



**RICHMONT MINES INC.
ANNUAL INFORMATION FORM**

2014

March 24, 2015

RIC: TSX-NYSE MKT

www.richmont-mines.com

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TERMINOLOGY

Unless otherwise specified, all units of measurement used in this report are expressed according to the metric system. The most commonly used conversion factors and their respective abbreviations are shown below:

1 troy ounce (oz) = 31.1035 grams (g)
1 metric tonne (t) = 1.1023 short ton (st)
1 metre (m) = 3.28 feet

Au: gold
g/t: gram per metric tonne
ha: hectare
NSR: Net Smelter Return
t/d: metric tonnes per day
cm: centimetre
mm: millimetre
kg: kilogram
g: gram
t/m³: metric tonnes per cubic metre
km: kilometre
NPI: Net profit interest

DEFINITIONS

Mineral Reserves

Mineral reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proven Mineral Reserves. A Probable Mineral Reserve provides a lower level of confidence than a Proven Mineral Reserve. A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study. Such study must include adequate information on mining, processing, metallurgical, economic parameters and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

Proven Mineral Reserves

A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic parameters and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

Probable Mineral Reserves

A Probable Mineral Reserve is the economically mineable part of an Indicated Mineral Resource and, in some cases, a Measured Mineral Resource, demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic parameters, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

Mineral Resources

Mineral Resources are sub-divided in order of increasing confidence into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource. A Mineral Resource is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form or quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

Measured Mineral Resources

A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, density, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, underground workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

Indicated Mineral Resources

An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, density, shape, and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, underground workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Inferred Mineral Resources

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, underground workings and drill holes.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Information Form contains forward-looking statements. These statements relate to future events or the Corporation's future performance and they are only forecast. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "intend", "could", "might", "continue", or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Annual Information Form may contain forward-looking statements attributed to third party industry sources. Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Except as may be required by law, the Corporation undertakes no obligation and disclaims any responsibility to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise. Forward-looking statements in this Annual Information Form speak only as of the date of this Annual Information Form or as of the date specified in the documents incorporated by reference herein and include, but are not limited to, statements with respect to:

- the future price of gold;
- the estimation of mineral reserves and resources;
- the realization of mineral estimates;
- the timing and amount of estimated future production;
- costs of production;
- capital expenditures;
- costs and timing of the development of new deposits;
- exploration activities;
- permitting time lines;
- currency fluctuations;
- requirements for additional capital;
- use of proceeds;
- government regulation of mining operations;
- environmental risks;
- unanticipated reclamation expenses;
- availability of qualified workforce;
- title disputes or claims; and
- limitations on insurance coverage and timing and possible outcome of pending litigation.

Actual results may therefore vary materially from the expectations expressed by the Corporation and depend on a number of factors. The factors include, but are not limited to:

- integration of acquisitions;
- risks related to joint venture operations;
- actual results of current exploration activities;
- actual results of current rehabilitation activities;
- conclusions of economic evaluations;
- changes in project parameters as plans continue to be refined;
- possible variations in ore grade or recovery rates;
- failure of plant, equipment or processes to operate as anticipated;
- accidents, labour disputes and other risks of the mining industry;
- delays in obtaining governmental approvals, financing, or delays in the completion of development or construction activities;
- risks related to governmental regulations, including environmental regulations;
- fluctuations in commodity prices;
- currency fluctuations;
- litigation risks and the inherent uncertainty of litigation costs; and
- risks pertaining to any fixed-price gold forward sales hedge program the Corporation may undertake.

The information contained in this Annual Information Form, including the information set forth under the heading “Risk Factors”, identifies additional factors that could affect the operations, results and performance of Richmond Mines Inc. We urge you to carefully consider these factors.

Readers are cautioned that the foregoing list of factors is not exhaustive and it is recommended that readers consult the more complete discussion of risks and uncertainties facing the Corporation included in this Annual Information Form. See “Risk Factors”. The forward-looking statements contained in this Annual Information Form and the documents incorporated by reference herein are expressly qualified by this cautionary statement.

CAUTIONARY NOTE TO U.S. INVESTORS CONCERNING RESOURCE ESTIMATES, CIVIL LIABILITIES AND JUDGMENTS

Mineral Resource Estimates

The Mineral Resource estimates in this Annual Information Form were prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) adopted by the Canadian Securities Administrators. The requirements of NI 43-101 differ significantly from the requirements of the United States Securities and Exchange Commission (the “SEC”). In this Annual Information Form, 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 more certain category.

Potential unenforceability of civil liabilities and judgments

The Corporation is incorporated under the laws of the Province of Quebec, Canada. All of the Corporation’s directors and officers as well as the experts named in the Form 20-F are residents of Canada. Also, all of the Corporation’s assets and substantially all the assets of these persons are located outside of the United States. As a result, it may be difficult for shareholders to initiate a lawsuit within the United States against these non-U.S. residents, or to enforce U.S. judgments against the Corporation or these persons. The Corporation’s Canadian counsel has advised the Corporation that a monetary judgment of a U.S. court predicated solely upon the civil liability provisions of U.S. federal securities laws would likely be enforceable in Canada if the U.S. court in which the judgment was obtained had a basis for jurisdiction in the matter that was recognized by a Canadian court for such purposes. The Corporation cannot provide assurance that this will be the case. It is less certain that an action could be brought in Canada in the first instance on the basis of liability predicated solely upon such laws.

Compliance with Canadian Securities Regulations

This Annual Information Form is intended to comply with the requirements of the Toronto Stock Exchange and applicable Canadian securities legislation, which differ in certain respects with the rules and regulations promulgated under the *United States Securities Exchange Act of 1934*, as amended (the “Exchange Act”), as promulgated by the SEC.

U.S. Investors are urged to consider the disclosure in our annual report on Form 20-F, File No. 001-14598, as filed with the SEC under the Exchange Act, which may be obtained from the Corporation (free of charge) or from the SEC’s website at <http://sec.gov/edgar.shtml> under the Corporation’s profile.

I. INCORPORATION

Richmont Mines Inc. (“Richmont Mines”, “Richmont” or the “Corporation”) was incorporated pursuant to Part IA of the *Companies Act* (Quebec) (the “Companies Act”), on February 12, 1981, under the corporate name of Rouyn Mining Resources Inc. (“RMR”). By certificates of amendment dated February 10, 1987 and June 20, 1991, respectively, the Corporation’s articles were amended to change its corporate name to Richmont Mines Inc., now governed by the *Business Corporations Act* (Quebec). The head office, principal place of business of the Corporation and registered office, is located at 161, avenue Principale, Rouyn-Noranda, Quebec, J9X 4P6. Richmont Mines Inc. is opening an office in Toronto on April 15, 2015, located at 181 Bay Street, Suite 810, Bay Wellington Tower, Brookfield Place, Toronto, Ontario, M5J 2T3. The Corporation’s Investor Relations department remains in Montreal, and is located at 1501 McGill College Avenue, Suite 2900, Montreal, Quebec H3A 3M8. The common shares of Richmont Mines are listed and posted for trading on the Toronto Stock Exchange and the NYSE MKT under the symbol “RIC”.

Richmont Mines holds all of the shares of Camflo Mill Inc., a corporation incorporated under the *Canada Business Corporations Act*, all of the shares of Patricia Mining Corporation (“Patricia Mining”), a corporation continued under the *Ontario Business Corporation Act* and all of the shares of Louvem Mines Inc. (“Louvem”), a corporation incorporated under the *Companies Act* (Quebec) now governed by the *Business Corporations Act* (Quebec).

II. GENERAL DEVELOPMENT OF THE BUSINESS

A. General

Richmont Mines is principally engaged in activities related to the acquisition, exploration, development and operation of mineral properties. The Corporation began its exploration activities in northwestern Quebec in the spring of 1984. During the following years, it acquired a portfolio of properties with gold-bearing potential with a view to development and commercial operation.

B. Three-Year History

Richmont Mines currently produces gold from the Island Gold Mine in Ontario, and the Beaufor and Monique Mines in Quebec. The Corporation is also advancing development of the extension at depth of the Island Gold Mine in Ontario.

On February 1, 2012, Richmont Mines completed a CAN\$10 million private placement with Mr. Bob Buchan and two members of his immediate family in the form of convertible debentures. The debentures had a 5 year maturity, a 7.6% annual interest rate, and were convertible into Richmont common shares at a conversion price of CAN\$12.17 per share at the option of the holders at any time following the date of issuance. Mr. Buchan was appointed as Vice-Chairman of Richmont’s Board of Directors on January 11, 2012. On September 24, 2012, Richmont Mines announced the immediate retirement of the CAN\$10 million debentures held by Mr. Bob Buchan and two members of his immediate family. Mr. Buchan subsequently left Richmont’s Board of Directors.

On February 27, 2012, the Corporation announced the resignation of Mr. Martin Rivard, its President and Chief Executive Officer. Mr. Martin Rivard officially left Richmont Mines on May 31, 2012. On May 10, 2012, the Corporation announced the appointment of Mr. Paul Carmel as its new President and Chief Executive Officer, effective May 22, 2012. At that time it was also announced that Mr. Christian Pichette had been appointed to the position of Executive Vice-President and Chief Operating Officer. Mr. Pichette worked for Richmont since September 12, 2005, and previously held the position of Vice-President, Operations.

On April 12, 2012, the Corporation announced the appointment of Mr. Ebe Scherkus as a member of the Board of Directors, Refer to the April 12, 2012 press release entitled “*Gold industry veteran Ebe Scherkus to join the Richmond Mines Board of Directors*” for full details.

On September 26, 2012, the Corporation announced the completion of a CAN\$26 million private placement with four institutional funds. The Corporation issued 5.97 million shares at CAN\$4.35 per share, refer to the September 26, 2012 press release entitled “*Richmont Mines Inc. closes CAN\$26 million private placement*” for full details.

On November 26, 2012, the Corporation announced the appointment of Mr. Pierre Rougeau to the position of Executive Vice-President and Chief Financial Officer, effective December 3, 2012, refer to the November 26, 2012 press release entitled “*Richmont Mines announces the appointment of Mr. Pierre Rougeau as Chief Financial Officer*” for full details.

On January 9, 2013, the Corporation announced that it had received the required mining permits for its 100%-owned Monique Gold Project. The Corporation subsequently began overburden removal with a view to extracting a 5,000 tonnes bulk sample in 2013.

On February 25, 2013, Richmont announced estimated preliminary Inferred resources of 1.5 million tonnes grading 10.73 g/t Au for 508,000 ounces for the Island Gold Deep C Zone, located below the existing infrastructure and reserve and resource base of its Island Gold Mine. Believed to be an extension of the existing mine at depth, the C Zone is sub-vertical and occurs at approximately 450 metres to 1,000 metres below surface. The resource was drilled on a 50 metre x 50 metre pattern and consisted of 55 drill hole intercepts, of which an estimated 60% contained visible gold. In conjunction with the resource estimate, the Corporation announced that it would invest \$35 million on the Island Gold Deep project in 2013 to extend the existing ramp from its current depth of 450 metres below surface, and to commence work on the first segment of a vertical shaft to be raise-bored from a depth of 450 metres to surface. An additional \$10 million was to be invested in the existing upper operations of the mine during the year.

On February 25, 2013, the Corporation announced the appointment of Mr. Daniel Adam as Vice-President, Exploration. Mr. Adam has worked for Richmont Mines since March 10, 2008 and has held various positions over the years.

On April 12, 2013, Richmont announced that the Island Gold Deep 43-101 technical report was filed on SEDAR, and the Corporation noted that new drill results continued to show Island Gold Mine deep potential, refer to the April 12, 2013 press release entitled “*Island Gold Deep 43-101 Report filed on SEDAR; New drill results continue to show Island Gold Mine deep potential*”

On May 9, 2013, the scheduled four month de-commissioning process of the Francoeur Mine was completed following the November 29, 2012 mine closure and approximately \$1.6 million of equipment from the operations was redeployed to the other mine sites during the year 2013. Some of the surface buildings on the property continued to be used for part of the Corporation’s exploration department, and for the maintenance and refurbishment of heavy equipment used at the Island Gold and Beaufor mine operations.

On June 17, 2013, Richmond Mines obtained a letter of offer for a senior credit facility for up to US\$50 million from Macquarie Bank Limited (“MBL”) to advance the Island Gold Deep project. The US\$50 million facility consisted of three tranches, all of which were subject to certain conditions being met prior to drawdown. The Corporation issued call warrants for the purchase of 1,250,000 Richmond shares to MBL at closing of the facility agreement. The warrants had an exercise price of CAN\$2.45 per share, and expire 3 years from the original date of their issue to MBL. A total of 812,500 warrants vested immediately upon closing of the facility agreement. The remaining 437,500 warrants were to have vested when the conditions to drawdown Tranche B are fully met by the Corporation, refer to the June 17, 2013 press release entitled “*Richmont Mines obtains letter of offer for senior credit facility for up to US\$50 million from Macquarie Bank Limited to advance Island Gold Deep Project*” for full details.

On June 19, 2013, Richmond Mines announced a successful completion of the bulk sampling phase for its W Zone Gold Project. As a result, the Corporation made the decision to proceed to the commercial production phase of the project.

On July 31, 2013, Richmond Mines announced a successful completion of the bulk sampling phase for its Monique Gold Project. As a result, the Corporation established estimated mineral reserves for the project, and made the decision to proceed to commercial production.

On August 2, 2013, Richmond Mines announced that Mr. Sam Minzberg had resigned from the Corporation’s Board of Directors.

On August 23, 2013, Richmond Mines closed the previously announced senior credit facility for up to CAN\$50 million with Macquarie Bank Limited to advance Island Gold Deep project.

On October 4, 2013, Richmond Mines announced that the Monique Gold project had successfully completed the three month pre-production phase and commercial production was declared on October 1, 2013. The Corporation noted that Monique was expected to produce 4,500 ounces of commercial gold production during the fourth quarter of 2013, and had an estimated life of mine commercial gold production of 30,000 ounces, over 19 months, at an average cash cost per ounce of CAN\$904. A NI 43-101 technical report for Monique’s mineral reserve estimate, published July 31, 2013, was filed on SEDAR (www.sedar.com) on September 13, 2013.

