

An aerial photograph of a mining operation. The facility is situated in a lush, green forested area. It features several large, interconnected industrial buildings with blue roofs, a large parking lot filled with vehicles, and various pieces of heavy machinery. A dirt road winds through the site. In the background, rolling hills and mountains are visible under a clear sky.

# **RICHMONT MINES INC.**

## **Investor Presentation**

**Q4 & FY 2013 Review**



**RICHMONT**

**TSX - NYSE MKT: RIC**

# Safe harbor statement & cautionary note to U.S. investors concerning resource estimates

*This presentation contains forward-looking statements that include risks and uncertainties. The factors that could cause actual results to differ materially from those indicated in such forward-looking statements include changes in the prevailing price of gold, the Canadian-U.S. exchange rate, grade of ore mined and unforeseen difficulties in mining operations that could affect revenue and production costs. Other factors such as uncertainties regarding government regulations could also affect the results. Other risks may be detailed from time to time in Richmond Mines Inc.'s periodic reports and annual notice.*

*The resource estimates in this presentation were prepared in accordance with Regulation 43-101 adopted by the Canadian Securities Administrators. The requirements of Regulation 43-101 differ significantly from the requirements of the United States Securities and Exchange Commission (the "SEC"). In this presentation, we use the terms "Measured", "Indicated" and "Inferred" Resources. Although these terms are recognized and required in Canada, the SEC does not recognize them. The SEC permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that constitute "Reserves". Under United States standards, mineralization may not be classified as a Reserve unless the determination has been made that the mineralization could be economically and legally extracted at the time the determination is made. United States investors should not assume that all or any portion of a Measured or Indicated Resource will ever be converted into "Reserves". Further, "Inferred Resources" have a great amount of uncertainty as to their existence and whether they can be mined economically or legally, and United States investors should not assume that "Inferred Resources" exist or can be legally or economically mined, or that they will ever be upgraded to a higher category.*

*U.S. Investors are urged to consider the disclosure in our annual report on Form 20-F, File No. 001-14598, which may be obtained from us or from the SEC's web site: <http://sec.gov/edgar.shtml>.*



# Overview

*Richmont has produced over 1.4 million ounces of gold in Canada since 1991 from 6 underground mines & 1 open-pit mine.*

## **RIC:**

52-week trading range

Average 3 month daily volume *(shares)*

Mgmt. & Director Ownership *(% of shares)*

2013 Production

2014 Production Objective

## **TSX**

CAN\$1.00 – \$2.91

~ 45,300

~ 12%

63,443 Au ozs

70,000 – 80,000 Au ozs (+ 10% - 26% over 2013)

## **NYSE MKT**

US\$0.94 – \$2.85

~ 183,400

### **in CAN\$ millions**

*(except per share, number of employees, and where noted)*

### **FY 2013**

**12 months ended Dec. 31**

### **FY 2012**

**12 months ended Dec. 31**

Working capital

**\$14.0**

\$54.3

Cash & cash equivalents

**\$17.6**

\$59.8

Adjusted EPS (loss)<sup>(1)</sup>

**(\$0.26)**

(\$0.04)

Closing price TSX *(at Dec. 31)*

**\$1.07**

\$2.99

Shares outstanding *(Million)*

**39.6**

39.6

Market capitalization *(at Dec. 31)*

**\$42**

\$118

Number of employees

**442**

471

(1) Adjusted EPS is a non-IFRS Financial Performance Measure. Adjusted FY2013 EPS excludes a non-cash write-down of the W Zone Mine assets, a write-off of deferred income and mining tax assets, a write-off of financing costs following the termination of a debt-financing agreement and severance changes. Adjusted FY2012 EPS excludes severance compensation paid to the Corporation's ex-President and CEO.

# Financial Review

<b>Results in CAN\$ thousands</b> except ounces sold, per share data, and where noted	<b>Q4 2013</b> 3 months ended Dec 31	<b>Q4 2012</b> 3 months ended Dec 31	<b>FY 2013</b> 12 months ended Dec 31	<b>FY 2012</b> 12 months ended Dec 31
Total gold ounces sold	20,918	14,810	63,443	60,741
Total revenue	27,828	24,928	90,213	101,718
Net loss from continuing operations <sup>(1)</sup>	(28,686)	(2,641)	(33,162)	(2,977)
Adjustments, after-tax <sup>(2)</sup>	23,055	-	22,821	1,456
Adjusted net loss from continuing operations <sup>(3)</sup>	(5,631)	(2,641)	(10,341)	(1,521)
Net loss from continuing operations/share	(0.72)	(0.07)	(0.84)	(0.08)
Adjustments/share	0.58	-	0.58	0.04
Adjusted net loss from continuing operations/share <sup>(3)</sup>	(0.14)	(0.07)	(0.26)	(0.04)
Average selling price (US\$/oz)	1,265	1,694	1,378	1,666
Average cash cost (US\$/oz)	1,102	1,126	1,095	1,044

(1) Net loss from continuing operations excludes charges related to the discontinued Francoeur Mine in all periods.

(2) Adjustments in Q4 and FY2013 refer to a non-cash write-down of the W Zone Mine assets, a write-off of deferred income and mining tax assets, a write-off of financing costs following the termination of a debt-financing agreement and severance charges. The FY2012 adjustment refers to severance compensation paid to the Corporation's ex-President and CEO.

(3) Non-IFRS financial performance measure.

