

CATEGORY B PROJECT DOCUMENTATION: LAKESHORE GOLD 144 PROJECT

1 Project Description

MNDM received applications from Lakeshore Gold Corporation on March 4th, 2015 for a Permission to Test Mineral Content (bulk sample). The request is for a proposed bulk sample of up to 50,000 tonnes of ore from the 144 Property located within mining claims 1159640 and 1159637. The project site is located 20 kilometres west of Timmins, Ontario in Thorneloe and Bristol townships.

See Appendix 1 for the complete project description.

2 Project Rationale

Lakeshore Gold Corporation plans to extend its exploration program in 2015 by expanding the size of existing operations, specifically around the 144 Project area. This will increase the proportion of measured and indicated resources in the first resource estimate for the 144 Project. The first resource estimate is expected to be released in the first quarter of 2016.

The company plans to commence drilling towards 144 North and 144 South, which it considers to be highly prospective exploration targets along the 144 Trend (all part of the 144 project area). The company also expects that there is significant potential for additional new discoveries along the 144 trend.

3 Consultation

A Record of Consultation was completed for the proposed project and added to the project file. The record is available upon request. A summary of the consultation undertaken by MNDM is described below.

3.1 Consultation Undertaken

A Notice of Opportunity to Provide Input on a Category B Project was sent to the Aboriginal communities and government agencies listed in Table 1. Project information was posted on MNDM's Class EA web page and an Information Notice was posted on the Environmental Registry for 30 days. No additional consultation activities were undertaken.

Table 1: Interested Persons and Aboriginal Communities

Type	List
Federal, Provincial, and Municipal government	Ministry of the Environment and Climate Change, Ministry of Natural Resources and Forestry
Aboriginal community or organization	Métis Nation of Ontario–Abitibi Temiskaming, Mattagami First Nation, Flying Post First Nation

3.2 Input Received

No comments were received during the 30-day consultation period.

4 Environmental Effects

The entire project is to be conducted underground. The site will be accessed by a tunnel from existing (underground) mine infrastructure. As a result, no new surface infrastructure is required and no surficial impacts to the environment are expected.

No environmental effects were identified by interested person or Aboriginal communities during the 30-day consultation period.

5 Advantages and Disadvantages

The advantages of proceeding with the project as proposed are:

- There will be no surficial environmental effects.
- There will be positive impacts to local economies or businesses.
- Should the results from the existing exploration program, including bulk sample, prove favorable, it may provide an opportunity to significantly extend mine life and grow production from the Timmins West Complex (the existing mine site).
- As part of the larger exploration project, a substantial increase in exploration expenditures for the company, which will have a positive effect on the local economy.

The disadvantages of proceeding with the project as proposed are:

- At this stage of exploration, where the infrastructure required for the project is minimal and will be completely underground, there are no identified disadvantages.

6 Analyses

6.1 Mitigation Measures

Mitigation is the process of avoiding, eliminating, offsetting or reducing to an acceptable level the potential environmental effects of a project. As no negative potential

environmental effects were identified during project screening or consultation, no mitigation measures are required.

6.2 Alternative Methods

No alternative methods were considered for this project.

6.3 Studies

No studies were undertaken for this project.

7 Future Effects Monitoring

No future effects monitoring is required.

8 Construction / Demolition

No surficial construction or demolition is required for this project.

The project is expected to commence by late August or early September and will be completed by late September or early October.

9 Class EA Requirements

MNDM met the requirements for Category B projects by following the process in the Class EA. MNDM has:

- provided notice of the proposed project to government agencies, Aboriginal communities and interested persons;
- prepared a project description for review during the 30-day consultation period;
- prepared a Record of Consultation to document the consultation undertaken for the project;
- prepared a Statement of Completion and adding it to the project file; and
- prepared this project documentation for MNDM project file.

Appendix 1: Project Description

Project Description: Lake Shore Gold 144 Project (Permission to Test Mineral Content)

Project Summary

MNDM received applications from Lakeshore Gold Corporation on March 4th, 2015 for a Permission to Test Mineral Content (bulk sample). The request is for a proposed bulk sample of up to 50,000 tonnes of ore from the 144 Property located within mining claims 1159640 and 1159637. The project site is located 20 kilometres west of Timmins, Ontario in Thornloe and Bristol townships (Figure 1).

Figure 1: Regional Map



The applicant is proposing to extract the bulk sample from the existing Thunder Creek underground workings of the Timmins West Complex mine site by driving the Thunder Creek (underground) ramp in a westerly direction for about 1060 metres. Appendix 1 contains a map that identifies the proposed exploration drift and mining claims.

No additional surface infrastructure is required and no surficial impacts to the environment are expected.

Setting

The Timmins West Complex is presently zoned as Residential Rural by the City of Timmins and is suitable for agriculture, forestry and mining land uses. The Mine site is situated over a bedrock outcrop and adjoining lands within the lower Thunder Creek watershed.

Thunder Creek itself flows east across the Property and reports to the Tatachikapika River, which is located approximately 1.5 kilometres downstream of the Property boundary. The Tatachikapika River eventually drains into the Mattagami River.

The 144 Property is situated in a low-lying swampy area with no known recreational or other defined land use at present.

Existing Studies

A Stage 1 Archaeological and Cultural Resource Study that encompassed the 144 Property was conducted in 2006. The study indicated that there are no cultural heritage resources within the property boundary. A baseline Terrestrial Biological Study and a baseline Aquatic Biological Study were conducted in 2007. The studies indicated that there are no biological environment concerns, including species at risk.

Relevant Mining History

The purpose of the operating Timmins West Complex is to further explore and extract ore from the Timmins West and Thunder Creek Gold Deposits, and potentially additional deposits, via underground mine workings that are accessed by a vertical shaft and a decline ramp.

Class Environmental Assessment

This project has been screened to a Category B in accordance with the Ministry of Northern Development and Mines' *A Class Environmental Assessment for MNDM's Activities under the Mining Act* (Class EA). As the entire project is being conducted underground the potential negative environmental effects of the proposed project are expected to be minimal.

Pending the completion of the Class EA process, the applicant anticipates that the exploration drift will be completed by September 2015.

Appendix 1: Proposed 144 Exploration Drift