On October 7, 2013, Richmond Mines announced an updated Inferred mineral resource estimate of 2.3 million tonnes grading 10.53 g/t for 771,000 ounces of gold for the Island Gold Deep project and provided information regarding ownership of certain claims at the project. It came to management’s attention that a portion of the Island Gold Deep project’s estimated Inferred resource base lied within four patented claims for which Richmond owns 69% with the remaining 31% being held by a third party, refer to the October 7, 2013 press release entitled “*Richmont Mines announces updated Inferred mineral resource estimate of 771,000 ounces of gold for Island Gold Deep project; Provides information regarding ownership of certain claims at project*” for full details.

On October 16, 2013, Richmond Mines entered into a land and mining rights agreement with Argonaut Gold, owner of the Magino Gold Project that is adjacent to the Corporation's Island Gold Mine. The agreement will enable Richmond to extend the western boundary of its Island Gold Deep project by a distance of approximately 585 metres thus increasing the project's exploration potential towards the west. Mining rights below a depth of 400 metres were also secured on several claims to the south of the Island Gold Deep project, thus adding to the project's exploration potential at depth. As part of the agreement, Richmond will acquire Claim SSM 722481 in its entirety, which immediately abuts Island Gold's Lochalsh Zone, where reserves and resources currently exist and where mining is currently taking place. In exchange, Argonaut will receive exploration and mining rights from surface to a maximum depth of 400 metres on certain Richmond claims that border the Magino Gold Project, providing it with greater flexibility in its project development. Under the terms of the agreement, Richmond will receive a net payment of CAN\$2.0 million in cash from Argonaut upon completion of the land transactions. This Agreement was slightly modified in June 2014. Under the revised terms, Argonaut will receive one claim in its entirety and surface and mining rights down to a depth of 400 metres on six claims. It will also receive surface rights on two claims down to a depth of 100 metres. The Corporation will receive two additional claims for a total of three and mining rights below a depth of 400 metres on three claims. As previously reported, under the terms of the Agreement, the Corporation will receive a net payment of CAN\$2.0 million in cash from Argonaut upon completion of the land transactions, which are now expected to take place in 2015.

On October 17, 2013, Richmond Mines announced that the W Zone Gold Project had successfully completed the three month pre-production phase and that commercial production was declared on October 1, 2013. W Zone was expected to produce an estimated 3,000 ounces of commercial gold production for the Corporation during the fourth quarter of 2013, and a projected 12,000 ounces of commercial gold production in 2014.

On November 7, 2013, Richmond Mines announced that Mr. Christian Pichette, Richmond's Chief Operating Officer, would retire at the end of 2013 after more than 35 years in the mining industry, the last 8 of which he spent as an integral part of Richmond's team. The Corporation also noted that after 24 years as a Director of Richmond, Mr. Réjean Houle had decided to step down from its Board of Directors to focus on his dual roles as an Ambassador for the Montreal Canadiens Hockey Club Inc., and as President of The Montreal Canadiens Alumni Association. Similarly, it was announced that Mr. Ebe Scherkus had resigned from Richmond's Board of Directors for personal reasons. In addition, it was announced that Mr. René Marion had joined Richmond's Board of Directors effective November 6, 2013. A mining engineer by training, Mr. Marion brings over 30 years of industry experience to the Corporation's Board.

On December 10, 2013, Richmond Mines announced that mining industry veteran Dr. James W. Gill would join its Board of Directors. In addition, the Corporation appointed Mr. Rosaire Émond, Eng., to the position of Vice-President and Chief Operating Officer, replacing Mr. Christian Pichette, who retired after a distinguished 35 year career in the mining industry. It was also announced that Mr. Jean Bastien, Eng., MBA, had been appointed to the position of Mine Manager of the Corporation's Island Gold Mine and Mr. Raynald Vincent, Eng. M.G.P., had been appointed to the position of Chief Geologist for the Corporation's Island Gold Mine, refer to the December 10, 2013 press release entitled "*Richmont Mines announces Board nomination and management changes*" for full details.

On December 20, 2013, Richmond Mines announced that it had decided to terminate the Senior Secured Credit Facility (the "Facility") for up to CAN\$50 million secured with MBL in August 2013. No amounts had been drawn on the Facility, and no gold hedging contracts had been put in place. The Corporation, in conjunction with MBL, began the process of releasing the securities that had been put in place as part of the Facility. As per the terms of the Facility, the Corporation did not incur any cancellation costs. Please see the December 20, 2013 press release entitled "*Richmont Mines terminates Senior Credit Facility with Macquarie Bank Limited*" for full details.

On January 28, 2014, Richmond Mines announced an increase in Indicated and Inferred gold resources at its Island Gold Deep Project. Previously reported Inferred resources containing 771,000 ounces of gold were upgraded to Indicated resources of 456,000 tonnes at an average grade of 11.52 g/t for 169,000 ounces of gold, and Inferred resources were increased to 3,200,000 tonnes at an average grade of 9.29 g/t for 955,000 ounces of gold. The increase continued to indicate that Island Gold Deep has the potential to be developed into an important high grade and long life contributor to Richmond's Island Gold Mine.

On February 11, 2014, Richmond Mines announced updated corporate mineral reserve and resource estimates as of December 31, 2013, along with forecasted 2014 production, capital expenditures and exploration budget. The Corporation also announced that, as a result of a downward adjustment to the W Zone Mine reserve base, it would incur a \$13.5 million non-cash write-down on the W Zone Mine in the fourth quarter of 2013. Please see the February 11, 2014 press release entitled "*Richmont Mines reports updated corporate Mineral Reserve and Resource estimates and W Zone Mine non-cash write-down*" for full details.

On April 1, 2014, Richmond Mines announced that an updated National Instrument 43-101 technical report has been filed for the Corporation's Island Gold Mine Property, which encompasses the producing Island Gold Mine and the Island Gold Deep resource located directly below. The Island gold Mine Property contained estimated Proven and Probable Reserves of 143,506 gold ounces (733,347 tonnes grading 6.09 g/t Au), Measured and Indicated resources of 233,330 ounces of gold (739,700 tonnes grading 9.81 g/t Au) and Inferred resources of 1,037,327 ounces of gold (3.6 million tonnes grading 9.07 g/t Au) as of December 31, 2013. Please see the April 1, 2014 press release entitled "*Richmont Mines files updated technical report for Island Gold Mine property*" for full details.

On April 3, 2014, Richmond Mines announces that it has entered into an agreement with Macquarie Capital Markets Canada Ltd. ("Macquarie") as lead underwriter, on behalf of a syndicate of underwriters, for the issuance of 7.0 million common shares of the Corporation, on a bought-deal basis, at a price of CAN\$1.45 per share (the "Offering Price") for gross proceeds of CAN\$10.15 million (the "Offering"). The syndicate of underwriters also includes BMO Capital Markets, CIBC World Markets and Desjardins Securities. Please see the April 3, 2014 press release entitled "*Richmont Mines announces CAN\$10.15 Million bought deal financing of common shares*" for full details.

On April 23, 2014, Richmond Mines announced that it has closed the bought deal financing previously announced on April 3, 2014. The Corporation issued a total of 8.05 million common shares at a price of CAN\$1.45 per share, including the entire over-allotment option of 1.05 million common shares, on a bought-deal basis, for aggregate gross proceeds of CAN\$11.67 million, through a syndicate of underwriters lead by Macquarie Capital Markets Canada Ltd. and including BMO Nesbitt Burns Inc., CIBC World Markets Inc. and Desjardins Securities Inc (the "Offering"). The proceeds from the Offering will be used for working capital and general corporate purposes.

On April 24, 2014, Richmond Mines announced that access to the upper portion of the Island Gold Deep resource has been achieved with approximately 130 metres of development into the C Zone, on claims that are 100% owned by the Corporation, at a vertical depth of 560 metres (the 560 level). An approximate 92 metre length of this development is well mineralized, and corresponds well with the previously established resource. Chip sample results (face) obtained for the C mineralized zone during lateral drift development over the 92 metres averaged a cut grade of 12.73 g/t over an average width of 2.92 metres. This grade value should be seen as indicative, as the capping value used (75 g/t) needs to be confirmed by further studies. Results from definition drilling completed within the deep resource offer additional confirmation of prior exploration data for Island Gold Deep. Approximately 5,000 metres of definition drilling has been done in the upper part of the C zone resource at 25 metre spacing, and results will enable a better definition of the resource limits for both the C and B zones. Ramp development is ahead of schedule and currently at the 610 metre level, and is on pace to reach a depth of 635 metres before year-end. Please see the April 24, 2014 press release entitled *“Richmont exposes Island Gold deep C Zone mineralization over 92 metres, confirms grade and continuity of resource”* for full details.

On July 2, 2014, Richmond Mines announced that Mr. Paul Carmel, Richmond’s President and Chief Executive Officer, has been relieved of his duties with the Corporation effective immediately. Ms. Elaine Ellingham has been appointed interim President and CEO. Please see the July 2, 2014 press release entitled *“Richmont Mines announces departure of CEO and appointment of Interim CEO”* for full details.

On August 5, 2014, Richmond Mines announced that it has signed a definitive agreement to acquire the outstanding 31% ownership of four patented claims on the Island Gold Mine property, thereby increasing its ownership of these claims to 100% from 69% previously. The 31% ownership held by the third party will be acquired by Richmond in return for a 3% Net Smelter Return (“NSR”) royalty that is payable on 100% of the mineral production from the four claims. The transaction is expected to close in the next few days. Please see the August 5, 2014 press release entitled *“Richmont Mines consolidates 100% ownership of Island Gold Mine”* for full details.

On August 6, 2014, Richmond Mines announced that it has closed the previously detailed transaction consolidating its ownership of the Island Gold Mine property.

On September 15, 2014, Richmond Mines Inc. announced that it is commencing an additional exploration drilling program from surface to test part of the down plunge projection of the Island Gold deposit. This is in addition to the remaining budgeted 2014 exploration and definition drill programs currently underway from underground. The new program will consist of four diamond drill holes for approximately 4,800 metres at an estimated cost of \$0.5 million. Please see the September 15, 2014 press release entitled *“Richmont Mines announces commencement of additional deep exploration drilling at Island Gold”* for full details.

On September 25, 2014, Richmond Mines Inc. announced that the Board of Directors has promoted Nicole Veilleux to Vice-President, Finance, a role which she previously held for the Corporation. The Corporation concurrently announces that Pierre Rougeau, Chief Financial Officer, has resigned from the Corporation to pursue other opportunities. Please see the September 25, 2014 press release entitled *“Richmont Mines announces appointment of Nicole Veilleux to Vice-President, Finance following resignation of CFO”* for full details.

On September 30, 2014, Richmond Mines Inc. announced an accelerated and expanded development plan for the estimated 1.1 million ounce inferred resource extension below the Corporation's Island Gold Mine in Ontario, as well as chip sampling results from lateral development on the 535 and 585 metre levels of the mine. Richmond also reports that a temporary crusher and conveyor have been installed at its Island Gold mill to do primary crushing while required repairs are being completed on the jaw crusher. Please see the September 30, 2014 press release entitled "*Richmont Mines accelerates Island Gold Mine development plans and provides update*" for full details.

On October 17, 2014, Richmond Mines Inc. announced the appointment of Mr. Renaud Adams to the position of President and Chief Executive Officer effective November 15, 2014. Please see the October 17, 2014 press release entitled "*Richmont Mines announces appointment of Mr. Renaud Adams to the position of President and Chief Executive Officer*" for full details.

On October 17, 2014, Richmond Mines Inc. announces the resignation of Dr. James Gill from the Corporation's Board of Directors, effective October 17, 2014.

On November 17, 2014, Richmond Mines Inc. announces that Mr. Renaud Adams has officially begun as President and Chief Executive Officer of Richmond Mines. Please see the November 17, 2014 press release entitled "*Mr. Renaud Adams officially commences as President and Chief Executive Officer at Richmont Mines*" for full details.

On January 8, 2015, Richmond Mines Inc. provided results from its deep exploration drilling that was announced in September 2014 to test part of the down plunge projection of the Island Gold deposit to the east. Highlights include intersections of 19.87 g/t Au over 3.93 metres at a vertical depth of 1,203 metres and 7.44 g/t Au over 8.49 metres at a vertical depth of 858 metres. Richmond is also pleased to announce a \$7.6 million exploration program for Island Gold Mine in 2015. Please see the January 8, 2015 press release entitled "*Deep exploration drilling extends mineralisation to a depth of 1,200 metres at Richmont's Island Gold Mine; \$7.6 million exploration program announced for 2015*" for full details.

On January 15, 2015, Richmond Mines Inc. reported 2014 gold production of 95,208 ounces, a 45% increase over the 2013 level. Full details regarding 2014 production and guidance for 2015 are provided, as well as transformational development plans for the Corporation's 1.1 million gold ounce global higher-grade resource at the Island Gold Mine in Ontario. Please see the January 15, 2015 press release entitled "*Richmont Mines provides guidance for 2015 and transformational development plans for Island Gold Mine*" for full details.

On January 20, 2015, Richmond Mines Inc. announced that it has entered into an agreement with Macquarie Capital Markets Canada Ltd. ("Macquarie") as lead underwriter, on behalf of a syndicate of underwriters, for the issuance of 7.5 million common shares of the Corporation, on a bought-deal basis, at a price of CAN\$4.00 per share (the "Offering Price") for gross proceeds of CAN\$30 million (the "Offering"). The syndicate of underwriters also includes CIBC World Markets Inc., National Bank Financial Inc., BMO Capital Markets, TD Securities Inc., and PI Financial Corp. Please see the January 20, 2015 press release entitled "*Richmont Mines announces CAN\$30 million bought deal financing of common shares for transformational development of the Island Gold Mine resource*" for full details.

On January 21, 2015, Richmond Mines Inc. announced that it has agreed to increase the size of its previously announced bought deal offering to CAN\$34 million. Please see the January 21, 2015 press release entitled "*Richmont Mines announces increase of bought deal financing to CAN\$34 million*" for full details.

On February 11, 2015, Richmond Mines Inc. announced that it has closed the bought deal financing previously announced on January 20, 2015, and increased on January 21, 2015. Please see the February 11, 2015 press release entitled “*Richmont Mines closes previously announced bought deal financing of common shares; 2014 results to be released February 19*” for full details.