# Operations Profile

## Ontario



Island Gold Mine & Mill

2014 Production Forecast  
35,000 – 40,000 Au ozs

## Quebec (Camflo Mill)



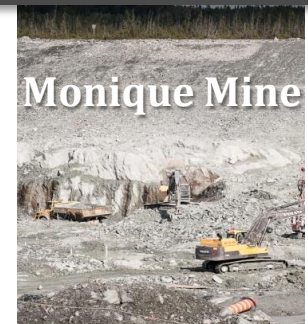
Beaufor Mine

18,000-20,000 Au ozs



W Zone

4,000 Au ozs



Monique Mine

13,000-16,000 Au ozs

2014 Production Forecast  
35,000 – 40,000 Au ozs

2014 PRODUCTION FORECAST  
70,000 – 80,000 Au ounces



# Review of Operations

Island Gold Mine, Mill &  
Island Gold Deep





# Island Gold Mine Overview

- Production: 256,000+ Au ozs since Oct. 2007
- **Island Gold Mine & Island Gold Deep** (as of Dec. 31/13):
  - P+P reserves 143,506 Au ozs
  - M+I resources<sup>(1)</sup> 233,330 Au ozs
  - Inferred resources<sup>(1)</sup> 1,037,327 Au ozs
- **2014 Production Forecast**
  - 35,000 – 40,000 Au ounces
- **Objectives**
  - Lower operating costs
  - Continued development of Island Gold Deep
- **Land & Mining Rights Agreement reached with Argonaut Gold:**
  - Will extend western boundary of Island Gold Deep by ~ 585 metres;
  - Richmond will receive net payment of CAN\$2.0 M upon closing, expected in Q1 2014.

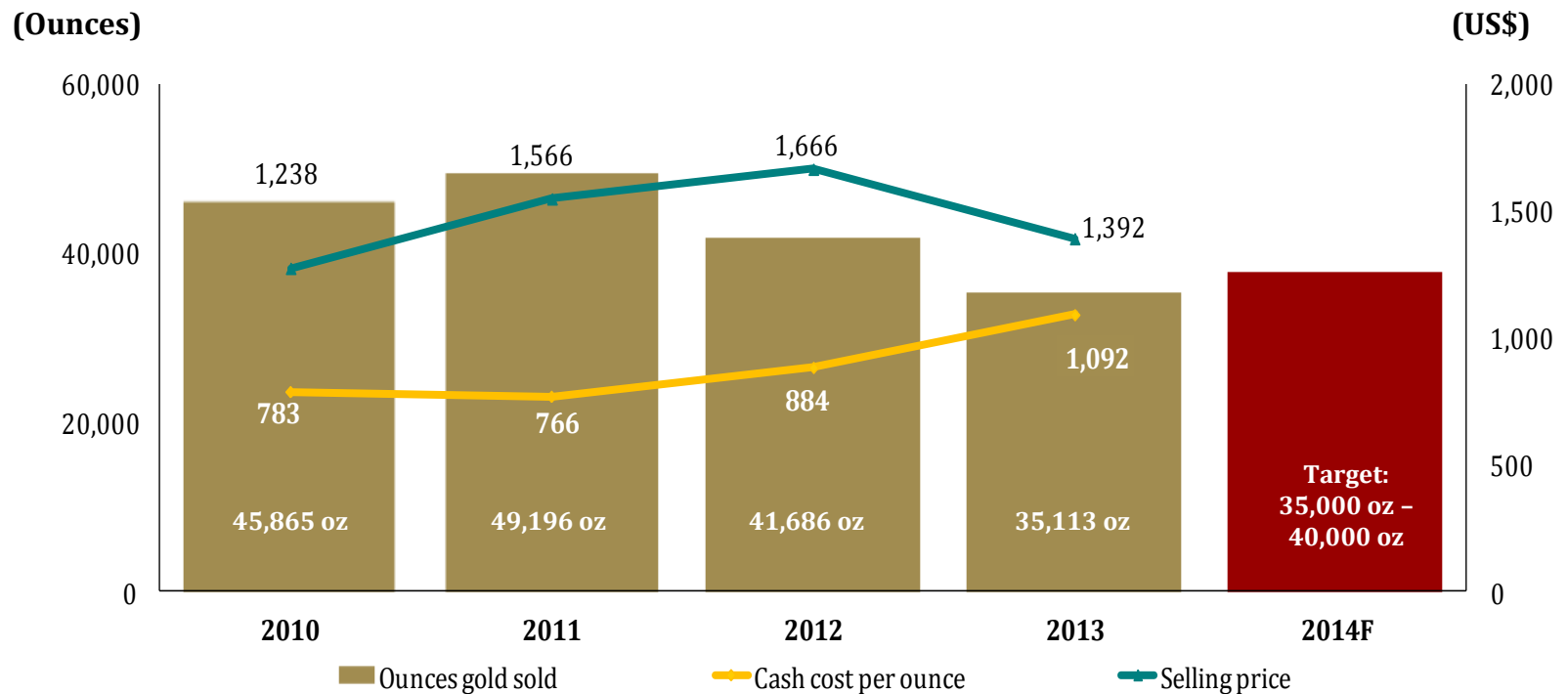


(1) Includes 100% of resources at Island Gold Deep. The Corporation estimates that approximately 90% of the Indicated resource and 56% of the Inferred resource (61% on a consolidated basis) of Island Gold Deep (and not Island Gold Mine) lie within three claims, for which Richmond owns 69%, and a third party owns 31%.

# Island Gold Mine

## Operational Performance

- 2013 challenges, including mechanical and ventilation issues, that led to lower production and higher cash costs have been addressed and remedied;
- Improved cash costs and operational cash flow expected in 2014 .



Note: Cash cost includes royalties.



# Island Gold Mine

## Q4 and FY 2013 Production Highlights

<i>(for the 3 and 12 months ended Dec. 31)</i>	<b>Q4 2013</b>	<b>Q4 2012</b>	<b>FY 2013</b>	<b>FY 2012</b>	<b>JANUARY 2014</b>
Tonnes	<b>75,137</b>	69,253	<b>244,631</b>	246,743	19,532
Gold recovery (%)	<b>96.6%</b>	97.1%	<b>96.1%</b>	96.5%	94.9%
Head grade	<b>4.96 g/t</b>	5.23 g/t	<b>4.65 g/t</b>	5.45 g/t	5.45 g/t
Gold ounces sold	<b>11,565</b>	11,309	<b>35,113</b>	41,686	3,251 <sup>(1)</sup>
Avg. cash cost/oz (US\$)	<b>901</b>	885	<b>1,092</b>	884	
Avg. selling price/oz (US\$)	<b>1,268</b>	1,695	<b>1,392</b>	1,666	

(1) Ounces produced, not sold.

