource Report
- Block Model
- Mine Design
- Mine Operation Opex & Capex



Geotechnics, Hydrogeology & TMF

- Geotechnical Review & Tests
- Hydro-geology & Water Management
- Tailings Management Facilities



Environment & Mining Infrastructures

- Baseline Study and Environmental Impact
- Legislation (MDDELCC & ACCE)
- Community & Social Impact
- Surface Mining Infrastructure



Surface Infrastructures

- Mine/administration building facilities
- Service infrastructures (gate, storage)
- Municipal engineering



Mine Infrastructures

- UG Ore Handling Design
- UG Electricity

TIMELINE – ON THE ROAD TO FEASIBILITY

ACTIVITIES	START	COMPLETION
PEA		COMPLETED
Environmental Impact assessment	Q2 2016	Q2 2017
Feasibility Study	Q2 2016	Q2 2017
Dewatering phase 1	Q3 2016	Q2 2018
Detailed engineering	Q1 2017	Q2 2018
Underground permits for underground exploration		Q2 2017
Head frame and hoist construction	Q3 2017	Q3 2018
Public audiences – “BAPE”	Q3 2017	Q1 2019
Permits for project construction		Q1 2019
Processing plant construction	Q1 2019	
First mineralized ore in mine		Q3 2020
Full Mine ramp up (Phase 1)		Q4 2020
End of process plant construction / plant commissioning		Q4 2020
Full process plant ramp up		Q2 2021

HIGH MARGIN PROJECT – HIGHLY MECHANISED PROJECT

	Goldex (Agnico Eagle)	Young-Davidson (Alamos)	LaRonde (Agnico Eagle)	Horne 5 (Falco)
Resource Grade (g/t AuEq)	1.8	2.8	5.1	2.9
Mining Method	Long hole	Transverse long hole	Longitudinal Retreat / Transverse Open Stopping	Transverse long hole
Depth (m)	800 - 1,500	750 - 1,500	2,000-3,000	600 - 2,300
Stope Size	15-38 x 30 x 50	20-25 x 20 x 30	5-25 x 15 x 30	38 x 15 x 15
Mining Rate	5,100 tpd	8,000 tpd *	7,200 tpd	15,000 tpd
Specific Gravity	2.8	2.69	3.3	3.45
Mining Dilution	15%	10%-20%	10%-20%	< 4%
Operating Cost/NSR	\$41/t *	\$53.50/t *	\$95/t	\$47.50/T*
Annual Production (koz)	71,000 *	200,000 *	230,000 *	236,000*

* Projected life-of-mine (LOM)

COMPARABLE ANALYSIS – VALUE GAP TO BE BRIDGED

Pre-production assets over 5 mm ozs & Capex below \$1 bn

Company <i>(name)</i>	Country	Asset	EV <i>(US\$mm)</i>	Resources <i>(mmoz Au)</i>	EV / Resources <i>(US\$/oz)</i>	CAPEX <i>(US\$mm)</i>
Pretium	Canada	Brucejack	\$2,228	20.1	\$111	\$747
TMAC	Canada	Hope Bay	\$1,081	5.9	\$182	\$175
First Mining Finance	Canada	Springpole	\$360	8.1	\$44	\$438
Victoria	Canada	Eagle	\$208	6.4	\$33	\$411
Sabina	Canada	Back River	\$193	7.2	\$27	\$297
Canadian Average			\$814		\$79	
Continental Gold	Colombia	Buritica	\$433	9.0	\$48	\$760
Lundin Gold	Ecuador	Fruta del Norte	\$426	9.5	\$45	n.a.
Gold Road	Australia	Yamarna	\$356	6.1	\$58	\$286
Belo Sun	Brazil	Volta Grande	\$280	6.9	\$40	\$298
Lydian	Armenia	Amulsar	\$229	5.1	\$45	\$370
Midas Gold	USA	Stibnite	\$189	6.5	\$29	\$970
Exeter	Chile	Caspiche	\$96	25.3	\$4	\$279
Euro Sun Mining	Romania	Rovina Valley	\$54	9.0	\$6	\$509
Orezone Gold	Burkina Faso	Bombore	\$46	5.1	\$9	\$250
Rest of the World Average			\$234		\$32	
Falco Resources	Canada	Horne 5	\$124	6.6	\$19	UPSIDE

Note: Companies with market capitalizations below US\$40mm or without a CAPEX figure were not included in the analysis

Note 2: Projects which are not controlled by producers were included in the analysis

Source: BMO Capital Markets, Company filings, Factset, SNL, As of Close on September 09, 2016

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HORNE 5 PROJECT— THE LEADING CANADIAN GOLD DEVELOPER

HIGHLY MECHANIZED
UNDERGROUND
MINING OPERATION
-
HIGH LEVEL OF
AUTOMATION

LOW
ALL-IN
SUSTAINING
CASH COST

STRONG RESOURCE
GROWTH POTENTIAL
-
ALONG STRIKE &
AT DEPTH

WELL POSITIONED
TO FURTHER DE-RISK
AND DEVELOP
THE HORNE 5
DEPOSIT



FALCO RESOURCES – CAPITAL SUMMARY & SHAREHOLDER REGISTRY

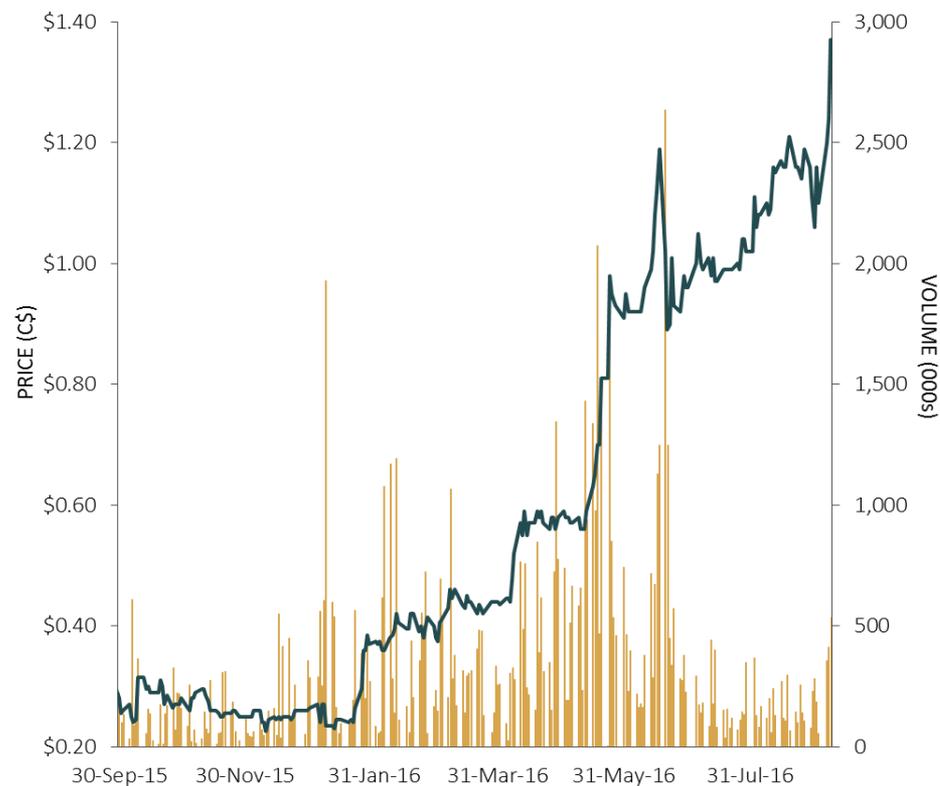
CAPITAL STRUCTURE

Shares Outstanding (basic)	114,092,797
Stock Options	8,741,319
Warrants	193,402
Shares Outstanding (fully diluted)	123,027,518
Cash Position	~C\$10 Million