On February 23, 2015, Richmond Mines Inc. announced the appointment of Mr. Steve Burleton to the position of Vice-President, Business Development. Please see the February 23, 2015 press release entitled “*Richmont Mines announces the appointment of Mr. Steve Burleton to the position of Vice-President, Business Development*” for full details.

On February 27, 2015, Richmond Mines Inc. announced that Mr. Rosaire Emond, Chief Operating Officer, has decided to leave Richmond to pursue other career opportunities. Mr. Emond’s last day will be March 6, 2015. Mr. Renaud Adams, President and CEO, will oversee the operations and the transformational development currently underway at Richmond’s cornerstone Island Gold Mine. Consequently, the Corporation does not plan to replace Mr. Emond in the near-term.

C. 2015 Trends

The cost-effective development of its mining assets, both current and future, has always been at the heart of Richmond Mines’ success over the years, and remains a top priority for the Corporation. Richmond is committed to generating positive cash flows, and delivering organic growth, and with over 30 years of experience in gold production, exploration and development, along with prudent financial management, is well-positioned to cost-effectively build its Canadian reserve base and to successfully enter its next phase of growth.

Richmont Mines currently operates three gold mines (the Beaufor and Monique mines in Quebec and the Island Gold Mine in Ontario), and is actively developing its Island Gold project, which lies directly below the operating Island Gold Mine. Specifically, 2015 development plans at Island Gold include extending the main access ramp to a minimum depth of -750 metres and the secondary eastern ramp to a minimum depth of -570 metres, and completing the in progress 600 metre long exploration/definition drift to the east on the -620 metre level of the mine. Additional plans include 61,000 metres of exploration drilling to test the potential to extend the Resource to the east, as well as in some areas slightly to the west and closer to surface, 59,000 metres of definition and delineation drilling to upgrade the Inferred Resources between 500 and 1,000 metres of depth in preparation for mining in 2016, and mining and milling studies to evaluate mining and milling requirements under various possible growth scenarios. Two priorities are driving the Island Gold accelerated 2015 plans, namely to expedite access to the deeper high quality resource base, and to increase the reserve and resource base of the asset. In doing so, the Corporation’s goal is to extend the assets’ mine life, while also accelerating the potential to expand production and increase the amount of free cash flow generated by the mine.

The Corporation will invest more modestly in its Quebec operations during 2015. Specifically, approximately 11,800 metres of definition drilling and an additional 18,200 metres of exploration drilling planned for the Beaufor Mine property during the year, and some development work required to access the lower Q Zone at the mine will also be advanced. Mining by the contractor was completed at the open-pit Monique Mine at the end of January 2015, and the higher grade material will be given milling priority during the first quarter of the year, after which the lower grade stockpile will be transported and milled. Along with the ore that was generated in the first month of 2015, the on-site stockpile as at the end of December 2014 will continue to be batch processed at the Corporation’s Camflo Mill through to the third quarter of 2015. The Corporation expects to generate gold sales of 78,000 to 88,000 ounces from its operations in 2015.

D. Risk Factors

The following risk factors should be carefully considered when evaluating an investment in the Corporation's common shares:

Risks Associated with the Mining Industry

The exploration of mineral properties is highly speculative, involves substantial expenditures and is frequently unsuccessful.

The Corporation's profitability is significantly affected by the costs and results of its exploration and development programs. As mines have limited lives based on Proven and Probable mineral reserves, the Corporation actively seeks to replace and expand its mineral reserves, primarily through exploration and development as well as through strategic acquisitions. Exploration for minerals is highly speculative in nature, involves many risks and is frequently unsuccessful. Among the many uncertainties inherent in any gold exploration and development program are the location of economic ore bodies, the development of appropriate metallurgical processes, the receipt of necessary governmental permits and the construction of mining and processing facilities. Substantial expenditures are required to pursue such exploration and development activities. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change. Accordingly, the Corporation's current or future exploration and development programs may not result in any new economically viable mining operations or yield new mineral reserves to replace and expand current mineral reserves.

The Corporation's financial performance and results may fluctuate widely due to volatile and unpredictable commodity prices and changes in the exchange rate between the U.S. and Canadian Dollars.

The Corporation's earnings are directly related to commodity prices as revenues are derived principally from the sale of gold. Gold prices fluctuate widely and are affected by numerous factors beyond the Corporation's control, including central bank purchases and sales, producer hedging and de-hedging activities, expectations of inflation, the relative exchange rate of the U.S. dollar with other major currencies, global and regional demand, political and economic conditions, production costs in major gold-producing regions and worldwide production levels. The aggregate effect of these factors is impossible to predict with accuracy. In addition, the price of gold has on occasion been subject to very rapid short-term changes because of speculative activities. Fluctuations in gold prices may materially adversely affect the Corporation's financial performance or results of operations. If the market price of gold falls below the Corporation's total cash costs per ounce of production at one or more of its projects at that time and remains so for any sustained period, the Corporation may experience losses and/or may curtail or suspend some or all of its exploration, development and mining activities at such projects or at other projects. Also, the Corporation's evaluation of the proven and probable reserves at its current mines was based on a market price of gold of CAN\$1,300 per ounce. If the market price of gold falls below this level, the mines may be rendered uneconomic and production may be suspended. The Corporation's policy and practice is not to sell forward its future gold production; however, under the Corporation's price risk management policy, approved by the Corporation's board of directors (the "Board"), the Corporation may review this practice on a project by project basis. The Corporation may occasionally use derivative instruments to mitigate the effects of fluctuating by-product metal prices; however, these measures may not be successful.

The volatility of gold prices is illustrated in the following table which sets out, for the periods indicated, the high, low and average afternoon fixing prices for gold on the London Bullion Market (the "London P.M. Fix").

<i>(US\$ per ounce)</i>	2014	2013	2012	2011	2010	2009
High price	1,385	1,694	1,792	1,895	1,421	1,212
Low price	1,142	1,192	1,540	1,319	1,058	810
Average price	1,266	1,411	1,669	1,572	1,225	972

On March 24 2015, the London P.M. Fix was US\$1,191.50 per ounce of gold.

The Corporation's operating results and cash flows are significantly affected by changes in the U.S. dollar/Canadian dollar exchange rate. All of the Corporation's precious metals revenues are earned in U.S. dollars but the majority of its operating costs at its mines are in Canadian dollars. The U.S. dollar/Canadian dollar exchange rate has fluctuated significantly over the last several years. From January 1, 2009 to January 1, 2015, the Noon Buying Rate fluctuated from a high of CAN\$1.3000 per US\$1.00 to a low of CAN\$0.9449 per US\$1.00. Historical fluctuations in the U.S. dollar/Canadian dollar exchange rate are not necessarily indicative of future exchange rate fluctuations.

The Corporation has no gold hedging contracts and no U.S. dollar exchange contracts. However, the Corporation may engage in hedging activities in the future. Hedging activities are intended to protect a corporation from the fluctuations of the price of gold and to minimize the effect of declines in gold prices on results of operations for a period of time. Hedging activities may protect a corporation against low gold prices, however, they may also limit the price that can be realized on gold that is subject to forward sales and call options where the market price of gold exceeds the gold price in a forward sale or call option contract. The Corporation continually evaluates the potential short and long-term benefits of engaging in such derivative strategies based upon current market conditions. However, the use of by-product metal derivative strategies may not benefit the Corporation in the future. There is a possibility that the Corporation could lock in forward deliveries at prices lower than the market price at the time of delivery. In addition, the Corporation could fail to produce enough precious metals to offset its forward delivery obligations, causing the Corporation to purchase the metal in the spot market at higher prices to fulfill its delivery obligations or, for cash settled contracts, make cash payments to counterparties in excess of precious metals revenue. If the Corporation is locked into a lower than market price forward contract or has to buy additional quantities at higher prices, its net income could be adversely affected.

Also, the Corporation may in the future, if it considers it advisable, enter into hedging arrangements with a view to reducing some risks associated with foreign exchange exposure and/or fuel prices. However, such hedging strategies may not prove to be successful and foreign exchange fluctuations may materially adversely affect the Corporation's financial performance and results of operations.

If the Corporation experiences mining accidents or other adverse conditions, the Corporation's mining operations may yield less gold than indicated by its estimated gold production and to the extent not adequately covered by insurance may result in possible adverse financial consequences to the Corporation.

The Corporation's gold production may fall below estimated levels as a result of mining accidents such as cave-ins, rock falls, rock bursts, slope and pit wall failures, dams, fires or flooding or as a result of other operational problems such as a failure of mining, production and milling equipment. In addition, production may be reduced or curtailed if, during the course of mining, unfavourable, unusual or unexpected geological or geotechnical formations or seismic activity are encountered, ore grades are lower than expected, the physical or metallurgical characteristics of the ore are less amenable than expected to mining or treatment, data on which engineering assumptions are made prove faulty or dilution increases. The Corporation may also encounter shortages or interruptions of economical electricity and adequate water supplies at its mines and production facilities which may adversely affect operations. Finally, inclement weather conditions, floods and the occurrence of other adverse natural phenomena at its mine and production sites may curtail, interrupt or delay mining and production operations and the ability of the Corporation to transport and market its production. Occurrences of this nature and other accidents, adverse conditions or operational problems in future years may result in the Corporation's failure to achieve current or future production estimates and may make profitable mineral deposits unprofitable for continued production. In addition, the occurrence of industrial accidents may result in personal injury or death and damage to property which may result in possible legal liability to the Corporation and if not adequately covered by insurance possible adverse financial consequences to the Corporation. The occurrence of any of these factors could materially and adversely affect a project and as a result materially and adversely affect the Corporation's business, financial condition, results of operations and cash flows.

The exploration and development of new mineral deposits is subject to numerous risks and uncertainties which may adversely affect the Corporation's ability to expand or replace its existing production.

The exploration process generally begins with the identification and appraisal of mineral prospects. Exploration and development projects have no operating history upon which to base estimates of future operating costs and capital requirements. Mining projects frequently require a number of years and significant expenditures during the mine development phase before production is possible. Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits, acquiring title to prospects and the receipt of adequate financing. The economic feasibility of development projects is based on many factors such as:

- estimation of reserves;
- anticipated metallurgical recoveries;
- environmental considerations and permitting;
- estimates of future gold prices; and
- anticipated capital and operating costs of such projects.

Exploration and development of mineral deposits thus involve significant financial risks which a combination of careful evaluation, experience and knowledge may not eliminate. The discovery of an ore body may result in substantial rewards, however, few properties which are explored are ultimately developed into producing mines. A mine must generate sufficient revenues to offset operating and development costs such as the costs required to establish reserves by drilling, to develop metallurgical processes, to construct facilities and to extract and process metals from the ore. Once in production, it is impossible to determine whether current exploration and development programs at any given mine will result in the establishment of new reserves.

Newly opened mines, mine construction projects and expansion projects are subject to risks associated with new mine development, which may result in delays in the start-up of mining operations, delays in existing operations and unanticipated costs.

The Corporation's ability to replace its existing mineral reserves as they are produced and depleted will be dependent upon locating new or expanding production from existing economic mineral reserves and developing new mines or extending and expanding existing mining operations. The Corporation's ability to achieve full production rates at its new and expanded mines on schedule is subject to a number of risks and uncertainties. New mines may require the construction of significant new underground mining operations and may present problems in acquiring and achieving access to mine locations. The construction of underground mining facilities is subject to a number of risks, including unforeseen geological formations, implementation of new mining processes, delays in obtaining required title to mining deposits and access to locations, construction, environmental or operating permits and engineering and mine design adjustments and construction delays. These occurrences may result in delays in the planned start up dates and in additional costs being incurred by the Corporation beyond those budgeted. Moreover, the construction activities at possible mine extensions may take place concurrently with normal mining operations, which may result in conflicts with, or possible delays to, existing mining operations.

Due to the nature of the Corporation's mining operations, the Corporation may face liability, delays and increased production costs from environmental and industrial accidents and pollution, and the Corporation's insurance coverage may prove inadequate to satisfy future claims against the Corporation.

The business of gold mining is generally subject to risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected rock formations, changes in the regulatory environment, cave-ins, rock bursts, rock falls, slope and pit wall failures and flooding and gold bullion losses. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Corporation carries insurance to protect itself against certain risks of mining and processing which may not provide adequate coverage in certain unforeseen circumstances. The Corporation may also become subject to liability for pollution, cave-ins or other hazards against which it cannot insure or against which it has elected not to insure because of high premium costs or other reasons, or the Corporation may become subject to liabilities which exceed policy limits. In these circumstances, the Corporation may be required to incur significant costs that could have a material adverse effect on its financial performance and results of operations.

The Corporation's operations are subject to numerous laws and extensive government regulations which may cause a reduction in levels of production, delay or the prevention of the development of new mining properties or otherwise cause the Corporation to incur costs that adversely affect the Corporation's results of operations.

The Corporation's mining and mineral processing operations and exploration activities are subject to the laws and regulations of federal, provincial, and local governments in the jurisdictions in which the Corporation operates. These laws and regulations are extensive and govern prospecting, exploration, development, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, environmental protection, mine safety and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, constructing, operating, closing, reclaiming and rehabilitating mines and other facilities. New laws, regulations or taxes, amendments to current laws, regulations or taxes governing operations and activities of mining corporations or more stringent implementation or interpretation thereof could have a material adverse impact on the Corporation, cause a reduction in levels of production and delay or prevent the development of new mining properties.

The Canadian mining industry is subject to federal and provincial environmental protection legislation. This legislation sets high standards on the mining industry in order to reduce or eliminate the effects of waste generated by extraction and processing operations and subsequently emitted into the air or water. Consequently, drilling, refining, extracting and milling are all subject to the restrictions imposed by such legislation. In addition, the construction and commercial operation of a mine typically entail compliance with applicable environmental legislation and review processes, as well as the obtaining of permits, particularly for the use of the land, permits for the use of water, and similar authorizations from various governmental bodies. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, constructing, operating and closing mines and other facilities.

All of the Corporation's operations are subject to reclamation, site restoration and closure requirements. Costs related to ongoing site restoration programs are expensed when incurred. The Corporation calculates its estimates of the ultimate reclamation liability based on current laws and regulations and the expected future costs to be incurred in reclaiming, restoring and closing its operating mine sites. It is possible that the Corporation's estimates of its ultimate reclamation liability could change as a result of possible changes in laws and regulations and changes in cost estimates.