- FY 2013 performance:
  - Realized grades below expectations in the first three quarters of 2013, largely due to inability to access higher grade stopes due to equipment and ventilation constraints;
- Q4 2013:
  - Improved quarterly results reflect that equipment and ventilation issues had been largely resolved, and that mining was migrated to higher grade areas of the mine.

# Island Gold Mine

## Island Gold Deep Potential

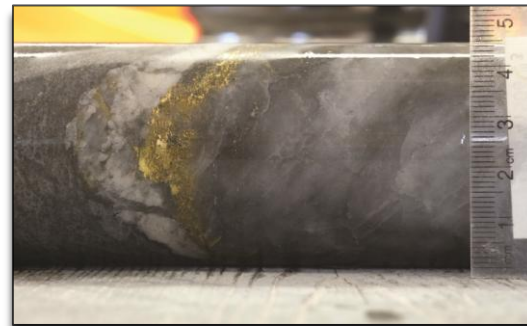
**Island Gold Mine 2014 Capex** (in CAN\$ M)

**2014 Capex**

Island Gold Mine & Island Gold Deep

~ \$16.3

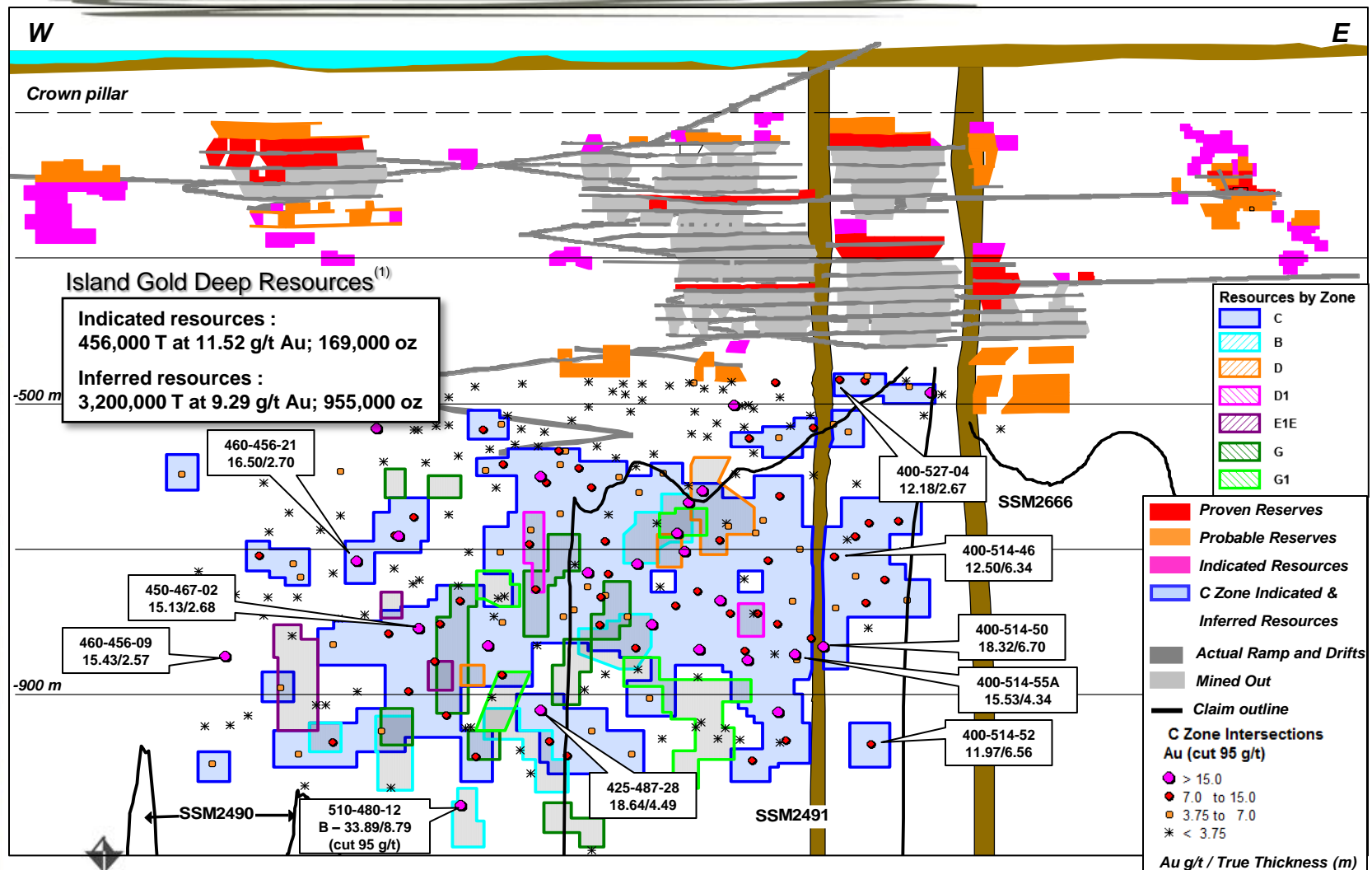
- 2013 development at Island Gold Deep:
  - Ramp had attained a vertical depth of 574 metres at the end of FY 2013;
  - 62,210 metres of exploration drilling completed.
- Important development planned at Island Gold Deep in 2014:
  - 17,000 metres of definition drilling;
  - Planned ramp extension: - reach vertical depth of 610 metres by mid-2014  
- reach vertical depth of 635 metres by end of 2014