SHAREHOLDER REGISTRY

Osisko Gold Royalties	16.0%
Raymond James	6.8%
Québec Funds	5.7%
Pate Capital	3.7%
Tocqueville	2.1%
Commodity Discovery Fund	1.1%
AgaNola AG	1.0%
Insiders (D&O)	4.0%

SHARE PRICE PERFORMANCE



TRADING VOLUME

1-month trading average	198,078
3-month trading average	317,299
6-month trading average	415,776

FALCO RESOURCES – SENIOR LEADERSHIP TEAM

OFFICERS & TECHNICAL TEAM

Luc Lessard, President & CEO, Director

Vincent Metcalfe, CFO

Claude Léveillé, Vice-President Community Relations & HR

Claude Bernier, Exploration Manager

Sylvain Doire, Environment

Claude Pilote, Senior Geologist

TECHNICAL TEAM – OSISKO TECHNICAL SERVICES

Robert Wares, Chief geologist

Francois Vezina, Director – Mining

Christian Laroche, Director – Processing

John-Paul McGrath – Project Manager

Daniel Mathieu – Mechanical Designer

Iain Farmer – Project Engineer

BOARD OF DIRECTORS

Sean Roosen, Chairman

Mario Caron, Lead Director

Luc Lessard, President & CEO, Director

Helene Cartier, Director

Jim Davidson, Director

Claude Ferron, Director

Paul Henri-Girard, Director



CONTACT US



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APPENDIX

Appendix A – *Resources*

Appendix B – *PEA Additional Information*

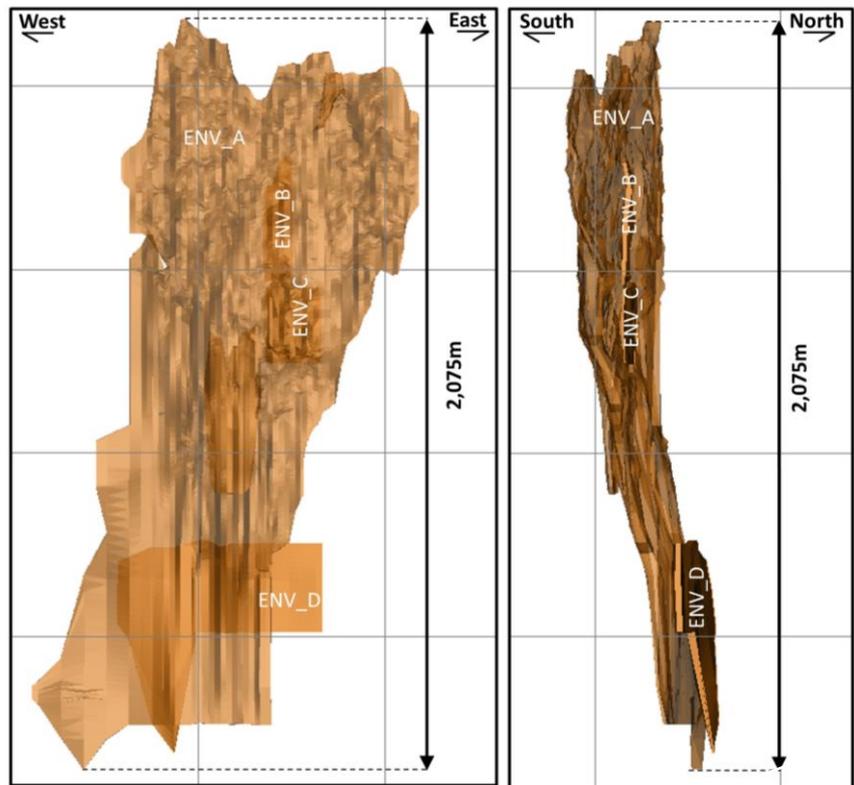
Appendix C – *Resource & Modeling Notes*

Appendix A – 2016 Resources of Horne 5 Deposit

Resource Class	Cut-off (NSR \$C)	Tonnes (Mt)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)	ZN (%)	Contained AuEq (Moz)	Contained Au (Moz)	Contained Ag (Moz)	Contained Cu (MLbs)	Contained Zn (MLbs)
Indicated	> 50	82.2	2.53	1.59	14.49	0.18	0.90	6.694	4.212	38.293	328.1	1,638.4
	> 55	74.1	2.64	1.66	14.87	0.19	0.94	6.273	3.959	35.397	306.2	1,531.8
	> 60	66.0	2.74	1.74	15.26	0.19	0.97	5.823	3.691	32.378	283.1	1,412.1
	> 65	58.3	2.86	1.82	15.60	0.20	1.00	5.361	3.418	29.273	260.4	1,284.8
	> 70	51.1	2.98	1.91	15.93	0.21	1.02	4.893	3.142	26.163	237.7	1,152.6
	> 75	44.2	3.11	2.01	16.20	0.22	1.04	4.421	2.865	23.048	215.2	1,017.0
	> 80	38.0	3.25	2.12	16.46	0.23	1.06	3.962	2.592	20.086	193.4	886.7
	> 85	32.3	3.39	2.25	16.69	0.24	1.07	3.525	2.332	17.331	173.0	761.7
	> 90	27.5	3.54	2.37	16.88	0.25	1.08	3.129	2.095	14.902	154.0	652.4
	> 95	23.3	3.70	2.50	17.04	0.27	1.09	2.775	1.878	12.780	136.8	558.6
	> 100	19.7	3.86	2.64	17.25	0.28	1.09	2.452	1.679	10.948	121.1	474.3
Inferred	> 50	19.2	2.62	1.72	22.47	0.21	0.56	1.616	1.060	13.841	86.6	237.2
	> 55	16.6	2.78	1.85	23.78	0.21	0.57	1.483	0.985	12.692	76.6	208.6
	> 60	14.5	2.92	1.97	24.99	0.21	0.57	1.367	0.920	11.688	68.6	183.0
	> 65	12.7	3.08	2.10	26.26	0.22	0.57	1.254	0.855	10.705	61.7	158.1
	> 70	10.9	3.25	2.25	27.60	0.23	0.55	1.139	0.788	9.670	54.7	133.1
	> 75	9.1	3.47	2.46	28.48	0.24	0.53	1.013	0.716	8.307	47.5	106.1
	> 80	7.6	3.71	2.69	28.92	0.25	0.50	0.904	0.655	7.055	41.5	83.4
	> 85	6.4	3.94	2.91	29.77	0.26	0.47	0.814	0.601	6.146	36.4	67.1
	> 90	5.4	4.21	3.15	30.82	0.27	0.46	0.733	0.549	5.372	32.0	54.9
	> 95	4.8	4.42	3.35	31.48	0.27	0.45	0.678	0.514	4.835	28.9	47.4
	> 100	4.3	4.60	3.51	32.28	0.28	0.45	0.636	0.485	4.460	26.6	42.6