Failure to comply with applicable laws and regulations may result in enforcement actions thereunder, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may become subject to civil or criminal fines or penalties for violations of applicable laws or regulations.

New or expanded environmental regulations, if adopted, or more stringent enforcement of existing laws and regulations, could affect the Corporation's projects or otherwise have a material adverse effect on its operations. As a result, expenditures on any and all projects, actual production quantities and rates and cash operating costs, among other things, may be materially and adversely affected and may differ materially from anticipated expenditures, production quantities and rates, and costs, and estimated production dates may be delayed materially, in each case. Any such event would materially and adversely affect the Corporation's business, financial condition, results of operations and cash flows.

The conduct of mining operations is dependent upon obtaining and renewing applicable governmental permits the issuance of which may be subject to meeting certain conditions which may prove difficult and costly.

Mineral exploration and mining activities may only be conducted by entities that have obtained or renewed exploration or mining permits and licenses in accordance with the relevant mining laws and regulations. No guarantee can be given that the necessary exploration and mining permits and licenses will be issued to the Corporation in a timely manner, or at all, or, if they are issued, that they will be renewed, or that the Corporation will be in a position to comply with or can afford to comply with all conditions that may be imposed.

Increased regulation of greenhouse gas emissions and climate change issues may adversely affect the Corporation's operations.

The Corporation operates in a number of jurisdictions in which regulatory requirements would require it to report and/or reduce greenhouse gas emissions. The Corporation's operations in Quebec use primarily hydroelectric power and, consequently, are not large producers of greenhouse gases.

Title to the Corporation's properties may be uncertain and subject to risks.

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral deposits may be disputed. Although the Corporation believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impaired. Third parties may have valid claims on underlying portions of the Corporation's interests, including prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Corporation may be unable to operate its properties as permitted or to enforce its rights in respect of its properties. Moreover, where the Corporation's interest in a property is less than 100%, or a third party holds a form of profit sharing interest, the Corporation's entitlement to, and obligations in respect of, the property are subject to the terms of the agreement relating to that property, or in the absence of an agreement subject to provincial or federal laws and regulations, which in certain circumstances may be the subject of differing interpretations between the parties.

The success of the Corporation is dependent on good relations with its employees and on its ability to attract and retain key personnel.

Production at the Corporation's mines and mine projects is dependent on the efforts of the Corporation's employees and contractors. Relationships between the Corporation and its employees may be affected by changes in the scheme of labour relations that may be introduced by relevant government authorities in the jurisdictions that the Corporation operates. Changes in applicable legislation or in the relationship between the Corporation and its employees or contractors may have a material adverse effect on the Corporation's business, results of operations and financial condition.

The Camflo Mill has successfully renewed its collective agreement that expired on December 31, 2012 for another three-year period ending December 31, 2015.

The Corporation is also dependent upon a number of key management personnel. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Corporation. The Corporation's ability to manage its operating, development, exploration and financing activities will depend in large part on the efforts of these individuals. The Corporation faces significant competition for qualified personnel and the Corporation may not be able to attract and retain such personnel.

The estimates of mineral reserves and forecasts of the production are subject to numerous uncertainties, and the production and recovery of the reserve estimates appearing in the Annual Report may not be realized.

The ore reserves presented in the Annual Report are in large part estimates, and production of the anticipated tonnages and grades may not be achieved or the indicated level of recovery may not be realized. There are numerous uncertainties inherent in estimating Proven and Probable reserves including many factors beyond the Corporation's control. The estimation of reserves is a complex and subjective process and the accuracy of any such estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Reserve estimates may require revision based on various factors such as actual production experience, exploration results, market price fluctuations of gold, results of drilling, metallurgical testing, production costs or recovery rates. These factors may render the Proven and Probable reserves unprofitable to develop at a particular property or for a specific mine. Any material reduction in estimates of the Corporation's reserves or its ability to extract these reserves could have a material adverse effect on its future cash flows, results of operations and financial condition.

Also, the grade of ore mined may differ from that indicated by drilling results, and this variation may have an adverse impact on production results. In addition, the reliability of estimates of future production might also be affected by factors such as weather, strikes and environmental occurrences.

The Corporation's annual production estimates are developed based on, among other things, mining experience, reserve estimates, assumptions regarding ground conditions and physical characteristics of ores (such as hardness and presence or absence of certain metallurgical characteristics) and estimated rates and costs of production. Actual production may vary from estimates for a variety of reasons, including risks and hazards of the types discussed above.

The mining industry is highly competitive, and the Corporation may not be successful in competing for new mining properties.

The mining industry is intensely competitive and the Corporation is in competition with other mining companies for the acquisition of interests in precious and other metal or mineral mining properties which are in limited supply. In the pursuit of such acquisition opportunities, the Corporation competes with other Canadian and foreign companies that may have substantially greater financial and other resources. As a result of this competition, the Corporation may be unable to maintain or acquire attractive mining properties on acceptable terms, or at all.

The Corporation may not have insurance or its insurance coverage may prove inadequate to reimburse the Corporation for liabilities encountered from operations.

The Corporation carries insurance against property damage and comprehensive general liability insurance for all operations. It is also insured against gold and silver bullion thefts and losses of goods in transit. Such insurance, however, contains exclusions and limitations on coverage. The Corporation believes that its insurance coverage is adequate and appropriate for the perceived risks of its current operations, however, such insurance may not continue to be available, or if available may not continue to be available at economically acceptable premiums or may not continue to be adequate to cover the Corporation's anticipated liabilities. In some cases, however, risk coverage is not available or is considered too expensive relative to the perceived risk.

Risks not insured against include mine cave-ins, mine flooding or other comparable hazards. Furthermore, there are risks attributable to most types of environmental pollution against which the Corporation cannot insure or against which it has elected not to insure.

The Corporation may have difficulty financing its additional capital requirements for its planned mine construction, exploration and development.

The construction of mining facilities and commencement of mining operations, the expansion of existing capacity and the exploration and development of the Corporation's properties, including continuing exploration and development projects, will require substantial capital expenditures. Based on current funding available to the Corporation and expected cash from operations, the Corporation believes it has sufficient funds available to fund its projected capital expenditures for all of its current mining operations. However, if cash from operations is lower than expected or capital costs at these current mining operations or future projects exceed current estimates, or if the Corporation incurs major unanticipated expenses related to exploration, development or maintenance of its properties, the Corporation may be required to seek additional financing to maintain its capital expenditures at planned levels. In addition, the Corporation will have additional capital requirements to the extent that it decides to expand its present operations and exploration activities; construct additional new mining and processing operations at any of its properties; or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may arise. Additional financing may not be available when needed or, if available, the terms of such financing may not be favourable to the Corporation and, if raised by offering equity securities, or securities convertible into equity securities, any additional financing may involve substantial dilution to existing shareholders. Failure to obtain any financing necessary for the Corporation's capital expenditure plans may result in a delay or indefinite postponement of exploration, development or production on any or all of the Corporation's properties, which may have a material adverse effect on the Corporation's business, financial condition and results of operations.

Weakness in the global credit and capital markets could have a material adverse impact on the Corporation's liquidity and capital resources.

The credit and capital markets experienced significant deterioration in 2008, including the failure of significant and established financial institutions in the United States and abroad, and continued to show weakness and or uncertainty into 2013. These unprecedented disruptions in the credit and capital markets have negatively impacted the availability and terms of credit and capital. If uncertainties in these markets continue, or these markets deteriorate further, it could have a material adverse effect on the Corporation's liquidity, ability to raise capital and costs of capital. Failure to raise capital when needed, or on reasonable terms, may have a material adverse effect on the Corporation's business, financial condition and results of operations.

The Corporation may be party to certain mining joint ventures in the future, under which the Corporation's joint venture partners may be in a position to prevent the Corporation from meeting its objectives.

Mining projects are often conducted through an unincorporated joint venture or an incorporated joint venture corporation. Joint ventures can often require unanimous approval of the parties to the joint venture or their representatives for certain fundamental decisions, such as an increase or reduction of registered capital, merger, division, dissolution, including indebtedness and the pledge of the joint venture assets, which means that each joint venture party has a veto right with respect to such decisions, which could in turn lead to a deadlock. The Corporation's existing or future joint venture partners may veto the Corporation's business plans, with regard to a specific joint venture, and prevent the Corporation from achieving its objectives.

On a regular basis, the Corporation evaluates potential acquisitions of mining properties and/or interests in other mining corporations which may entail certain risks.

Consistent with its growth strategy, the Corporation evaluates the potential acquisition of advanced exploration, development and production assets on a regular basis. From time to time, the Corporation may also acquire securities of or other interests in companies with whom the Corporation may complete acquisitions or other transactions. These transactions involve inherent risks, including, without limitation:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of key employees or the key employees of any business the Corporation acquires;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, corporations or securities.

Any one or more of these factors or other risks could cause the Corporation not to realize the benefits anticipated to result from the acquisition of properties or corporations, and could have a material adverse effect on the Corporation's ability to grow and, consequently, on the Corporation's financial condition and results of operations.

The Corporation continues to seek acquisition opportunities consistent with its acquisition and growth strategy, however, it may not be able to identify additional suitable acquisition candidates available for sale at reasonable prices, to consummate any acquisition, or to integrate any acquired business into its operations successfully. Acquisitions may involve a number of special risks, circumstances or legal liabilities, some or all of which could have a material adverse effect on the Corporation's business, results of operations and financial condition. In addition, to acquire properties and corporations, the Corporation could use available cash, incur debt, issue common shares or other securities, or a combination of any one or more of these. This could limit the Corporation's flexibility to raise additional capital, to operate, explore and develop its properties and to make additional acquisitions, and could further dilute and decrease the trading price of the common shares. When evaluating an acquisition opportunity, the Corporation cannot be certain that it will have correctly identified and managed the risks and costs inherent in the business that it is acquiring.

From time to time, the Corporation engages in discussions and activities with respect to possible acquisitions. At any given time, discussions and activities can be in process on a number of initiatives, each at different stages of development. Potential transactions may not be successfully completed, and, if completed, the business acquired may not be successfully integrated into the Corporation's operations. If the Corporation fails to manage its acquisition and growth strategy successfully it could have a material adverse effect on its business, results of operations and financial condition.

Risks related to owning the Corporation's common shares

The Corporation's shares fluctuate in price.

The market price of the Corporation's common shares may fluctuate due to a variety of factors relating to the Corporation's business, including the announcement of expanded exploration, development and production activities by the Corporation and its competitors, gold price volatility, exchange rate fluctuations, consolidations, dispositions, acquisitions and financings, changes or restatements in the amount of the Corporation's mineral reserves, fluctuations in the Corporation's operating results, sales of the Corporation's common shares in the marketplace, failure to meet analysts' expectations, changes in quarterly revenue or earnings estimates made by the investment community, speculation in the press or investment community about the Corporation's strategic position, results of operations, business or significant transactions and general conditions in the mining industry or the worldwide economy. In addition, wide price swings are currently common in the markets on which the Corporation's securities trade. This volatility may adversely affect the prices of the Corporation's common shares regardless of the Corporation's operating performance. The market price of the Corporation's common shares may experience significant fluctuations in the future, including fluctuations that are unrelated to the Corporation's performance.

Issuance by the Corporation of additional common shares could affect the market price of the shares and dilute existing shareholders.

Issuance of a substantial number of the Corporation's common shares by the Corporation, for example, in connection with a potential acquisition or to raise additional capital for operations, or to reduce indebtedness, or pursuant to existing agreements, or the availability of a large number of Corporation common shares that may be available for sale, could adversely affect the prevailing market prices for the Corporation's outstanding common shares. A decline in the market price of the Corporation's outstanding common shares could impair the Corporation's ability to raise additional capital through the issuance of securities should the Corporation desire to do so.

The Corporation does not currently anticipate declaring any dividends on its common shares.

The Corporation has not declared or paid any dividends on its common shares since its incorporation and it has no current plans to pay dividends on its common shares. Its present policy is to retain earnings to finance its capital expenditure program. The Board of Directors assesses its dividend policy on a yearly basis. In the future, the Board of Directors may declare dividends according to its assessment of the financial position of the Corporation, taking into account financing requirements for future growth and other factors that the Board of Directors may deem relevant in the circumstances.

III. DESCRIPTION OF THE BUSINESS

A. Quebec Division

1. Beaufor and W Zone mines, Val-d'Or, Quebec, Canada

1.1. Location and Property Description

The Beaufor Mine property and the W Zone Mine, along with other adjacent properties such as Pascalis, Perron, Colombière, Courvan and Perron Blocks 2 and 3, are located approximately 20 kilometres northeast of the town of Val-d'Or, in the Abitibi-East county, in the Province of Quebec.

1.2. Description of Mining Rights

The property, which includes the mineral reserves and resources of the Beaufor and W Zone mines, consists of a series of adjacent mining rights subdivided into four projects: Perron, Beaufor, Pascalis and Colombière. The projects are composed of three mining leases, one mining concession and 23 claims covering a total area of 591 ha. The Courvan project and Perron blocks 2 and 3 form another group of mining titles with high economic potential but currently have no mining activities. This group consists of two mining concessions and 65 claims, covering a total area of 1,255.12 ha.

Property	Number of mining titles	Area (ha)	Expiration date
Beaufor	1	106.03	Mining concession 280PTA: 01/31/2016
Colombière	13	226.00	Claims expire between 09/21/2015 and 10/15/2015
Courvan	61	1,099.12	Mining concession 295 and 280PTB: 01/31/2016 and 59 claims expire between 10/02/2015 and 04/29/2017
Pascalis	1	37.50	Mining Lease BM 750: 06/02/2016
Perron	12	221.58	2 mining leases BM 858: 03/11/2023 and BM 1018: 09/16/2033 and 10 claims expire between 09/10/2015 and 09/11/2016
Perron Blocks 2 and 3	6	156.00	Claims expire between 10/31/2016 and 12/15/2016
Total	94	1,846.12	

All of these claims are expected to be renewed before the anniversary date by applying excess credits available or by the execution of the required works. For the mining leases, taxes are paid to the government every year to keep them in good standing. For a mining concession, geological work is performed to keep it in good standing. Richmond Mines has an internal procedure and an external control to insure appropriate follow up regarding claim expiry dates. One isolated claim, Perron Block 4, was allowed to lapse as it was not viewed as prospective and no work was conducted on the block. All the other mining claims, mining concessions and mining leases were in good standing in 2014 and are expected to remain so in 2015. A detailed list and map of locations can be found in the Technical Report for the Beaufor Mine as of December 31, 2006 filed on March 29, 2007 under the Corporation's profile on the SEDAR website at www.sedar.com.