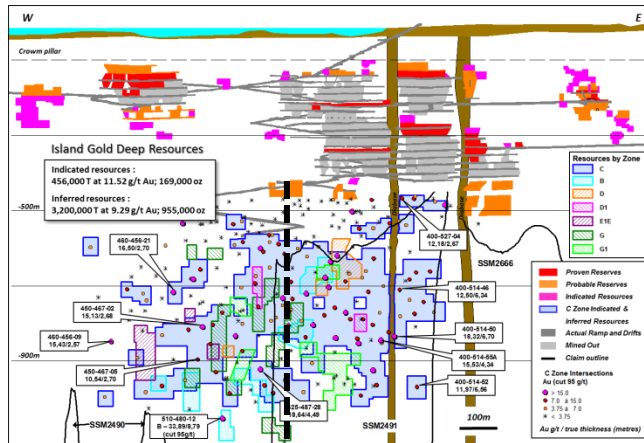
# Island Gold Mine

## Longitudinal Section

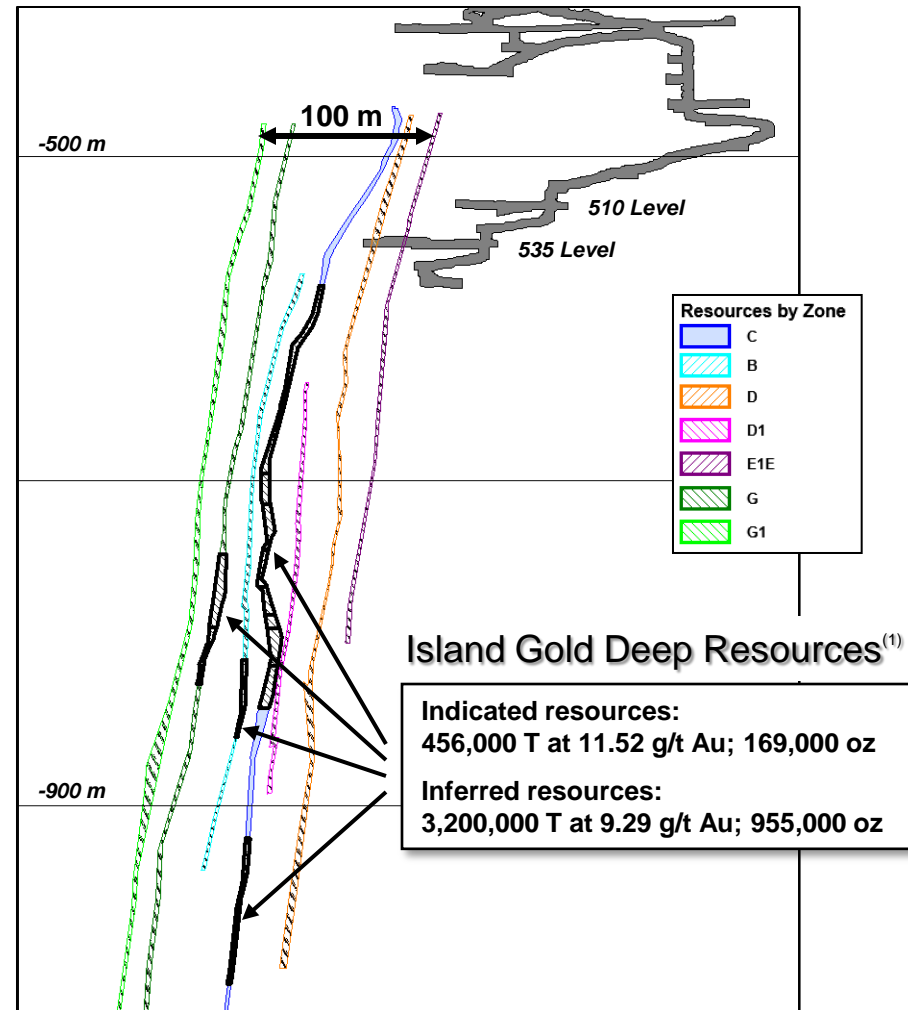


# Island Gold Mine

## Typical Section 14940E, Island Gold Deep Zones



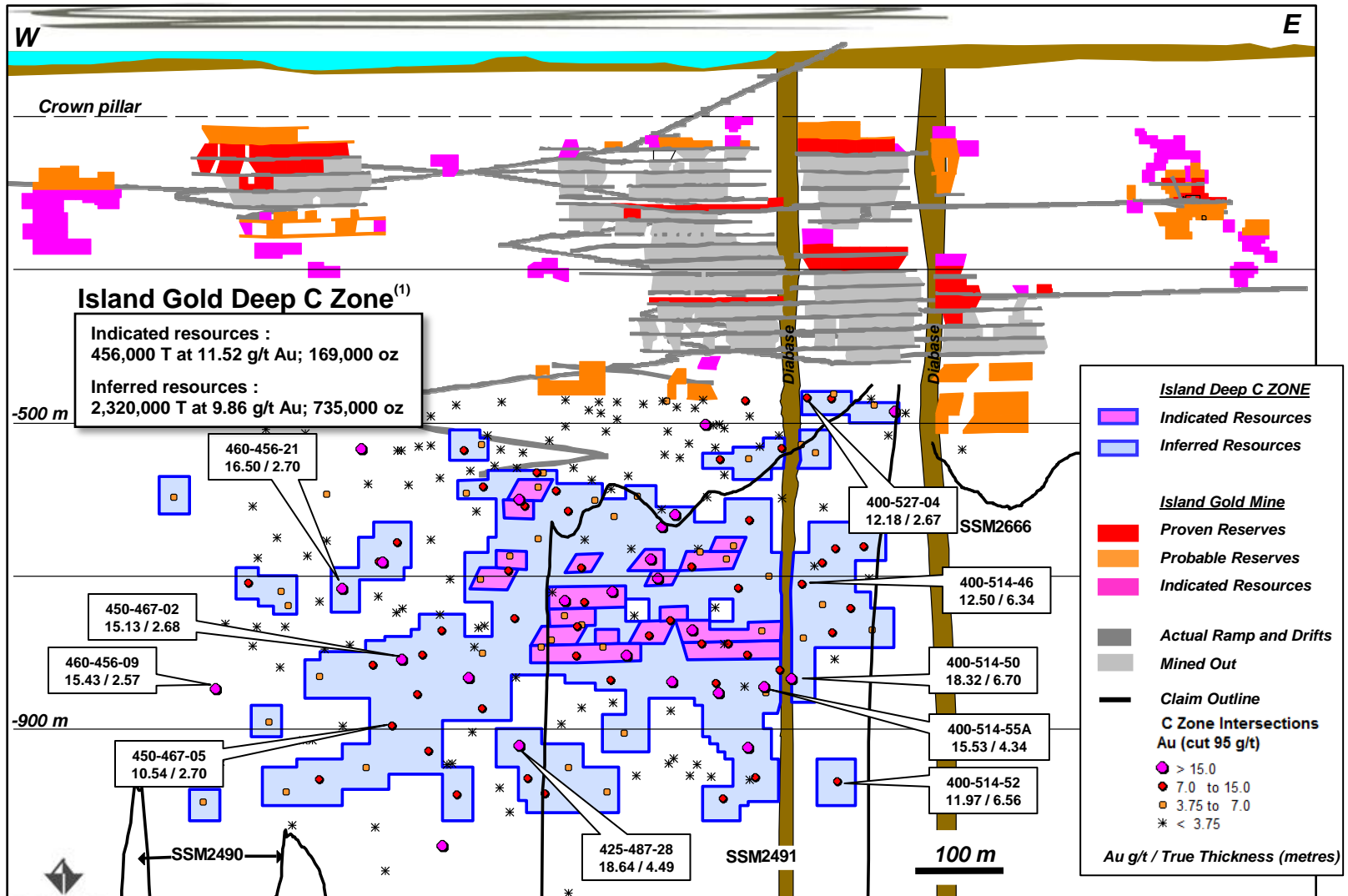
Section 14940E





# Island Gold Mine

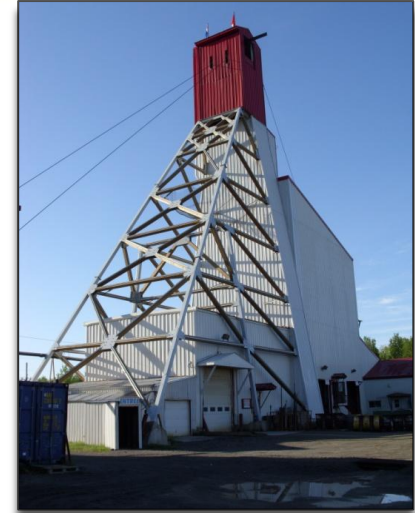
## Longitudinal Section - Deep C Zone



# Beaufor Mine

## Overview

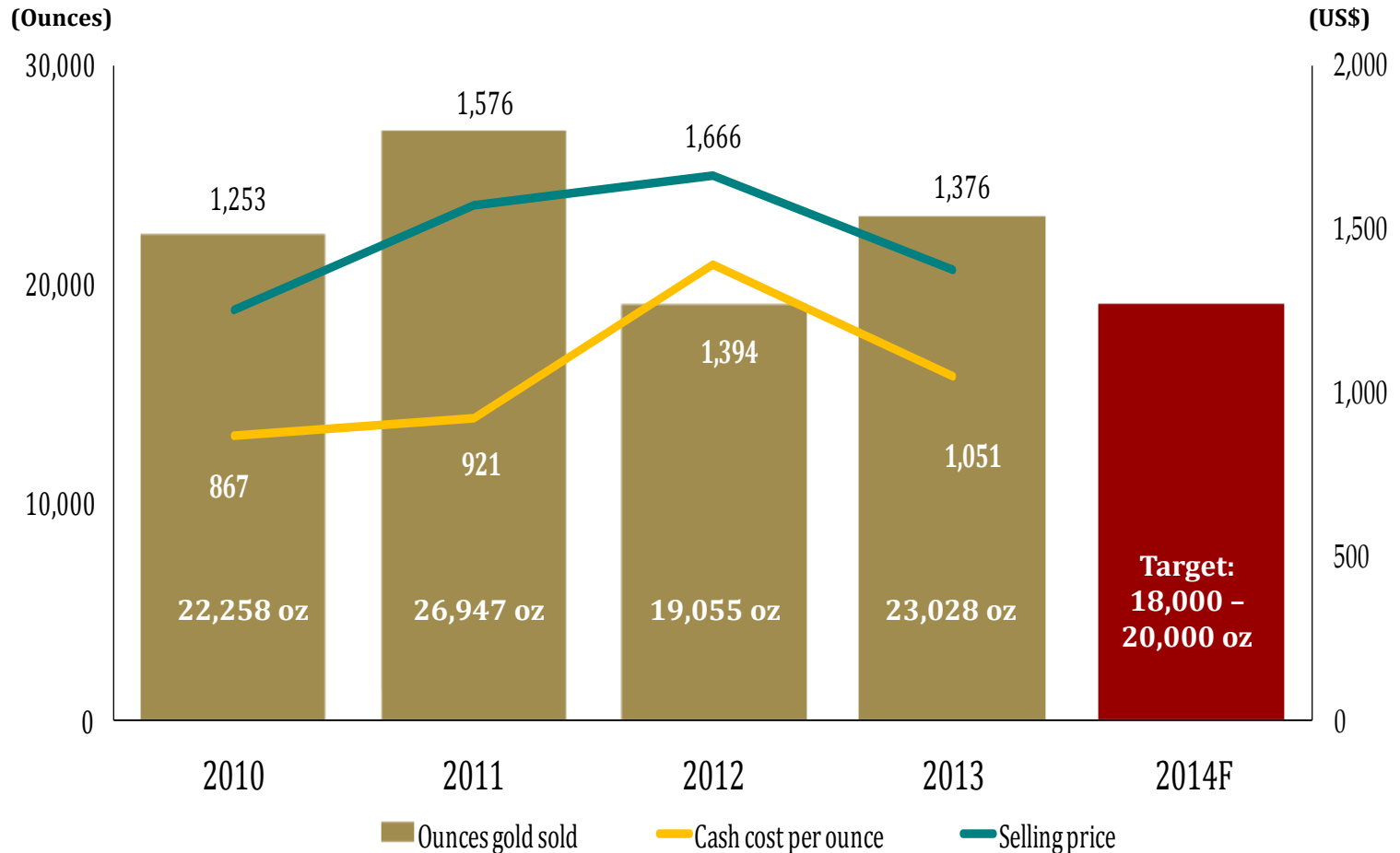
- Production: 500,000+ Au ounces since 1996
- Underground, shaft access
- Ore processed 50 km away at Camflo Mill
- **Reserves + Resources** (as of Dec. 31/13):
  - P + P reserves 31,133 Au ozs
  - M + I resources 155,439 Au ozs
  - Inferred resources 188,679 Au ozs
- **2014 diamond drilling plan**
  - 21,500 metres of exploration
  - 10,000 metres of definition
- **2014 Production Forecast:**
  - 18,000 – 20,000 Au ounces
- **Objectives:**
  - Maintain operating efficiency
  - Continue to extend mine life