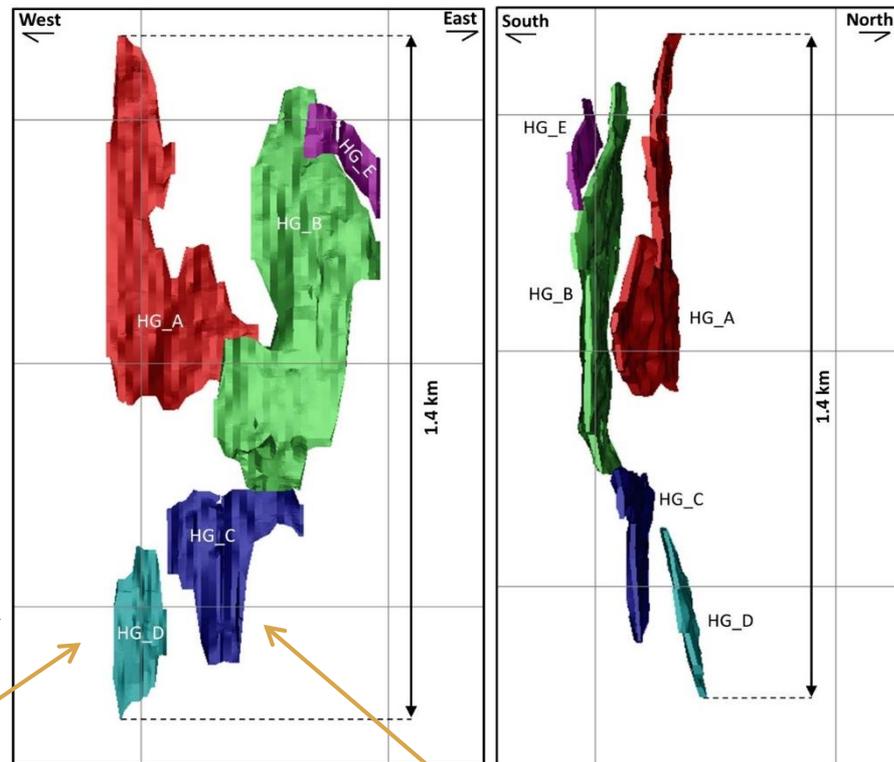
Appendix A – Longitudinal & Cross Section of Horne 5 Deposit