A mining lease (BM1018) was granted to Richmond on September 17, 2013 for the western area of the W Zone Mine, the 350 Zone. This 350 Zone is accessible by the W Zone ramp.

1.3. Ownership of Mining Rights

All the mining titles of the Beaufor property are held by Richmond Mines.

1.4. Mining Royalties

All the Beaufor division's properties, including the W Zone Mine, are subject to the payment of royalties and financial contractual obligations. Details can be found in the Technical Report for the Beaufor Mine as of December 31, 2006, filed on March 29, 2007 under the Corporation's profile on the SEDAR website at www.sedar.com.

Beaufor Property (Royalty payable on 50% of the production)

The Beaufor and the W Zone mines productions are subject to a quarterly royalty payment to Hecla Mining Company (formerly Aurizon Mines Ltd):

<u>Gold Price (US\$/oz)</u>	<u>Royalties per ounce on 50% of ounces produced</u>
<300	CAN\$0.00
300 – 325	CAN\$17.00
325 – 350	CAN\$18.50
350 – 375	CAN\$20.00
375 – 400	CAN\$22.50
400 – 500	CAN\$24.00
>500	CAN\$30.00

Perron Property (payable on 100% of the production)

The Perron property (including the 350 Zone in the west area of the W Zone Mine, which is located on the Perron property) is subject to a quarterly royalty payment to Hecla Mining Company (formerly Aurizon Mines Ltd):

<u>Gold Price (US\$/oz)</u>	<u>Royalties per ounce produced</u>
<300	CAN\$0.00
300 – 325	CAN\$17.00
325 – 350	CAN\$18.50
350 – 375	CAN\$20.00
375 – 400	CAN\$22.50
400 – 500	CAN\$24.00
>500	CAN\$30.00

Despite the fact that claims 5102441, 5098056 and 5098055 are part of the Perron Block 2 property, they are subject to the same royalty as the claims included in the Perron property.

Perron Block 2 (payable on 100% of the production on claims 3493171, 3493172 and 3493173)

The Perron Block 2 property is subject to a 2% NSR payable to Northwest Gold Corporation ("Northwest"). The Northwest NSR is payable when the gold price is higher than US\$300 per ounce.

Pascalis (payable on 100% of the production)

The Pascalis property is subject to a 25% NPI royalty payable to New Pascalis Mines Limited.

Colombière (payable on 100% of the production)

The Colombière property is subject to a 2% NSR payable to IAMGOLD Corporation (formerly Cambior Inc.).

1.5. Environmental Obligations and Permits

Over 75% of the development waste material is either hoisted or trucked from the underground mine to the surface and placed in a waste dump. The waste rock is not acid generating and does not require any particular environmental measures.

The rehabilitation plan for the Beaufor Mine was approved in April 2008 by the *Ministère des Ressources naturelles du Québec* (the “MRN”). A partial revision of the rehabilitation plan was submitted to MRN in November 2010, following the expansion of the tailings storage area and drilling programs on the old restored tailings. The rehabilitation plan was accepted by the MRN on December 7, 2011. The updated rehabilitation plan was submitted to MRN in February 2014, and included the W Zone. This updated rehabilitation plan has been approved by the MRN on November 6th, 2014.

The Corporation is of the opinion that all necessary permits and authorizations have been requested and obtained.

1.6. Infrastructure

Two mine shafts are located on the Beaufor property: the old Perron shaft No. 5 is currently used for hoisting and the Pascalis shaft is used as the ventilation air intake shaft. A raise between the 1,250 level and surface is used as an escape way. The ramp collar that provides access to the W Zone Mine is located 350 metres southeast of the Perron shaft. It provides access to the W Zone, in which 5 levels were developed, and to the 350 Zone to the west where presently one level is developed and the access to two other ones are in progress. There are also a series of buildings including warehouses, workshops and offices. There were a total of 117 employees and 26 independent contractors as of December 31, 2014 for the combined Beaufor and the W Zone mine operations.

1.7. Location of Mineralized Zones

The mineralized zones, including the mineral reserves and mineral resources, underground infrastructure and the waste pad are located on mining concession 280 PTA of the Beaufor property, mining lease 750 of the Pascalis property and mining leases 858 and 1018 of the Perron property.

1.8. Accessibility

The mines can be accessed from Highway 117 by going east from Val-d’Or to the Perron Road, and then north towards the village of Perron. The mines can also be accessed using the secondary road 397 from Val-d’Or to Val-Senneville, and then going south on Paré Road to the village of Perron.

1.9. Climate

The average annual precipitation is approximately 914 mm, with the highest level of precipitation occurring in September (approximately 102 mm). Snowfalls occur between October and May, with the most snowfall occurring between November and March. The monthly average for that period is about 50 mm (expressed in mm of water).

The average daily temperature in Val-d’Or is 1.2° C, slightly above freezing. The average temperature for July reaches 17.2° C, while in January the average temperature falls to -17.2° C. The lowest temperature measured was -43.9° C and the highest temperature measured was 36.1° C. Although the temperature of the area is below the freezing point an average of 209 days per year, mining operations are not affected by the climate.

1.10. Local Resources and Infrastructure

The area is well served by existing infrastructure and human resources. The population of the town of Val-d'Or is approximately 32,000 people. The town is accessible from the national road network and commercial flights are available daily at the local airport. The town also hosts an appropriate base of suppliers and manufacturers for the mining industry.

A railroad is located a few km to the south of the property and power is supplied by Hydro-Québec.

The ore from the Beaufor and W Zone mines is hauled by truck to the Camflo Mill located at an approximate distance of 49 km from the mine site. Waste rock is stored on site.

Skilled administrative personnel, technicians, geologists, mining engineers and experienced miners are available in the area.

1.11. Physiography

The regional landscape is typical of the Abitibi lowlands, with its small rolling hills and widespread swamps, and its mixed forests of broadleaves and conifers. The forest cover is relatively young, as a forest fire devastated the area in 1942. The elevation is approximately 300 metres above sea-level.

1.12. Exploration History

Intermittent exploration fieldwork has been conducted on the Beaufor property since the 1930s. Following a development period, Aurizon Mines (50%) and Louvem (50%) started commercial production at the Beaufor Mine in January 1996. In August 2000, Aurizon Mines stopped mining operations at the Beaufor Mine. In spring 2001, Aurizon Mines transferred the mining rights of the Perron, Beaufor, Pascalis, Colombière and Courvan properties to Richmond Mines for an amount of CAN\$1.8 million. In September 2001, Richmond Mines undertook construction work to secure the stability of the crown pillar and commercial production resumed at the Beaufor Mine jointly with Louvem in January 2002. In March 2010, the Beaufor Mine reached the notable historical production milestone level of 1,000,000 gold ounces over its mine life. In June 2010, Richmond Mines acquired all of the issued and outstanding shares of Louvem not owned by Richmond Mines. As a result of this transaction, Richmond Mines owns a 100% interest in the Beaufor Mine and assumed ownership of all Louvem properties.

1.13. Geological Setting

i) Regional Geology

The mining town of Val-d'Or is located in the southeastern part of the Abitibi greenstone belt formed of Archean volcanic and sedimentary rocks of the Superior Province. The mining camp of Val-d'Or is located in the Malartic area, which is comprised of a volcanic pile including ultramafic, basaltic and rhyolitic flows. The Bourlamaque granodiorite intrusion hosts significant gold concentrations, namely at the Beaufor Mine.

ii) Beaufor Mine Geology

The Beaufor, Perron, Pascalis, Colombière and Courvan properties belong to the same gold-bearing hydrothermal system with a similar geometry. The Beaufor deposit is included in the Bourlamaque granodiorite. Gold mineralization occurs in veins associated with shear zones moderately dipping south. The mineralization is associated with quartz-tourmaline veins resulting from the filling of shear and extension fractures. The gold-bearing veins show a close association with mafic dykes intrusive and undercutting the granodiorite. The dykes seem to have influenced the structural control of the gold-bearing veins.

In the W Zone Mine, a part of the gold mineralization (the W Zone *sensu stricto*) occurs in a series of en echelon quartz-tourmaline veins located in a large mafic volcanic rock enclave while the other area (the 350 Zone) is similar to the Beaufor deposit and occurs in the Bourlamaque granodiorite.

iii) Mineralization

Gold-bearing veins at the Beaufor Mine consist of quartz-tourmaline-pyrite veins, typical of Archean epigenetic lode gold deposits, that cross-cut the Bourlamaque Batholith. Mafic dykes that predate the mineralization are associated with shear-hosted gold-bearing veins. Shallowly dipping extensional gold-bearing veins are commonly observed at the Beaufor Mine. Shear zones striking N070° and dipping steeply to the southwest control the opening and gold enrichment of veins.

All the gold-bearing veins are contained in a strongly-altered granodiorite in the form of chlorite-silica forming anastomosing corridors of 5 m to 30 m in thickness. The veins at the Beaufor Mine form panels of more than 300 m in length by 350 m in height. The thickness of the veins varies from 5 cm to 5 m. The zones are limited by the Beaufor fault (N115°/65°-75°) at 380 metres from the surface and a parallel system of shears (N70°/sub vertical).

1.14. 2014 Results

i) Production

Beaufor Mine

For 2014, a total of 111,474 tonnes of ore were processed from the Beaufor Mine at an average grade of 6.84 g/t, and 24,006 ounces of gold were sold at an average price of CAN\$1,399 (US\$1,267). This compared to tonnage of 124,570 at an average grade of 5.88 g/t, and gold sales of 23,028 ounces at an average price of CAN\$1,417 (US\$1,376) in 2013.

The 2012 processed tonnage levels from the Beaufor Mine totaled 116,675 at an average grade of 5.19 g/t, which translated into gold sales of 19,055 ounces at an average price of CAN\$1,665 (US\$1,666). Cash costs of CAN\$1,393 (US\$1,394) during the period reflected lower levels of tonnage and a low grade. The annual variance from 2012 to 2013 was attributable to the 7% increase in tonnage and 13% improvement in mined grade.

Cash costs at the Beaufor Mine for the 12 months of 2014 decreased 13% to CAN\$946 (US\$856) from the prior year levels of CAN\$1,082 (CAN\$1,051), which was primarily a function of the improved grade.

Cash costs at the Beaufor Mine in 2013 decreased from CAN\$1,393 (US\$1,394) in 2012, a reflection of an improved grade and a lower cost per tonne owing to the higher tonnage levels and lower mining costs per tonne.

	2014	2013	2012
Gold Poured			
Tonnes	115,573	124,570	115,993
Head grade (g/t)	6.86	5.89	5.18
Gold recovery (%)	97.91	97.75	97.80
Recovered grade (g/t)	6.72	5.76	5.06
Ounces poured	24,959	23,076	18,878
Gold Sold			
Tonnes	111,474	124,569	116,675
Head grade (g/t)	6.84	5.88	5.19
Gold recovery (%)	97.91	97.75	97.80
Recovered grade (g/t)	6.70	5.75	5.08
Ounces sold	24,006	23,028	19,055
Cash cost per ounce (US\$)	856	1,051	1,394
Investment in property, plant and equipment (thousands of CAN\$)	1,623	980	1,192
Exploration expenses (thousands of CAN\$)	1,733	1,929	1,432
Deferred development (metres)	386	354	-
Diamond drilling (metres)			
Definition	12,801	8,050	9,725
Exploration	25,215	22,906	14,730

W Zone Mine

A total of 37,055 tonnes of ore were processed from the W Zone at an average grade of 4.25 g/t in 2014. Annual gold sales from this operation were 4,929 ounces at an average price of CAN\$1,405 (US\$1,272) per ounce. This compared to 23,262 tonnes at an average grade of 3.25 g/t, and gold sales of 2,326 ounces at an average price of CAN\$1,328 (US\$1,265) in the year-ago period. Cash costs at the operation were CAN\$992 (US\$899) in 2014, versus CAN\$1,441 (US\$1,373) in 2013, with the decrease reflecting the discontinuation of development costs when operations were closed in the second quarter of 2014.

	2014	2013	2012
Gold Poured			
Tonnes	36,789	23,185	-
Head grade (g/t)	4.25	3.26	-
Gold recovery (%)	97.45	95.65	-
Recovered grade (g/t)	4.14	3.12	-
Ounces poured	4,900	2,324	-
Gold Sold			
Tonnes	37,055	23,262	-
Head grade (g/t)	4.25	3.25	-
Gold recovery (%)	97.45	95.65	-
Recovered grade (g/t)	4.14	3.11	-
Ounces sold	4,929	2,326	-
Cash cost per ounce (US\$)	899	1,373	-
Investment in property, plant and equipment (thousands of CAN\$)	234	3,779	9,911
Exploration expenses (thousands of CAN\$)	-	-	-
Deferred development (metres)	-	1,474	238
Diamond drilling (metres)			
Definition	-	1,626	-
Exploration	-	1,602	11,805

ii) *Exploration*

Proven and Probable Reserves at the Beaufor Mine property, which now include estimated Reserves located within the W Zone and 350 Zone, decreased to 32,750 gold ounces at December 31, 2014, from 43,950 gold ounces at December 31, 2013, as 12,801 metres of definition drilling on the Beaufor Mine property in 2014 was insufficient to replace mined Reserves during the year. More than half of the Proven and Probable Reserves are contained in two zones, namely the M-M1 Zone with 48,000 tonnes at a grade of 7.32 g/t for 11,400 ounces and the 350 Zone with 28,000 tonnes at a grade of 7.34 g/t for 6,650 ounces.

Year-end 2013 Proven and Probable reserves were lower to the December 31, 2012 level of 69,800 ounces, as results from definition drilling was not successful in replacing all the mine's 2013 gold production.