# Beaufor Mine

## Operational Performance



# Beaufor Mine

## Q4 and FY 2013 Production Highlights

<i>(for the 3 and 12 months ended Dec. 31)</i>	<b>Q4 2013</b>	<b>Q4 2012</b>	<b>FY 2013</b>	<b>FY 2012</b>
Tonnes	<b>25,219</b>	26,479	<b>124,569</b>	116,675
Gold recovery (%)	<b>97.1%</b>	97.4%	<b>97.8%</b>	97.8%
Head grade	<b>5.15 g/t</b>	4.22 g/t	<b>5.88 g/t</b>	5.19 g/t
Gold ounces sold	<b>4,051</b>	3,501	<b>23,028</b>	19,055
Avg. cash cost/oz (US\$)	<b>1,423</b>	1,900	<b>1,051</b>	1,394
Avg. selling price/oz (US\$)	<b>1,257</b>	1,690	<b>1,376</b>	1,666

# W Zone Mine

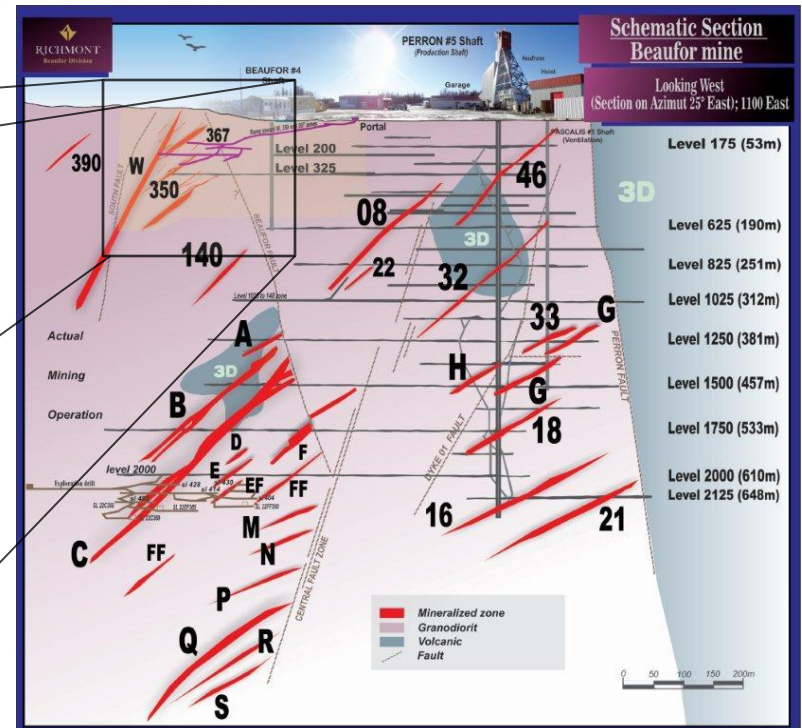
## Overview

### W ZONE

- Located on Beaufor Mine property
- Camflo Mill is 50 km away
- Wide, steeply dipping zone
- Near surface vein structure

### Reserves & Resources (as of Dec. 31/13)

P & P Reserves:	12,832 Au ozs
M & I Resources:	30,051 Au ozs
Inferred Resources:	531 Au ozs



- W Zone Mine reserve base reduced following 2013 bulk sample, pre-production and commercial ounce production, and a re-interpretation of the geology following exposure from mining. A \$13.5 million, or \$0.34/share, non-cash write-down on the asset base taken in Q4 2013.
- Q4 2013 production: 2,326 Au ozs
- 2014 annual production of 4,000 Au ozs, after which operations will be suspended.



# Monique Mine

## Overview

- 5.39 km<sup>2</sup> (539 he), located 25 km east of Val-d'Or, QC
- 100% owned
- Ore processed 50 km away, at Richmond's 100%-owned Camflo Mill
- **Reserves & Resources** (as of Dec 31, 2013):

Total open-pit P & P reserves <sup>(1)</sup>	30,702 Au ozs
Indicated resources	16,858 Au ozs*

\* underground, directly below the open-pit.