DEPOSIT



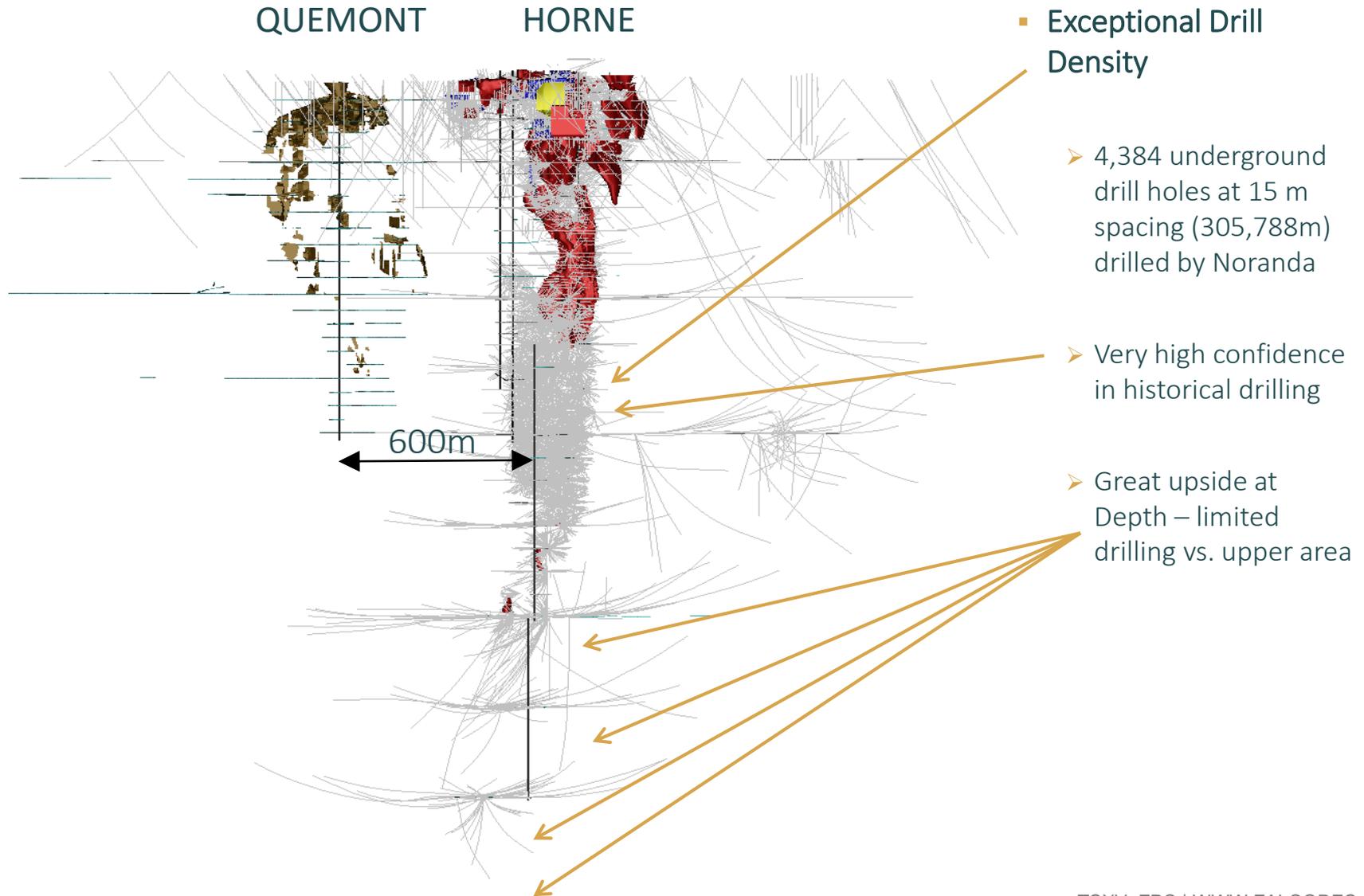
5.48 g/t AuEq

HIGH GRADE ZONES

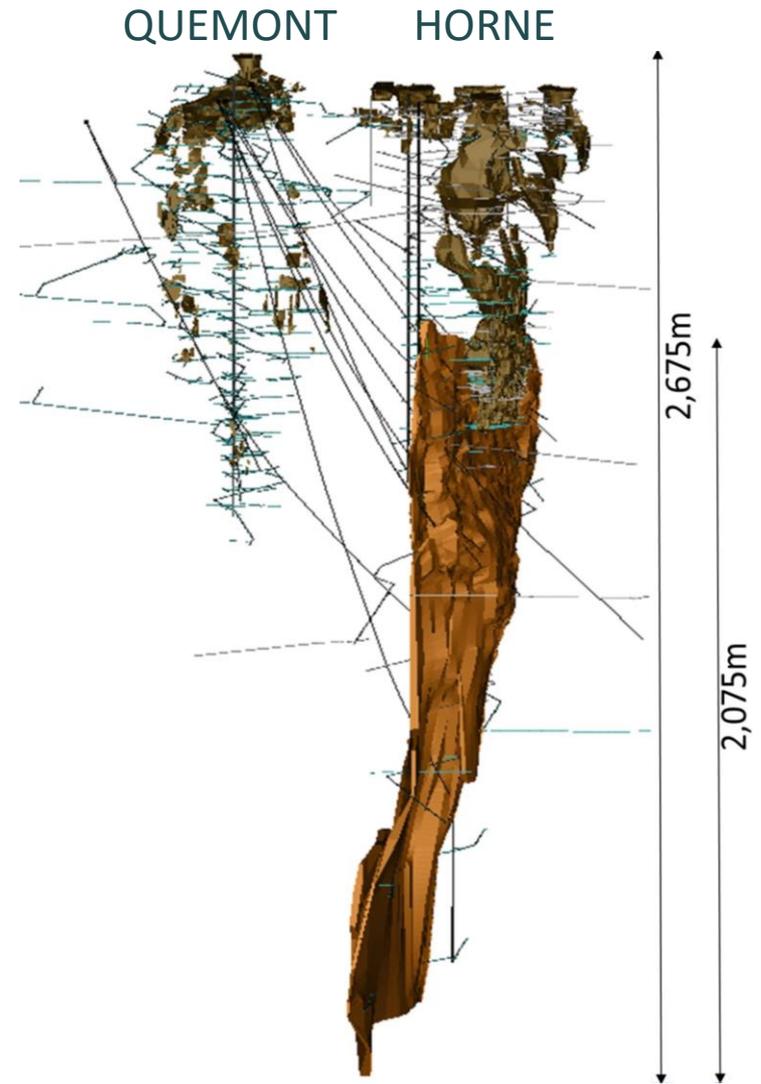
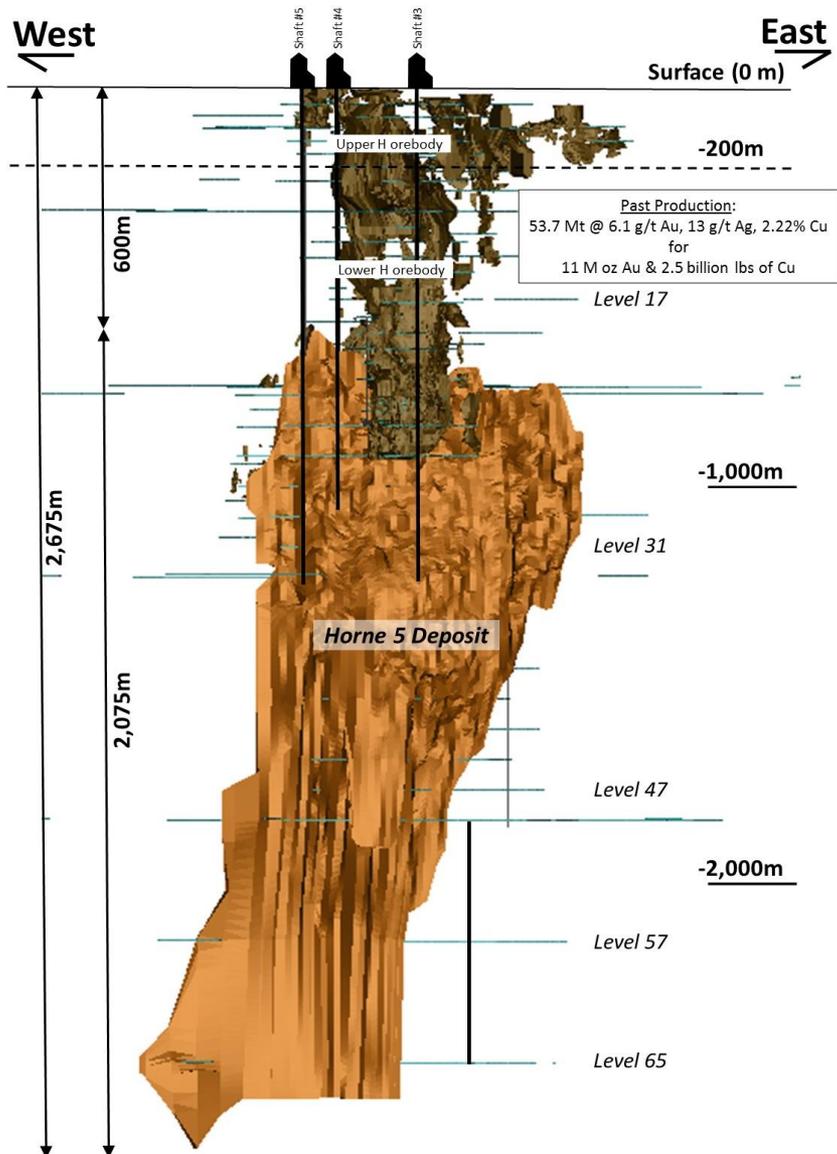