Measured and Indicated Resources at the Beaufor Mine property, including those of the W Zone and 350 Zone, were essentially unchanged at 189,850 ounces of gold at the end of December 2014 versus 188,500 ounces of gold at the end of 2013, and 183,650 ounces of gold ounces of gold at the end of 2012. Inferred Resources decreased to 155,600 ounces of gold versus 189,200 ounces at December 31, 2013 mainly as a result of a change in the estimation parameters for the Q Zone, which contains Inferred Resource with 240,000 tonnes at a grade of 6.96 g/t for 53,700 ounces. As at December 2012, the mine had inferred Resources of 188,700 ounces of gold.

Existing resources are mostly below the existing infrastructure of the mine, and Richmond continues to evaluate the future potential of this area. The Corporation is currently evaluating the economic feasibility of the inferred resources in the Beaufor Mine's Q Zone and is planning approximately 11,800 metres of definition drilling and an additional 18,200 metres of exploration drilling, in part to finalize the economic analysis of the zone and extend the life of the asset. The upper part of the Q Zone is located approximately 50 vertical metres below current mining operation. The development of a 450 m long ramp would be required to reach the top part of the zone. A decision of whether or not to proceed with the development necessary to access the zone will be made by the second quarter of 2015.

iii) Drilling

For both, the Beaufor and the W Zone mines, most of the drill holes are planned on vertical cross-sections in order to undercut the shear veins at right angles. Drilling programs are sub-divided into two main categories:

- Exploration drilling using a 40 to 80 metre by 40 to 80 metre grid;
- Definition drilling based on a 10 to 20 metre by 10 to 20 metre grid.

Drilling operations are performed by a drilling contractor, under the supervision of the geological staff at the Beaufor Mine. Underground drill holes are LTK48 (35.6 mm) and BQTK (40.7 mm) calibre. The core recovery is better than 90%, including the fault zones where the RQD ("rock quality designation") is more than 75%. Detailed descriptions of the drill core are prepared by experienced and highly qualified personnel, in accordance with established Beaufor Mine guidelines.

The Corporation is planning 11,800 metres of definition drilling and 18,200 metres of exploration drilling at the Beaufor Mine in 2015, and is targeting annual production of approximately 22,000 to 25,000 ounces of gold for the year.

No drilling is planned on the Colombière and Courvan properties.

iv) Sampling

Sampling of the rock mass is performed using drill cores and blasted rock. Results of the drill core analyses as well as the grades of ore samples taken in the car wagon are taken into account for mineral reserve estimation. The weight of each sample is around 0.5 kg per 5 tonne wagon. For development purposes, the weight of each sample is around 0.5 kg per 12-15 tonnes of blasted rock. There are currently no face-sampling "chips" taken at the Beaufor and W Zone mines.

In definition drill holes, samples are collected between 0.5 m and 1 metre intervals, and frequently include both vein material and wall rocks, since veins are often less than 1 metre thick. Core recovery is over 90%. The entire core is then analyzed at the chemical assay laboratory.

For exploration holes, the length of the sample varies from 0.5 to 1 metre. The core is sawed in two using a core saw. The recuperation of core is over 90%.

v) Assays

ALS Chemex Laboratories in Val-d'Or was selected to analyze the samples from the Beaufor and the W Zone mines. This laboratory is certified ISO 9001-2000 for the *Supply of assays and geochemical analysis services* by QMI, an ISO certification firm.

The step-by-step procedure for sample analysis is briefly described as follows:

- Upon receipt of sample bags, all sample numbers are verified and entered into the Laboratory Information Management System (LIMS), a sample tracking system used by the laboratory;
- Samples are dried and crushed to 70% passing 2 mm using a jaw crusher. A representative sub-sample weighing 250 to 300 g of the –2 mm fraction is prepared using a “Riffle Jones” splitter. The sub-sample is then pulverized to 85% passing –200 mesh using a ring pulverizer;
- Samples are then analyzed by fire assay with gravimetric finish using 30 g per sample.

vi) *Quality Control*

The laboratory’s quality control program, at different steps of the process, includes:

- Crushing, pulverizing, weighing: daily monitoring;
- Fire assay: 1 blank, 2 standards and 3 duplicates are inserted in each batch of 84 samples.

A second quality control program established at the Beaufor and W Zone mines involves the insertion of blanks and standards. Furthermore, rejects for all samples exceeding 10 g/t Au and less than 100 g/t Au are systematically re-assayed.

vii) *Security of Samples*

Samples are gathered in plastic boxes by the Beaufor and the W Zone mines geological personnel and stored in a core shack. The samples are collected by the laboratory staff and brought to the laboratory directly. Historical production and milling data indicate reliability of the laboratory results. When there is doubt as to the location of a sample, the sampling number or any other anomaly, the data is not used for resource estimation.

1.15. Mineral Reserve and Mineral Resource Estimates

In 2014, the mineral reserve and mineral resource estimates for the Beaufor Mine and the W Zone Mine were performed by Jessy Thelland, P.Geo., an employee of Richmond Mines and a qualified person pursuant to NI 43-101. The methodology and procedures for mineral resource and reserve estimates have been adopted from a study completed in 2006 by Golder Associates, an independent firm. The database, factors and parameters used in the determination of the mineral reserves and resources are based on the available information as of December 31, 2014. However, these parameters are revised on an annual basis in order to take into consideration the experience gathered from the current mining operation.

The mineral reserve and resource estimates are carried out in accordance with NI 43-101. Mineral resources and reserves are classified according to the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) classification adopted by the CIM Council on August 20, 2000. All standards generally accepted in the mineral industry as well as NI 43-101 requirements and CIM regulations for both mineral resource and reserve estimates have been fully complied with in this study.

A composite table of grades has been prepared for resource modelling on the basis of the current geological interpretation of each of the drilling sections, which are 10 metres apart. The composite values were arranged by zones of economic interest, which allowed for the construction of distinct longitudinal sections for each zone. Each drilling section was projected onto the longitudinal sections, which made it possible to estimate the mineral resources. For the drill holes, the gold value was cut at 68.5 g/t Au for the B, C, M and Q zones assays, and cut at 34.25 g/t Au for the other zones. A maximum value of 16.5 g/t Au is used for the reserve blocks. The blasted rocks were cut at 16.50 g/t Au for all the zones except for the B Zone, where they were cut at 12.00 g/t Au. A density factor of 2.75 t/m³ is applied to evaluate the tonnage.

All the geo-scientific data collected at the Beaufor Mine is grouped into two main databases. Internal procedures have been prepared in order to validate the information in the databases. All the work performed by the Beaufor Mine geology department, from data entry to layout drawings follows strict and established procedures, including crosschecks to ensure full validity. Access to all databases is restricted to selected personnel in order to ensure complete integrity.

i) Mineral Reserve Estimates

The database and the parameters used to estimate the mineral reserves are based on past mining experience and the information available as at December 31, 2014. The parameters were reviewed and modified by Golder Associates in 2006. Thus, both the dilution and the ore recovery factors by mining methods used in the reserve estimate are based on actual results obtained in 2014. All these factors and parameters are updated on an annual basis in order to account for changes in the mining operations.

The conversion of mineral resources to reserves is based on economic feasibility. An economic study is done for each resource block or group of resource blocks, if positive, the resource can be converted into reserve. As per NI 43-101, only mineral resources in the Measured and Indicated categories can be used to establish the estimate of mineral reserves.

The budgeted costs used are based on actual and historic data of the mining operation and are updated to reflect actual experience and any changes in the prevailing economic situation.

ii) Technical Parameters

The basis and the parameters used for reserve estimation are given in the following sections.

iii) Mining Methods

The two major underground extraction methods currently used at the Beaufor Mine are the room and pillar and long hole methods, while only the long-hole mining method has been used at the W Zone Mine.

Room and Pillar Mining Method

- Geometry: stope width of 6 metres in the plane of the vein with in-stope pillars of 2.5 metres x 2.5 metres;
- Maximum dip of vein: 40°;
- Ore mining recovery: 80% used in the economic evaluation;

- Internal dilution: the ore block is designed with a true thickness of 2.4 metres. The drilling intercepts are projected to the same lengths. The minimum mining width is 2.4 metres. The dilution grade is assumed to be 0 g/t Au;
- External dilution: a dilution of 5% at a grade of 0 g/t Au is added in the determination of the economic mineral reserves.

Long Hole Mining Method

- Geometry: maximum panel length of 25 metres;
- Minimum dip of vein: 45°;
- Ore mining recovery: 100% for designed stopes with all pillars between stopes clearly identified during the process of mineral reserve estimation;
- Internal dilution: minimum mining width is 2.4 metres. The drilling intersections are projected to a minimum width of 2.4 metres;
- External dilution: a dilution rate of 10% for waste at a grade of 0 g/t Au is assumed for primary stopes.

iv) Cut-off Grades

Cut-off grade averages have been calculated based on both developed and un-developed workings for the two major mining methods used at the Beaufor Mine, which are room and pillar and long hole.

The main criteria are as follows:

- No profit margin is built into the estimate;
- Deferred development costs or capital expenditures are not used;
- Only the price of gold is taken into account in the economic calculation;
- The price of gold used was US\$1,200 per ounce using an exchange rate of CAN\$1.0833:US\$1.00;
- Operating costs include fixed costs budgeted for 2015 and variable costs (production and development) based on the results from January to July 2014 for each method.

Results of the cut-off grade study by mining method for both developed and undeveloped underground workings are listed in the following table:

Mining Method	Workings	Cut-off Grade (g/t)
Room and pillar	Developed	5.82
Room and pillar	Undeveloped	6.60
Long hole	Developed	5.14
Long hole	Undeveloped	5.92

v) *Reserve Classification*

More detailed descriptions about the classification of reserves at the Beaufor and W Zone mines are detailed below.

Proven Mineral Reserves

At the Beaufor and W Zone mines, Proven reserves are based on ore blocks developed from drifts or raises up to a maximum of 8 metres from these openings. The level of accuracy of the economic evaluation in the estimation of reserves is that of a feasibility study.

Probable Mineral Reserves

The mineral reserve estimate in the Probable category is based on an economic study in order to determine the economically mineable part of an Indicated mineral resource. At the Beaufor and W Zone mines, Probable reserves extend to a maximum of 10 metres from drilling data. Dilution and mining recovery rates are included in the reserve estimation.

Reserve Table

In accordance with the mineral reserve estimation, as at December 31, 2014, the mineral reserves of the Beaufor Mine, including the W Zone area, are estimated as follows:

Category of reserves	Tonnes (metric)	Grade (g/t Au)	Au (oz)
Proven	53,000	7.13	12,100
Probable	91,500	7.02	20,650
Total (Proven + Probable)	144,500	7.06	32,750

Before mill recovery of 98.0%.

W Zone and 350 Zone mineral reserves are included with the Beaufor Mine as at December 31, 2014.

vi) *Mineral Resource Estimation*

Mineral Resource Classification

Measured mineral resources at the Beaufor and W Zone mines were confirmed by underground excavation and are extended over 8 metres from these openings following the dip of the zone. Indicated mineral resources are defined by drilling using a 10 to 20 metre by 10 to 20 metre grid, whereas Inferred mineral resources are defined by drilling using an 80 metre by 80 metre grid or more. At most, a 20 metre by 20 metre polygon is applied to each drill hole within the area used to calculate the volume of the Indicated mineral resources, and a 40 metre by 40 metre polygon is used in the estimation of inferred mineral resources.

Table of Mineral Resources

The mineral resources at the Beaufor Mine, including the W Zone, as of December 31, 2014 were estimated as follows:

Resource Category ¹	Tonnes ² (metric)	Grade ² (g/t Au)	Au (oz)
Measured	111,500	5.30	19,000
Indicated	805,500	6.60	170,850
Total (Measured + Indicated)	917,000	6.44	189,850
Inferred	743,000	6.51	155,600

¹ Mineral Resources are exclusive of Mineral Reserves. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

² Tonnage and grades of these resources do not include any dilution and have not been adjusted with a mining recovery factor.

1.16. Mining Operations and Metallurgy

The two major underground mining methods currently used at the Beaufor Mine are the room and pillar and long hole methods, while only the long-hole mining method has been used at the W Zone Mine.

Ore from the Beaufor and W Zone mines is trucked to the Corporation's 100% owned Camflo Mill, which is located approximately 49 kilometres from the mine site. The Camflo Mill, with a rated capacity of 1,200 tonnes per day, is a Merrill-Crow conventional type mill with circuits for crushing, grinding, gold cyanidation and precipitation using zinc powder.

The historic average rate of recovery of the mill is 98% when ore extracted from the Beaufor Mine is milled. No major operating problems have been experienced at this mill nor are any anticipated in the near future. Usual maintenance and repairs are carried out when deemed appropriate.

Beaufor Mine	2014		2013		2012	
Revenues (<i>thousands of CAN\$</i>)	33,624		32,669		31,772	
Ounces sold	24,006		23,028		19,055	
Data per ounce of gold sold	US\$	CAN\$	US\$	CAN\$	US\$	CAN\$
Cash cost	856	946	1,051	1,082	1,394	1,393
Depreciation and depletion	87	96	80	82	110	110
Total	943	1,042	1,131	1,164	1,504	1,503
Average price obtained per ounce	1,267	1,399	1,376	1,417	1,666	1,665

W Zone Mine	2014		2013		2012	
Revenues (<i>thousands of CAN\$</i>)	6,938		3,096		-	
Ounces sold	4,929		2,326		-	
Data per ounce of gold sold	US\$	CAN\$	US\$	CAN\$	US\$	CAN\$
Cash cost	899	992	1,373	1,441	-	-
Depreciation and depletion	273	301	1,067	1,120	-	-
Total	1,172	1,293	2,440	2,561	-	-
Average price obtained per ounce	1,272	1,405	1,265	1,328	-	-

2. Monique Mine, Val-d'Or, Quebec, Canada

2.1. Location and Property Description

The Monique Mine is located 25 km east of Val-d'Or, in the province of Quebec. The property is located approximately 10 km east of the Beaufor Mine and 50 km from the Corporation's Camflo Mill.

2.2. Description of Mining Rights

The Monique property consists of 17 claims and 1 mining lease covering a total area of 546.16 ha. More specifically, it covers the northern part of lots 38 to 45 in Range VIII and the southern part of lots 36 to 45 in Range IX of the Louvicourt township.