- **2013 Developments:**

- Commercial production declared October 1, 2013
- Q4 2013 production: 2,976 Au ozs

- **2014 Production Forecast:**

- 13,000 – 16,000 Au ozs



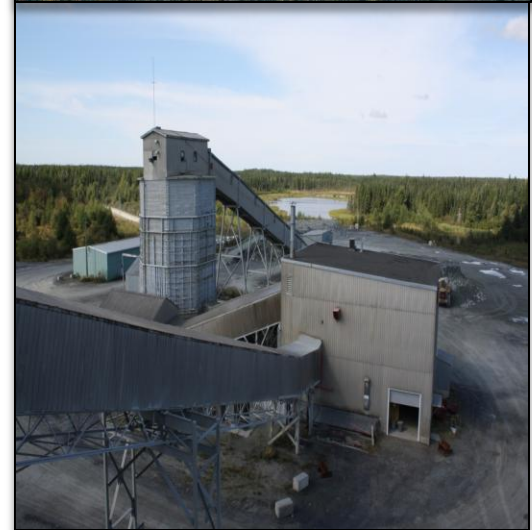
(1) Open-pit reserves are based on a pit design established in 2012, and are calculated using a gold price of US\$1,225/oz and an exchange rate of CAN\$1.06 = US\$1.00. A 43-101 technical report was filed on SEDAR ([www.sedar.com](http://www.sedar.com)) on Sep. 13, 2013.

# Camflo Mill

## Overview

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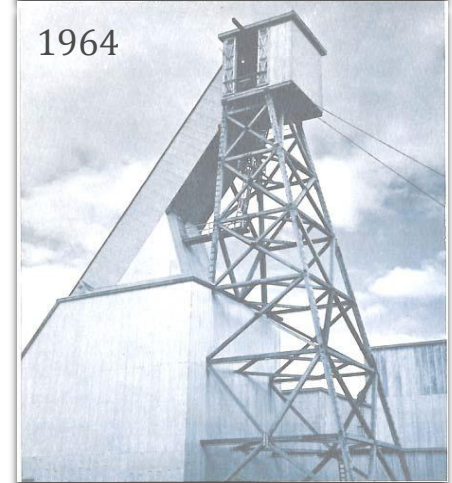
- Located in Malartic, Quebec
- 100% owned
- Replacement value >CAN\$35 M
- Full capacity utilization with ore from Beaufor/W Zone and Monique
- New Mill Superintendent



# Wasamac Gold Property Overview

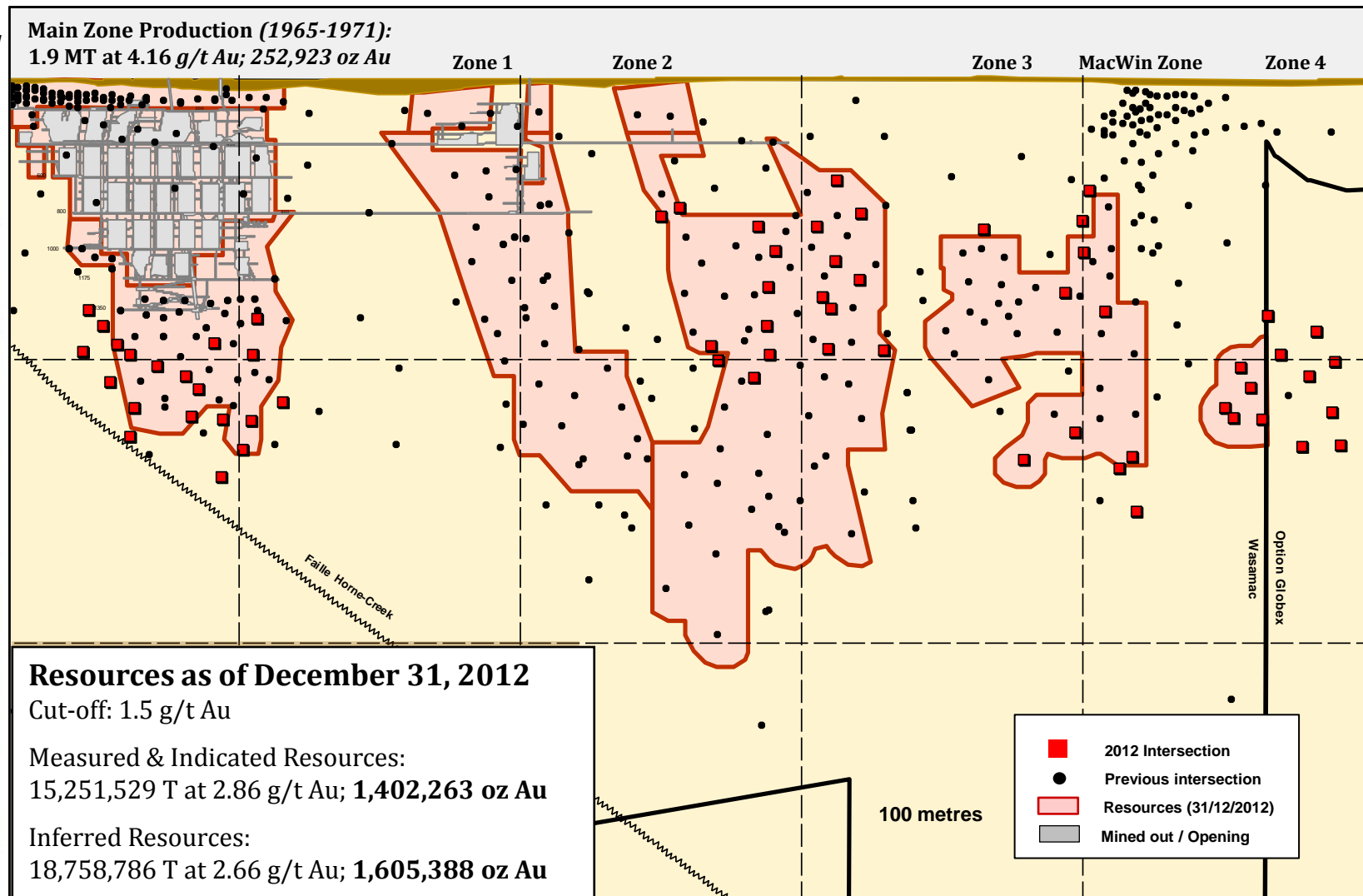
- Located 15 km from Rouyn-Noranda, QC
- 7.58 km<sup>2</sup> (758 hectares); 100%-owned
- No royalties or back-in rights
- Exploration drilling:
  - ~ 125,000 metres over 2010 - 2012 period
- Past production (1965 - 1971):
  - 252,923 Au oz at 4.16 g/t
- **Reserves + Resources** (as of Dec. 31, 2013) <sup>(1)</sup>:
  - M + I Resources: 1,402,263 Au ozs
  - Inferred Resources: 1,605,388 Au ozs
- **Provides Richmond with significant gold price leverage**