3.79 g/t AuEq

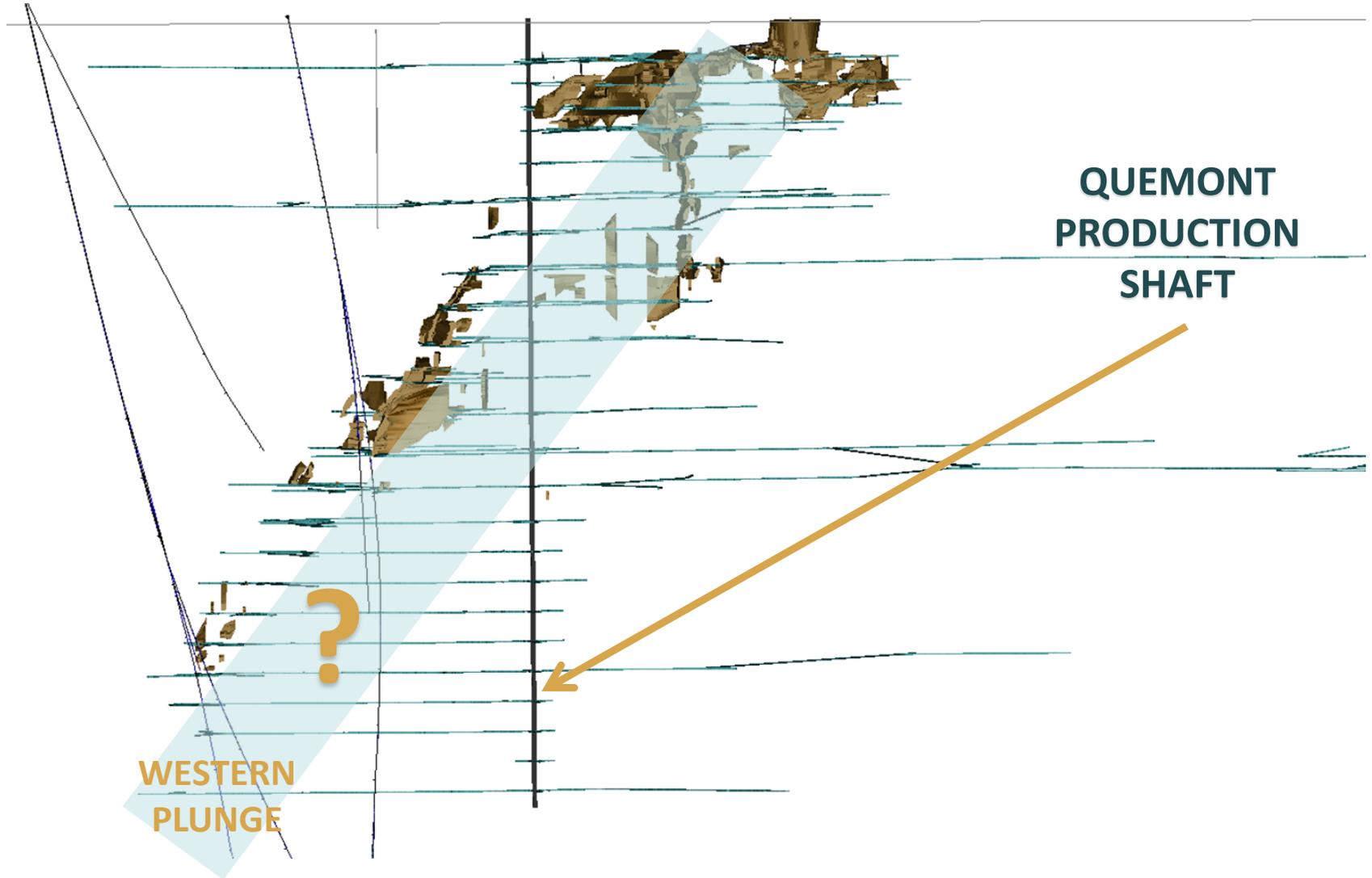
Appendix A – Historical Drill Density of Horne 5 Deposit



Appendix A – Horne 5 Deposit & 2015 Confirmation Drilling Program



Appendix A – *Horne 5 Deposit – Near surface targets – Quemont Extension*



Appendix B – *Horne 5 Project Key Highlights*

- NPV of **\$1.131 billion** at a 5% discount rate and an **IRR of 20.0%** before taxes and mining duties
- NPV of \$667 million at a 5% discount rate and an IRR of 16.0% after taxes and mining duties
- Peak-year production of 274 kozs and average LOM annual production of 236 kozs of gold
- Net payable gold recovery of 86.8%
- 3,051,000 gold ounces production at an average diluted grade of 2.60 g/t Au LOM
- 2,903,000 ounces of payable gold LOM
- 807 million pounds of payable zinc LOM
- 194 million pounds of payable copper LOM
- 23.8 million ounces of payable silver LOM
- **All-in sustaining costs* of US\$427 PER PAYABLE GOLD OUNCE**
- All-in cost (CAPEX plus OPEX) is estimated at US\$660 per payable gold ounce
- Initial CAPEX of C\$905 million (including a \$60 million contingency) or **US\$680 million**
- Payback Period of 3.8 years pre-tax and 4.1 years post-tax
- Gross Revenue of \$6.8 billion and Operating Cash-flow of \$2.6 billion
- **Start of production in 2020**
- **Full production in 2021**
- Initial mine life of 12 years

*All-in Sustaining Costs are presented as defined by the World Gold Council ("WGC") less Corporate G&A
Note: Commodity Price Assumptions in US\$ - \$1,250/oz Au, \$17.00/oz AG, \$2.85/lb CU, \$1.00/lb ZN

Appendix B – PEA Sensitivities

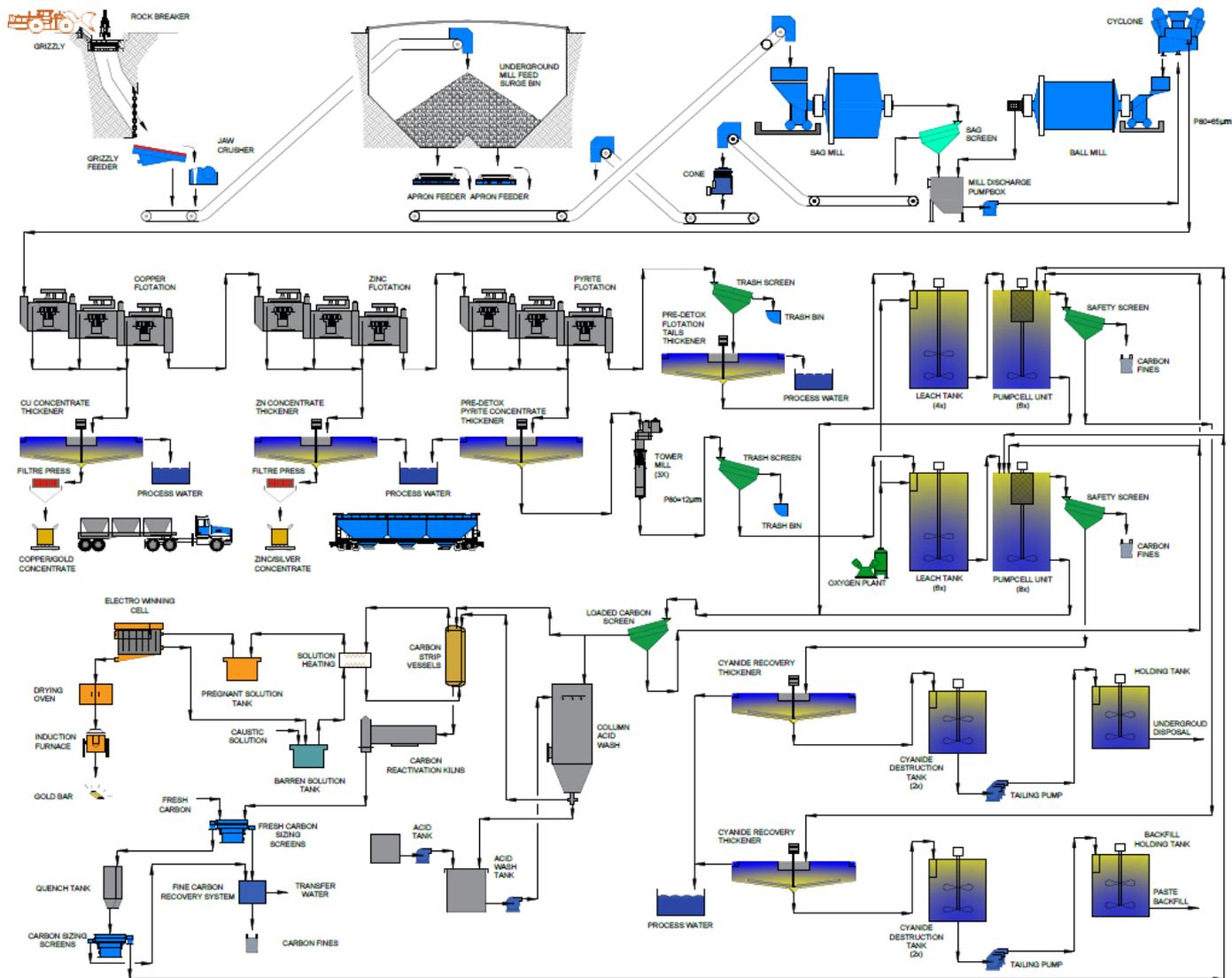
Gold Price (US\$/oz)	\$1,150	\$1,200	\$1,250	\$1,300	\$1,350	\$1,400
Pre-Tax NPV 5% C\$M	\$898	\$1,015	\$1,131	\$1,248	\$1,364	\$1,481
After-Tax NPV 5% C\$M	\$521	\$594	\$667	\$739	\$804	\$874
Pre-Tax IRR	17.4%	18.7%	20.0%	21.3%	22.5%	23.7%
After-Tax IRR	13.8%	15.0%	16.0%	17.1%	18.0%	18.9%
Pre-Tax Payback Years	4.4	4.1	3.8	3.5	3.3	3.1
After-Tax Payback Years	4.7	4.4	4.1	3.8	3.6	3.4