The mining lease (1012) was obtained on February 14, 2012, from the *Ministère des Ressources naturelles et de la Faune du Québec*, and the environmental certificates of authorization for an open pit operation were received at the beginning of 2013.

A detailed list and map of locations can be found in the Monique 43-101 technical report dated September 13, 2013, and filed under the Corporation's profile on the SEDAR website at www.sedar.com. All the mining titles were in good standing in 2013, and Richmont expects that they will remain so in the future.

Property	Number of mining titles	Area (ha)	Expiration date
Monique	17 mining claims	446.75	Claims expire between 05/23/2015 and 04/20/2017
	1 mining lease	99.41	Mining lease 1012, expire on 02/13/2032
Total	18	546.16	

2.3. Ownership of Mining Rights

The Monique property was acquired in 1983 by Louvem Mines Inc. ("Louvem") from SOQUEM Inc. ("SOQUEM"). In 1986 Louvem sold 19% of the Monique property to SOQUEM, following which Louvem was required to spend \$6 million prior to SOQUEM beginning its financial contribution to the project.

On June 30, 2010, Richmond acquired the remaining 30% of the issued and outstanding shares of Louvem Mines Inc. that it did not previously own, and became the sole shareholder of Louvem.

On December 21, 2010, the Corporation signed an option agreement with SOQUEM to acquire the remaining 19% interest of the Monique property that had been sold to SOQUEM in 1986. Under terms of the option agreement with SOQUEM, Richmond Mines paid an amount of \$350,000 upon signing the Agreement, and completed exploration work in the amount of more than \$400,000 before February 28, 2011, thereby enabling it to acquire the residual 19% interest of the Monique property.

2.4. Mining Royalties

As part of Richmond's successful acquisition of the outstanding 19% interest in the Monique property a 0.38% NSR (Net Smelter Return) royalty was granted to SOQUEM, payable at the time the property reaches commercial production.

Similarly, Richmond Mines assumed existing royalty obligations on 8 out of the property's 17 claims, payable to Exploration Concorde Ltd., and equal to 5% net profit interest. The northern part of five of these claims are now partly covered by the Mining Lease 1012, however the present open pit lies outside of the original limit of these claims.

2.5. Environmental Obligations and Permits

A closure plan was developed in conjunction with Roche Ltd, Consulting Group, and was submitted to the *Ministère des Ressources naturelles* ("MRN") on March 18, 2013. Financial guarantees amounting to \$473,831 were submitted to MRN on January 31, 2014, and an additional \$473,831 was submitted on November 6, 2014.

The Corporation is of the opinion that all the necessary permits and authorizations have been requested and obtained.

2.6. Infrastructure

The Monique property is located 25 km east of Val-d'Or, Quebec. It is located 500 m to the North of the provincial highway 117, and a gravel road allows for easy access to the property.

The gravel road was extended toward the open pit, as well as to the overburden and waste piles using waste rock from the Beaufor Mine and gravel from a local source. A fence was erected at the entry of the site. Access to electricity was extended to the surface installations and the open pit from the 25kv line that runs along Highway 117. The installation of electric transformers was required on the site (for buildings and the garage) and for the open pit (for pumping and lighting requirements).

The water treatment installations consist of 2 ponds of approximately 1,925 m², each with a volume of 2,440 m³. The ponds were built using clay material on site and waste material from the Beaufor Mine for erosion protection. A water treatment system with electronic distribution of sulfate ferric and flocculent was installed upstream of the water pond. These two products are mixed with the water originating from open pit dewatering, in order to control iron concentration and levels of suspension material.

Temporary buildings such as an office, dining room and dry room, were installed on site by the contractor and Richmond. A water well was drilled for both human consumption and industrial usage. The contractor has built a temporary garage and a storage room to house and service equipment. The contractor has also installed a fuel tank (40,000 litres) on site, which sits on a concrete pad to avoid spills. The contractor has also installed powder and detonator rooms.

A surface lease was obtained for the overburden and the waste dump on the Monique property.

2.7. Location of Mineralized Zones

The Monique mineralized zones have been defined from surface to a depth of 400 m (in the G and J zones). Their orientation varies from 270° to 300°, with a dip of 55° to 80° to the North. They vary in width from less than 1 m to almost 20 m (G Zone). Most of the known gold zones are still open at depth. Laterally, they extend over a few hundred metres.

The G and J mineralized zones, which were mined with the open pit, lie on mining lease 1012, as do the A and B mineralized zones.

2.8. Accessibility

The property can be reached from Rouyn-Noranda via Highway 117, heading toward the town of Val-d'Or and then toward Louvicourt, Quebec. The Monique mine is located 25 km east of Val-d'Or, 500 m to the North of the provincial highway 117, and is easily accessed by a gravel road.

2.9. Climate

The average temperatures are -17.2°C in January (minimum -23.5°C, maximum -10.9°C) and +17.2°C in July (minimum 11°C, maximum 23.4°C) based on measurements taken in the area over a 30 year period. There is an average snowfall of 61 cm in December and 100 mm of rain in September.

2.10. Local Resources and Infrastructure

Val-d'Or (pop. 31,000) is a well established mining community offering a vast amount of resources. Skilled administrative personnel, technicians, geologists, mining engineers and experienced miners are available in the area.

2.11. Physiography

The general topography is relatively flat with the elevation varying from 337 m in the northwestern part of the property, to 323 m near the Tiblemont river, which crosses the southern part of the property in a general east-west direction.

The area has poor drainage with a thick overburden that is over 30 m deep in some places. The northern and western parts of the property are covered by a large swamp with no trees, while the southern and eastern parts of the property are covered with resinous trees, mainly black spruce. The Abitibian forest is a living habitat able to support a wide diversity of mammals and birds.

2.12. Exploration History

The first exploration work dates back to the mid-1940s when Starlight Mines Limited completed a magnetic survey over lots 38 to 45 in Range VIII of the Louvicourt township. They drilled 6 holes (1,630 m) in the southern part of the property, and the best gold value obtained was 1.4 g/t Au over 7.6 m.

SOQUEM drilled 3 holes (549 m) in 1978 on lots 42 of Range VIII and IX to test induced polarisation anomalies. Interesting gold values were intersected at that time in hole 838-1 (10.28 g/t Au over 0.3 m and 7.20 g/t Au over 0.91 m) and in hole 838-3 (4.11 g/t Au over 1.52 m and 5.48 g/t Au over 1.25 m).

Louvem optioned the property from SOQUEM in 1983, and drilled 42 diamond drill holes (12,358 m) in 1984 to test the gold zones discovered on the property in 1983. Several gold zones were discovered, namely A, B West, B East and C.

A magnetic survey was completed on the property in 1987 by Exploration Monicor Inc., the new owner of the property. A total of 17,682 m of diamond drilling were completed, 69 new holes were drilled and 2 holes were deepened. The objective of this program was to test the lateral and depth extensions of the known gold zones. The G Zone, a new gold bearing structure, was discovered.

In 1989, two diamond drilling programs of 66 holes and 25 holes were completed by Exploration Monique Inc. A metallurgical and mineralogical study of the gold mineralization of the Monique property was completed by the “Centre de Recherches Minérales” (CRM) for Cambior. The objective of the study was to test if ore from Monique was treatable at Cambior’s mill, on their Lucien Béliveau mine site. In August 1990, 3 vertical HQ size diamond drill holes were completed to obtain material for metallurgical testing.

Over the 1992 to 2003 period, no exploration work was conducted on the Monique property. Richmond started its first exploration program in 2004.

In 2007, Geopointcom was mandated by Richmond to complete a preliminary modelling of the A, B, G and J gold bearing zones on the Monique property. At that time, a preliminary resource estimation was calculated at 1.35 million tonnes at a cut grade of 4.28 g/t Au (5.29 g/t Au uncut). This resource estimation was not NI 43-101 compliant.

In 2011, Richmond completed an 8,117 metre exploration drill program on the G and J zones on the Monique property.

Later that year, in December 2011, Richmond announced estimated Indicated open pit resources for the G and J zones totalling 728,164 tonnes at a grade of 2.35 g/t Au for 55,112 ounces of gold.

Results of these programs were presented in the first 43-101 technical report on the Monique property (Vincent, 2012). Richmond began site preparation for a bulk sampling program in late 2012, excavation of the overburden was begun in February 2013 and commercial production began on October 1, 2013.

2.13. Geological Setting

i) Regional Geology

The Monique property is located within the Val-d’Or mining district, in the Abitibi greenstone belt of the Superior province of the Canadian Shield. The area consists mostly of felsic to mafic volcanic rocks of Archean age along with related dioritic sills which are concordant to the regional rock formations. These volcanic and intrusive rocks have generally been metamorphosed to the greenschist facies.

The Superior Province is the largest exposed Archean craton in the world that hosts several world class gold deposits. It has yielded nearly 300 million ounces of gold from hundreds of deposits since the beginning of the twentieth century.

ii) Monique Mine Geology

The Monique property is characterized by a volcanic sequence belonging to the Jacola Formation of the Malartic Group. The general orientation of the units is N270°E to N292°E, with a steep dip to the north. There are only a few outcrops on the property, so geological information comes entirely from drill holes. Historically, the majority of drilling was done in the northern part of the property, and consequently it is better known than the southern part of the property, where the density of drilling is low.

Two main volcanic domains are interpreted on the property, the north domain and the south domain. The first one is composed mainly of basalts with interlayered ultramafic flows, while the second one is formed of andesitic flows and pyroclastics. Units of both domains are cut by dioritic dykes and felsic dykes.

Several deformation zones cross the property in an east-west direction, roughly parallel to the stratigraphy. They are characterized by the development of a strong foliation with quartz-carbonate veining. Variable alteration in chlorite, silica, sericite and albite is associated with these deformations zones. Several fault zones with gouge can be seen in place, however, they are not particularly associated to the mineralization events.

iii) Mineralization

Gold mineralization on the Monique property is mainly associated with three deformation zones that cross the property with an orientation of 280° and a 75° - 80° dip to the north. Gold mineralization is defined by a network of quartz/tourmaline/carbonate veins and veinlets, measuring 1 cm to 10 cm, with disseminated sulphides in the altered wall rocks. Free gold is frequently observed in the veins. A total of 12 gold zones have been observed on the property over the years, the most promising being the A, B, G and J zones.

The mineralized zones have been defined from surface to a depth of 400 m (in the G and J zones). They vary in width from less than 1 m to almost 20 m. Mineralized lenses extend laterally over few hundred metres. Gold is generally associated with 1% to 5% finely disseminated pyrite, and visible gold is common in the quartz and carbonate veins and veinlets. Albite and fuschite alteration are locally observed.

2.14. 2014 Results

In early January 2013, Richmond announced that it had received the required mining permits for the Monique property. Following the completion of a bulk sample in the second quarter of 2013, and the subsequent completion of the three month pre-production phase, the Monique open pit Mine began commercial production on October 1, 2013. Mining activities were continuous during all the 2014 year.

i) Production

A total of 279,884 tonnes of ore were processed at an average grade of 2.72 g/t from the Monique Mine during the 12 months of 2014. This compared to processed tonnage of 51,541 tonnes at an average grade of 1.90 g/t in 2013, which included only 3 months of commercial production. Annual gold sales from this mine totaled 23,490 ounces at an average price of CAN\$1,387 (US\$1,256) in 2014, versus gold sales of 2,976 ounces at an average price of CAN\$1,328 (US\$1,265) per ounce in the three months of commercial production in 2013. Annual cash costs of CAN\$910 (US\$824) reflect the distribution of costs over a full year of production in 2014, versus the higher cash costs of CAN\$1,290 (US\$1,230) during the first three months of commercial operation in 2013 as production was being ramped up.

Mining activities at the Monique open-pit were completed in the last week of January 2015. Along with the ore that was generated in the first month of 2015, the on-site stockpile of over 158,000 tonnes of ore at 1.81 g/t as at the end of December 2014 will continue to be batch processed at the Corporation's Camflo Mill through to the third quarter of 2015. Richmond is targeting annual production of approximately 11,000 to 12,000 ounces of gold from the Monique Mine in 2015.

	2014	2013	2012
Gold Poured			
Tonnes	280,420	68,301	-
Head grade (g/t)	2.69	2.18	-
Gold recovery (%)	96.03	94.35	-
Recovered grade (g/t)	2.59	2.06	-
Ounces poured	23,307	4,521	-
Gold Sold			
Tonnes	279,884	51,541	-
Head grade (g/t)	2.72	1.90	-
Gold recovery (%)	96.03	94.35	-
Recovered grade (g/t)	2.61	1.80	-
Ounces sold	23,490	2,976	-
Cash cost per ounce (US\$)	824	1,230	-
Investment in property, plant and equipment (thousands of CAN\$)	21	8,358	-
Exploration expenses (thousands of CAN\$)	2	221	744
Diamond drilling (metres)			
Definition	-	549	540
Exploration	-	1,074	3,475

ii) *Exploration*

A NI 43-101 report on the Monique property resource estimate was filed on SEDAR (www.sedar.com) on February 3, 2012. Since this report, Richmond completed 7,063 m of diamond drilling on the Monique property, with drilling taking place during 2 different periods. The first one began in December 2011 and ended in March 2012, while the second one began in February 2013 and ended in March 2013. The objectives of the drilling programs were as follow:

- Condemnation drilling: 3 holes were drilled to test the lateral extension of the gold zone intersected by hole MO-200-02 for a total of 693 m;
- Definition drilling: 9 holes were drilled in the upper part of the G zone (549 m), 2 infill holes were also drilled below the proposed open pit (471 m) and 2 holes were lost in the overburden (69 m);
- Exploration drilling: 16 holes totaling 5,281 m were drilled to test IPower 3D anomalies and to verify the lateral and depth extensions of known gold zones.

Finally, in 2013, 13 holes were drilled in the overburden (238 m) to increase the precision on the depth of the bedrock.

A 43-101 technical report was completed for the first Reserve estimation of this property on July 1st, 2013, and was filed on SEDAR on September 13, 2013.

iii) Drilling

A 20 m grid was established by JL Corriveau, a surveying firm, in the G Zone area with lines every 20 m from section 1000E to 1320E, and from station 1000N to 1200N. The definition drill holes were spotted by Richmond employees using these lines to measure the eastern and northern coordinates.