(1) Underground resources established at Dec. 31, 2012, and are calculated using a gold price of US\$1,450/oz and an exchange rate of CAN\$1.00 = US\$1.00.





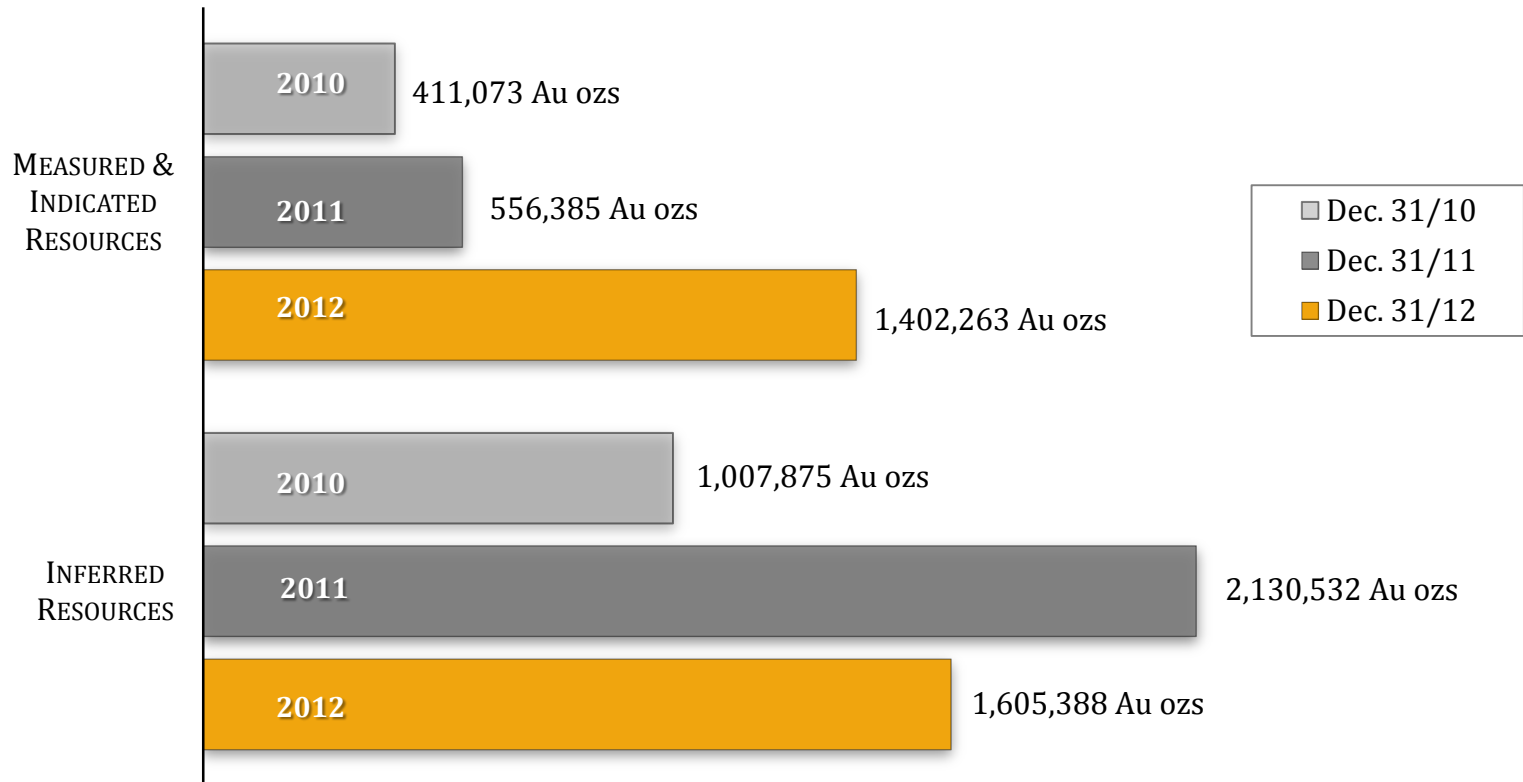
# Wasamac Gold Property



# Wasamac Gold Property

## Gold Price Leverage

- Notable resource base growth over 2010 to 2012 period
- Provides Richmond with significant optionality to gold price



# Objectives

## Objectives:

- Continue to advance Island Gold Deep resource, and integrate it into the Island Gold Mine plan;
- Optimize efficiency of our assets – those in production, and those being developed & evaluated;
- Strategic capital allocation in keeping with the current gold price environment.

## Richmont has a strong foundation to build on:

- Sound balance sheet, tight capital structure and experienced management team anchor the Corporation for future growth;
- Potentially transformational long-life and high-grade asset at Island Gold Deep;
- Dramatic gold price leverage with Wasamac, should gold enter a new Bull phase.





# Conclusion

## Richmont is a rarity among junior gold miners...

- A proven 23 year history of gold production
- Over 1.4 million gold ounces produced since 1991 from 6 underground mines and 1 open-pit mine in Canada
- Operations in a safe political environment (Quebec & Ontario)
- Sound balance sheet and capital structure, with a potentially transformational asset on the horizon.