**AFTER TAX
NPV AND IRR
SENSITIVITY
TO GOLD
PRICES**



Note: Commodity Price Assumptions in US\$ - \$1,250/oz Au, \$17.00/oz AG, \$2.85/lb CU, \$1.00/lb ZN

Appendix B – Proposed Flowsheet of Horne 5 Project



Appendix B – Ramp-Up Example for Horne 5 Project

Ramp-Up Schedule

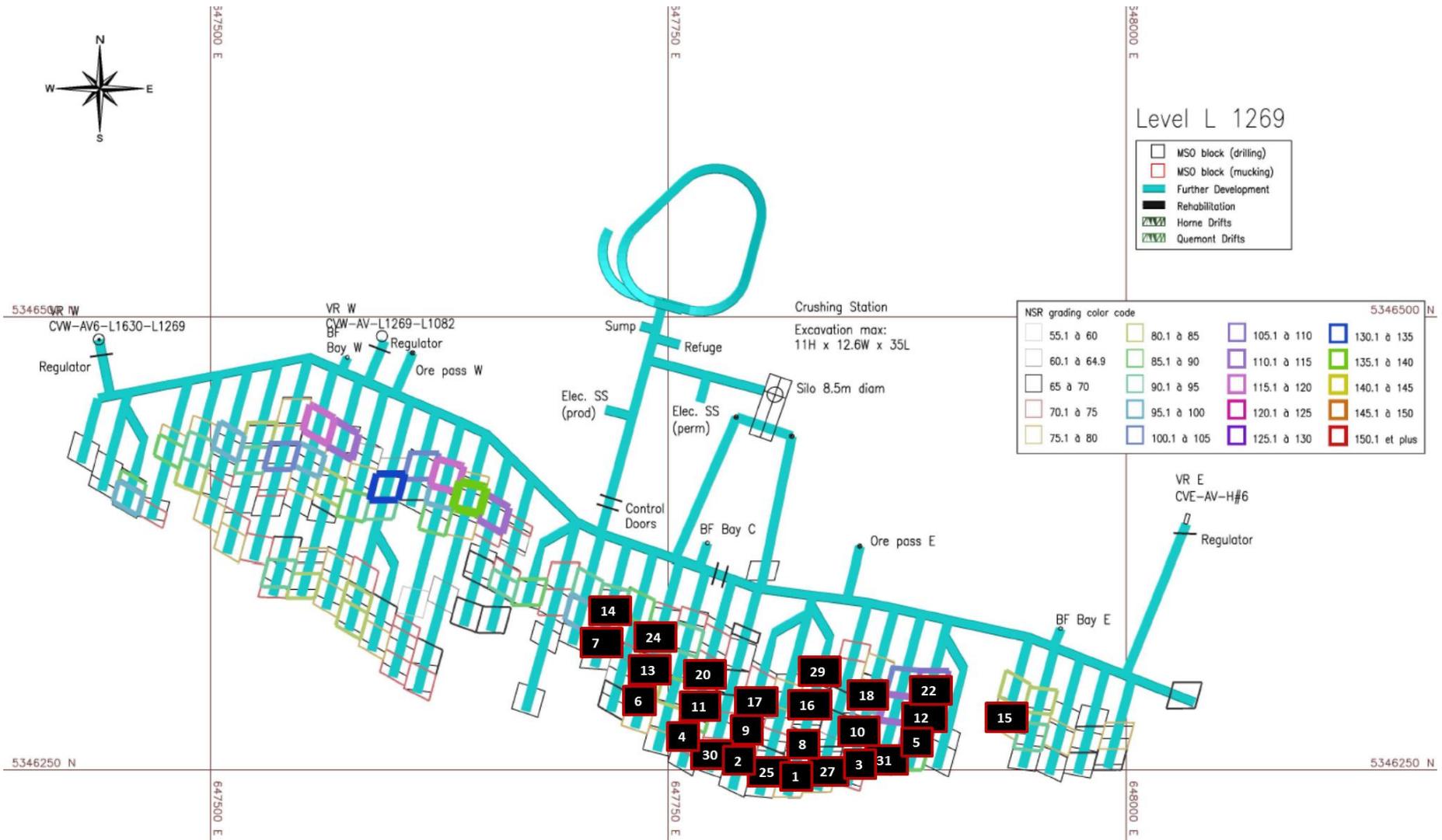
Stope	Level	Draw Point	Panel	Day	Tonnes	TPD/pyramid	# pyramids	Total TPD	Comments for sequence shown
1	1269	36	1	0	23,500	3,357	4	13,428	
2	1269	34	1	7	23,500	3,357	4	13,428	
3	1269	38	1	14	23,500	3,357	4	13,428	
4	1269	32	1	21	23,500	3,357	4	13,428	
5	1269	40	1	28	23,500	3,357	4	13,428	
6	1269	30	1	35	23,500	3,357	4	13,428	
7	1269	28	1	42	23,500	1,469	4	5,876	
8	1269	36	2	58	23,500	3,357	4	13,428	First stope fully cured. 9 days delay in sequence
9	1269	34	2	65	23,500	3,357	4	13,428	
10	1269	38	2	72	23,500	3,357	4	13,428	
11	1269	32	2	79	23,500	3,357	4	13,428	
12	1269	40	2	86	23,500	3,357	4	13,428	
13	1269	30	2	93	23,500	3,357	4	13,428	
14	1269	28	2	100	23,500	3,357	4	13,428	
15	1269	44	1	107	23,500	2,611	4	10,444	
16	1269	36	3	116	23,500	3,357	4	13,428	2 days delay in sequence
17	1269	34	3	123	23,500	3,357	4	13,428	
18	1269	38	3	130	23,500	3,357	4	13,428	
19	1235	36	1	137	23,500	3,357	4	13,428	2nd Level = more flexibility RAMP-UP COMPLETE
20	1269	32	3	144	23,500	3,917	4	15,668	Pyramid #2 stopped
21	1235	34	1	150	23,500	3,917	4	15,668	2nd Level
22	1269	40	3	156	23,500	3,917	4	15,668	
23	1235	38	1	162	23,500	3,917	4	15,668	2nd Level
24	1269	30	3	168	23,500	3,917	4	15,668	
25	1269	35	1	174	23,500	3,917	4	15,668	Secondary
26	1235	32	1	180	23,500	3,917	4	15,668	2nd Level
27	1269	37	1	186	23,500	3,917	4	15,668	Secondary
28	1235	40	1	192	23,500	3,917	4	15,668	2nd Level
29	1269	36	4	198	23,500	3,917	4	15,668	
30	1269	33	1	204	23,500	3,917	4	15,668	Secondary
31	1269	39	1	210	23,500	3,917	4	15,668	Secondary

Table 16-5: Mining cycle times

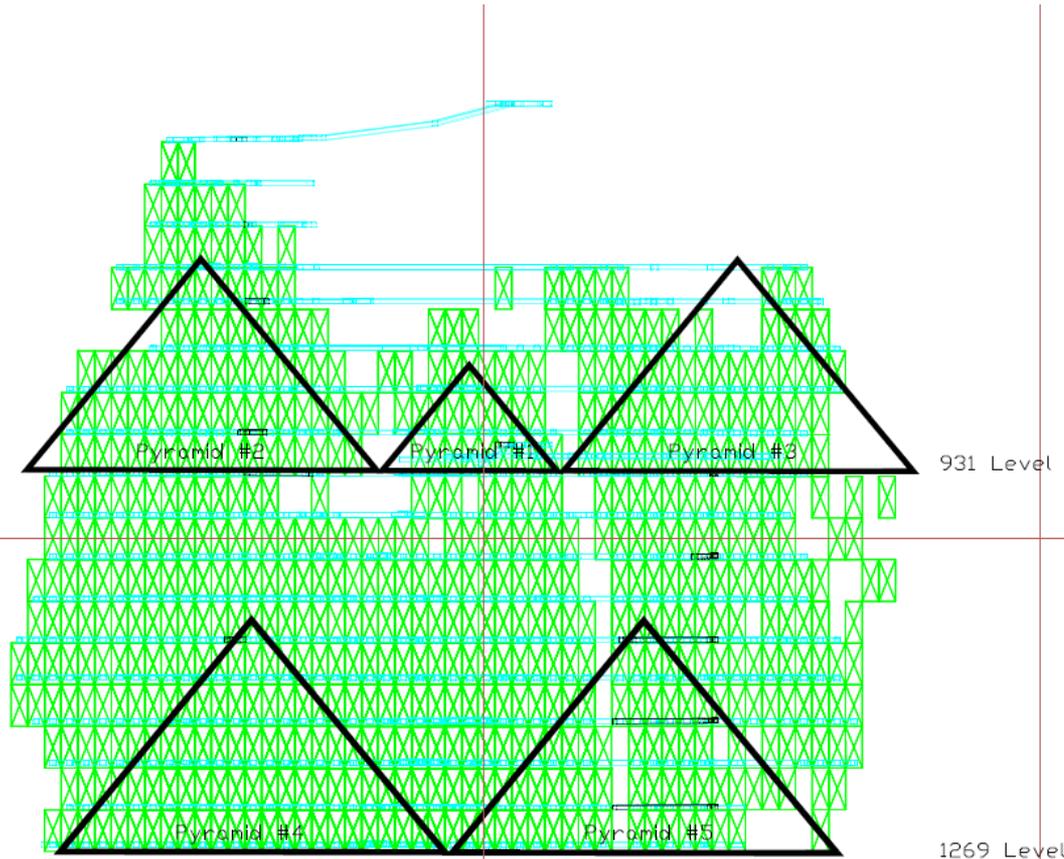
Stage	Activity	Time (days)
Drilling	Stope rehabilitation	2
	V30	3
	Drilling	11
Extraction	Mucking	6
Backfilling	Barricade	2
	Plug (with curing time)	4
	Residual	2
	Curing	28
Total		58

- 23,500 tonne stopes (38x15x15)
- 20 effective hrs/day
- 58-day stope cycle time
- 4 mucking faces
- 6-7 days mucking per stope

Appendix B – Example Sequence for a Single Pyramid – 1st level



Appendix B – Example of Active Pyramids during Ramp-up



- 4 pyramids will be active (mucking) at any given time
- Full production (15,000 tpd) expected to be reached in as quickly as 4.5 months

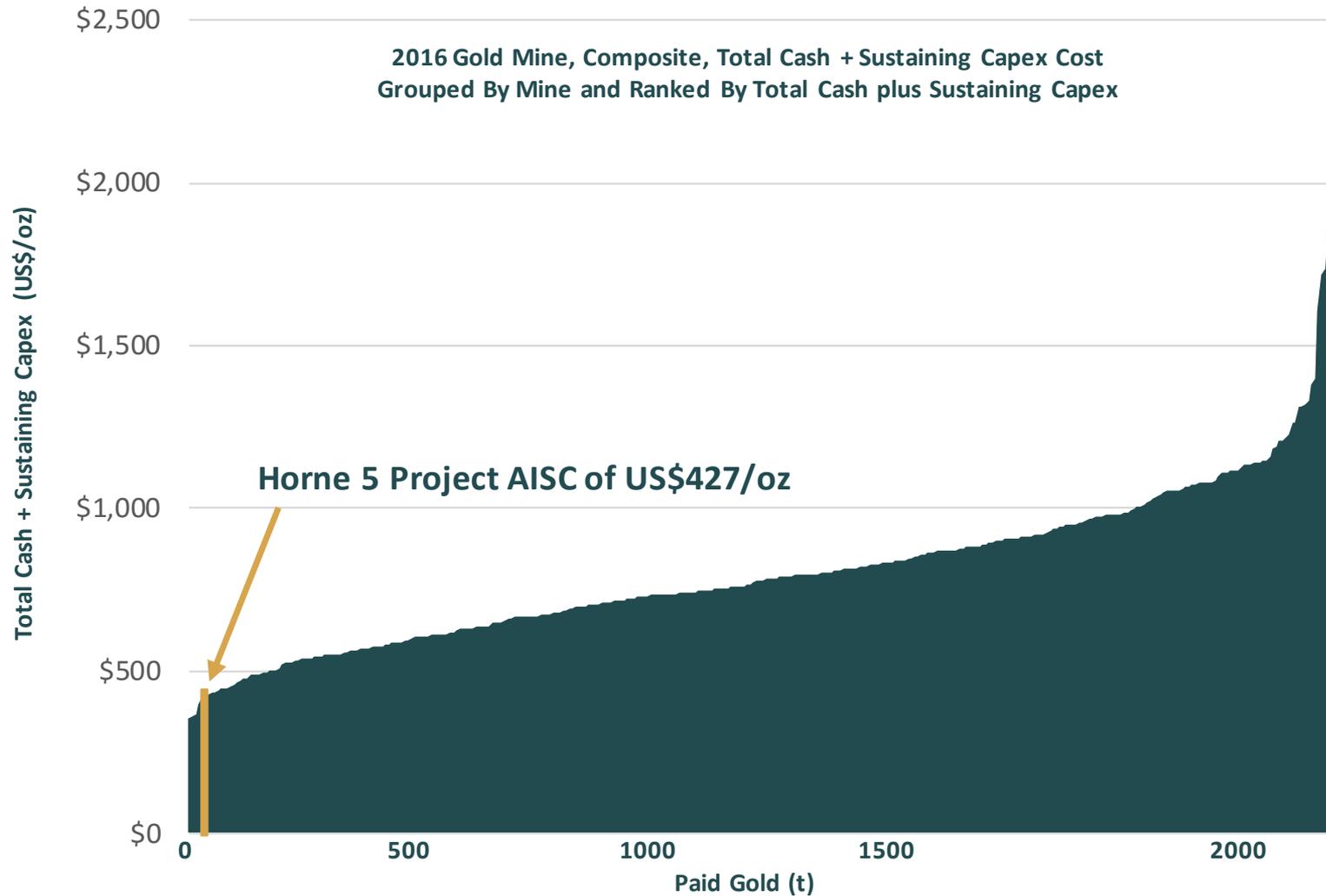


Home 5 Project

Phase 1 Mining pyramids

Echelle: NTS	Dessiné par: P.Frenette
Date: 2016/06/16	Vérifié par:
Imprimé:	Plan no:

Appendix B – *Low All-In Sustaining Cost, a Top Quartile Asset*



Source: Wood Mackenzie Ltd. And BMO Capital Markets

* All-in Sustaining Costs are presented as defined by the World Gold Council ("WGC") less Corporate G&A

Appendix C – Mineral Resource Estimates & Modeling Notes

RESOURCE ESTIMATE NOTES

1. The effective date of the resource estimate is January 8, 2016. The Independent and Qualified Persons for the Mineral Resource Estimate as required by National Instrument 43-101 are Carl Pelletier, B.Sc., P.Geo. and Vincent Jourdain, P.Eng., Ph.D., both employees of InnovExplo Inc.
2. Mineral Resources are not Mineral Reserves and have not demonstrated economic viability.
3. While the results are presented undiluted and in situ, the reported mineral resources are considered by the Qualified Persons to have reasonable prospects for economic extraction.
4. These estimates include four (4) low grade gold-bearing mineralized zones.
5. The principal low-grade gold-bearing mineralized zone includes five (5) high-grade gold-bearing zones, one (1) high-grade copper-bearing zone, one (1) high-grade zinc-bearing zone and two (2) high-grade silver-bearing zones.
6. Resources were compiled at NSR cut-offs of C\$50, C\$55, C\$60, C\$65, C\$70, C\$75, C\$80, C\$85, C\$90, C\$95 and C\$100 per tonne. The official base case resource is reported at a C\$65 per tonne NSR cut-off.
7. The appropriate NSR cut-off will vary depending on prevailing economic and operational parameters to be determined.
8. NSR estimates are based on the following assumptions: exchange rate of \$C1.27/\$US, metal prices of (all \$US): gold \$1,165/oz, silver \$15.77, copper \$2.53/lb, zinc \$0.89/lb (One-year trailing average as of December 14, 2015). Net recoveries of 84.0% for gold, 75.3% for silver, 71.8% for zinc and 66.5% for copper. Smelting cost (including transportation) C\$7.73 per tonne.
9. Gold equivalent calculations assume these same metal prices.
10. Inferred resources are separate from Indicated Resources
11. The quantity and grade of reported Inferred Resources in this estimate are uncertain in nature and there has not been sufficient work to define these Inferred Resources as Indicated or Measured Resources. It is uncertain if further work will result in upgrading them to an Indicated or Measured mineral resource category.

RESOURCE MODELING NOTES

12. Densities within ENV_A were estimated from Noranda drill hole iron assay data and Falco density data using a 3-pass ID2 interpolation method. Limited density data was available for zones ENV_B to D and a fixed density of 2.88 t/m³ was assumed for these zones which represent the median of the available data.
13. Compositing was done on drill hole sections falling within the mineralized zones (composite = 3.0 metres).
14. The resource was estimated using Geovia GEMS 6.7. The estimate is based on 4,411 diamond drill holes (323,087 m). For silver the estimates also uses the results of an exhaustive metallurgical test comprising 2,112 diamond drill holes assayed for silver over a total length of 75,540 meters. A minimum true thickness of 7.0 m was applied, using the grade of the adjacent material when assayed, or a value of zero when not assayed.
15. Only the silver interpolation in the Inferred resources does not use the material when not assayed.
16. *The estimate was based on a three dimensional block model (5x5x5 metre blocks). Within ENV_A. Wireframes of high grade zones were used as hard boundaries to constrain the interpolation of gold, silver, copper, zinc and density into the block model. Interpolation parameters were derived based on geostatistical analysis conducted on 3 metre composited drill hole data. Block grades have been estimated using Inverse Distance Squared (ID2) interpolation method and the mineral resources have been classified based on proximity to sample data and the continuity of mineralization in accordance with CIM best practices.*
17. Capping of high grade gold values was done on raw assay data and established on a per zone basis: HG_A: 35 g/t, HG_B: 35g/t, HG_C: 25g/t, HG_D: 35g/t, HG_E: 25g/t, ENV_A: 35g/t, ENV_B: 25g/t, ENV_C: 25g/t, ENV_D: 25g/t and for high grade silver SG_HG:100g/t, HG_D: 165 g/t, ENV_A_SG_Low: 110 g/t, ENV_B: 100 g/t, ENV_C: 100 g/t, ENV_D: 100 g/t. No upper capping was applied to copper and zinc data.
18. Tonnage estimates were rounded to the nearest hundred tonnes. Any discrepancies in the totals are due to rounding effects. Rounding practice follows the recommendations set out in Form 43-101F1.
19. CIM definitions and guidelines were followed in estimating mineral resources.
20. InnovExplo is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issue that could materially affect the mineral resource estimate.
21. The mineral resources presented herein are categorized as Indicated and Inferred based on geological and grade continuity. A maximum distance to the closest composite of 25 meters was used for indicated Resources. The average distance to the nearest composite is 8.3 meters for the Indicated resources and 35.2 meters for the Inferred resources.
22. Metal contained in ounces (troy) = metric tonnes x grade / 31.10348. Calculations used metric units (metres, tonnes and g/t). Metal contents are presented in ounces and pounds.