The condemnation and exploration holes that were drilled outside of this grid were spotted by Richmond personnel using a GPS and an APS system (Azimut Pointing System).

Drilling operations were performed by a drilling contractor, under the supervision of Richmond's geological staff.

iv) Sampling

Since 2004, core description has been performed by Richmond's geological staff according to the Corporation's standards under the supervision of qualified geologist members whom are in good standing with the OGQ (Ordre des Géologues du Québec/Quebec Order of Geologists) or the OIQ (Ordre des Ingénieurs du Québec/Quebec Order of Engineers). Gemlogger software was used to enter the geological information in the database:

- Log header, hole location and parameters, surveys;
- Descriptions of the main and sub-geological units with their locations;
- Mineralized zones with their mineralogy, attitude, thickness;
- Structure, alteration and RQD.

Selected mineralized intervals were cut in half with a saw blade, one half being kept as a reference in core boxes, the other half being sent for gold grade determination. Samples from the 2012 drill program were sent to Expert Laboratory in Rouyn-Noranda, Quebec, and samples from the 2013 drilling program were sent to ALS Chemex laboratory in Val-d'Or, Quebec.

v) Assays

2012 samples were sent to Expert Laboratory in Rouyn-Noranda. These samples were assayed by the Fire Assay method with Atomic Absorption finish. Samples with gold values greater than 1 g/t were re-assayed by Fire Assay with a gravimetric finish. Nearly 20% of pulps from the G and J mineralized zones were re-assayed by Technilab laboratory in Ste-Germaine-Boulé, Quebec, using the same techniques.

2013 samples were sent to ALS Chemex in Val-d'Or, Quebec, to be assayed by the Fire Assay method with Atomic Absorption finish. Samples with gold values greater than 3 g/t were re-assayed by Fire Assay with a gravimetric finish. Nearly 20% of pulps and from the G and J mineralized zones were re-assayed by the Technilab laboratory in Ste-Germaine-Boulé, Quebec, using the same techniques.

vi) *Quality control*

Since 2010, the QA/QC procedure for Richmond's drilling programs consists of the insertion of a certified standard and a blank sample in every batch of 20 samples sent to a laboratory. In addition, 348 pulp samples and 380 reject samples representing roughly 20% of the mineralized samples of the G and J zones have been sent to Techni-Lab in Ste-Germaine Boulé, Quebec, for verification.

vii) *Security of samples*

Logging was completed at the Beaufor Mine site, a secured area that has guards limiting access to authorized people only. In 2012, samples were brought directly to the Expert Laboratory in Rouyn-Noranda, Quebec by Richmond employees. In 2013, samples were picked up at the Beaufor Mine site by ALS Chemex technicians every morning.

2.15. Mineral Reserve and Mineral Resource Estimates

The mineral resources and mineral reserves estimate was carried out under the supervision of Daniel Adam, P.Geo., Ph.D., Vice-President, Exploration (*Ordre des Géologues du Québec #229*), an employee of Richmond. He is a qualified person and member of a professional association as defined by NI 43-101 requirements.

This mineral inventory was realized in accordance with the recommendations and regulations as set by the NI 43-101 committee. The classification of the mineral resources follows the general guidelines as adopted in December 2005 by the "CIM" (Canadian Institute of Mining) council.

A 43-101 technical report was completed for the first Reserve estimation of the Monique property on July 1st, 2013, and was filed on SEDAR on September 13, 2013.

Mineral Resources and Mineral Reserves have been updated as of December 31, 2014 using the topography surface of the open pit at the end of the year.

i) *Mineral Reserve Estimate*

Reserve estimation of Monique's G and J zones was done using all existing diamond drill hole ("DDH") results obtained as of April 3, 2013. All DDH information was compiled in a GEMS database and all parameters were checked. Monique resources were estimated by 3D block modeling using 3D wireframes in GEMS.

Interpretation of mineralized zones was done on section and plans, and 3D wireframes were built using Gemcom Gems software. Interpretation of mineralized zones was done using geology, quartz veining and alteration, and assay results. In some cases, low grade areas were included as they were included in the whole mineralized envelope. Being thinner, more discontinuous and with a small distance between them, the J and J South zones were modeled as one zone (collectively the J Zone).

ii) *Technical Parameters*

A capping level of 26 g/t Au was used for the high grade values. Before creation of 5 metre composites, all assays with a grade above 26 g/t Au were capped at 26 g/t Au. 5 metre composites were created inside and outside the mineralized zones and respectively coded. Composite length was adjusted to make all intervals equal. A nil grade was considered for parts of the DDH that were not sampled.

A block model was built in GEMS with the following parameters. A standard model was used with 3D wireframes for each mineralized zone.

Block size was chosen to fit with planned bench height and selectivity enabled by loading equipment type (block dimension: 5 m x 5 m x 10 m wide).

Topographic surveying was used to define the surface which was then used to code blocks in the air and in the overburden. The bedrock surface, defined with all available diamond drill holes and topographic surveys completed in the open pit, was used to code blocks in the overburden and in the rock. Mineralized zone wireframes were used to code the G and J zones blocks. Block grade inside the G and J zone envelopes was interpolated using composites created from respective DDH intercepts. Block grade outside mineralized wireframe was interpolated with composites from outside mineralized envelopes.

A rock density of 2.85 was used for the tonnage calculation in the rock (mineralized zones and waste). A density of 2.0 was used for the overburden.

From the block models created for the G and J zones, an optimized open pit design was worked on in 2012 by SGS Geostat using the Whittle software of Gems. Mining costs were defined from costs obtained from a local contractor. Transportation and milling costs were established considering that ore will be treated at Richmond's Camflo Mill located 50 km away in Malartic, Quebec. The following parameters were used in Whittle to define the optimized open pit:

- Open pit slope in the overburden: 14°
- Open pit slope in the rock: based on AMEC report but 5° to 7° lower than the calculated value to take into account the addition of a ramp in the final design
- Mining cost in overburden: \$3.70/t
- Mining cost in waste rock: \$5.19/t
- Mining cost in ore: \$5.78/t
- Ore recovery: 100%
- Dilution: 0%
- Ore transportation and milling costs: \$30/t
- Gold recovery: 95%
- Gold price: \$1,400/oz (CAN\$)

After the determination of the optimized pit shell, SGS completed the final design of the Monique open pit with the integration of an access ramp. This is this design that is used for the mineral resource and reserve estimate of the Monique project.

The Monique open pit was expected to have final dimension of approximately 315 metres by 290 metres, a depth of 100 metres, and a stripping ratio of 5.4:1.

iii) *Estimation Methods*

Grade interpolation inside the blocks was done by Ordinary Kriging. Kriging parameters were defined using the G Zone variography, which was done using 5 metre composites and SAGE 2001 software.

The grade interpolation inside the block was done by Ordinary Kriging using capped 5.0 m composites. Kriging parameters were defined using the G Zone variography. The Kriging estimate was done using a multiple pass estimation approach as summarized below:

First pass: A minimum of 2 and a maximum of 12 composites collected within a search ellipse that corresponds to the range of the first structure identified by the variography study (25 m for the major axis). A maximum of 2 composites per drill hole was used for any block estimate.

Second pass: A minimum of 2 and a maximum of 12 composites collected within a search ellipse that corresponds to about 60% of the range of the second structure identified by the variography study (80 m for the major axis). A maximum of 2 composites per drill hole were used.

iv) *Cut-off Grade*

The cut-off grade used to define the mineral reserves at the Monique Mine was established at 0.85 g/t Au, and took the cost of loading and transportation to the mill, the cost of milling, the recovery of gold within the mill and the gold price (US\$1,200/oz with an exchange rate of US\$1.00 for CAN\$1.0833) into consideration.

v) *Reserve Classification*

As a result of the actual drill hole spacing, along with the additional infill drilling completed in 2013 and the 2014 mining, the entire estimated mineral reserve inside the open pit of the Monique Mine is considered to be in the Probable category.

The reserve estimation was completed by calculating the tonnage and grade of all the blocks that were above the cut-off grade, and which were contained between the wall of the final design of the open pit and the surface topography as of December 30, 2014. The resulting mineral reserves were considered to be in the probable category. The ore material on the stockpile as of December 31, 2014, was considered as an inventory.

An ore recovery factor of 95% and a dilution factor of 10% at a grade of 0 g/t gold were applied to the mineral reserves.

At December 31, 2014, the Monique open-pit has Probable Reserves of 1,450 ounces at a grade of 3.16 g/t, and additional underground Indicated Resources of 16,850 ounces at a grade of 4.88 g/t. This compares to Proven and Probable open-pit Reserves of 30,700 gold ounces at December 31, 2013, and additional Indicated underground Resources of 16,850 gold ounces at 4.88 g/t located directly below the open-pit. The decrease reflects mining and annual gold sales of 23,490 ounces in 2014.

Category of reserves ¹	Tonnes (metric)	Grade (g/t Au)	Au (oz)
Proven	-	-	-
Probable	14,500	3.16	1,450
Total (Proven + Probable)	14,500	3.16	1,450

¹ Monique Mineral Reserves are open-pit.

vi) *Mineral Resource Estimation*

The G Zone mineralization continues below the open pit resources, however the grade of the entire envelope is too low to envisage underground mining. A high grade envelope was modelled within the low grade envelope of the G Zone mineralization and another geological block model was built. This block model uses smaller blocks (2 m x 2 m x 4 m), more adapted to underground mineral resource estimation, and was completed only for the G Zone mineralization.

Grade variography was generated and modeled in preparation for the estimation of gold grades of the high grade part of the G Zone. Variography was completed using the 2.0 m down-hole composite data.

Gold grade estimation was completed using the capped 2.0 m composite and Ordinary Kriging interpolation method. Interpolation was done using a multiple pass estimation approach.

For the high grade part of the G Zone, a ramp access originating from the bottom of the pit could be envisaged. A preliminary design was done using the geological block model results. This enabled the definition, on a long section, of areas that could be considered as mineral resources. The limits of these areas were used to clip the high grade geological block model and to calculate the tonnage and gold grade of the underground mineral resources.

With the diamond drill hole spacing of approximately 20 m or less, the underground mineral resources are considered to be in the indicated category. As of December 31, 2014, a total resource of 107,500 tonnes at a grade of 4.88 g/t for 16,850 ounces of gold is estimated.

Resource Category ¹	Tonnes (metric)	Grade (g/t Au)	Au (oz)
Indicated	107,500	4.88	16,850

¹ Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. Monique Mineral Resources are located underground directly below the open-pit.

2.16. Mining Operations and Metallurgy

Open pit mining was completed by a contractor following the 2012 pit design. As of the end of 2014 almost only one bench remained to be mined.

Ore and waste separation was done using blast hole assay results. On the first 2 benches, almost all the blast hole cuttings were sampled (average of 7 kg per sample) and sent to ALS laboratory in Val d'Or, Quebec. Areas of ore and waste are delineated using the gold assay results and a cut-off of 0.85 g/t gold. As much as possible, ore and waste blocks were blasted separately in order to reduce dilution. A capping of 8 g/t of gold has been used for blast hole results. On the other benches, blastholes were sampled only in the mineralized areas.

Ore material was trucked to a stockpile located near the open pit, and is then trucked to the Corporation's Camflo Mill for batch processing. An average gold recovery of 96% was achieved during 2014.

Open pit mining was completed at the end of January 2015. Stockpiled ore will be processed at the Camflo Mill in 2015.

Monique Mine	2014		2013		2012	
Revenues (<i>thousands of CAN\$</i>)	32,663		3,961		-	
Ounces sold	23,490		2,976		-	
Data per ounce of gold sold	US\$	CAN\$	US\$	CAN\$	US\$	CAN\$
Cash cost	824	910	1,230	1,290	-	-
Depreciation and depletion	233	257	268	281	-	-
Total	1,057	1,167	1,498	1,571	-	-
Average price obtained per ounce	1,256	1,387	1,265	1,328	-	-

B. Ontario Division

1. **Island Gold Mine, Dubreuilville, Ontario, Canada**

1.1. *Location and Property Description*

The Island Gold Mine is located approximately 83 km northeast of Wawa, Ontario, in the Sault Ste. Marie Mining Division. Dubreuilville, Ontario, is approximately 10 km northwest of the Island Gold Mine.

1.2. *Description of Mining Rights*

The Island Gold property is divided into nine parts and consists of 216 patented, leased and staked claims totaling 7,696 ha.

Property	Number of claims	Area (ha)	Expiration date	Richmont Mines Ownership (%)
Kremzar	21	383	Patented Claims: taxes are paid every year, 2 Mining Leases: 02/28/2022 to 06/30/2030	100
Lochalsh	33	348	Patented Claims: taxes are paid every year Mining Leases: 06/30/2030 to 03/31/2033 Claims: 02/06/2017 to 04/25/2018	100
Goudreau	65	988	64 Patented Claims: taxes are paid every year 1 Claim: 08/20/2018	100
Goudreau/JMW	4	58	4 Patented Claims: Taxes are paid every year	100
Island Gold	38	5,038	Claims: 07/29/2015 to 07/14/2019	100
Edwards	43	705	Patented Claims: taxes are paid every year Claims: 04/05/2017 to 08/28/2019	100
Ego	3	64	Patented Claims: taxes are paid every year Claims: 06/05/2016	100
Salo	3	40	Claims: 06/08/2017 to 12/28/2018	100
Argonaut	6	72	3 Patented Claims: taxes are paid every year Claims: 02/05/2018 to 04/18/2018	100

The claims are expected to be renewed by applying excess credits available before the anniversary date. Taxes are paid annually to the government to keep Patented Claims and Mining Leases in good standing. Richmond Mines has an internal procedure to ensure monitoring of the claim expiry dates. All of these mining claims, mining leases and patented leases were in good standing in 2014 and are expected to be for 2015. A detailed list and map of locations can be found in the Island Gold 43-101 technical report dated March 31, 2014, and filed under the Corporation's profile on the SEDAR website at www.sedar.com.

1.3. Summary of Agreements

Richmont Mines entered into an agreement with Patricia Mining on August 28, 2003. Under the agreement, Richmond Mines completed a private placement investment of CAN\$1.0 million in common shares of Patricia Mining at CAN\$0.50 per share and obtained an option to acquire a 55% interest in the Island Gold property by investing up to CAN\$10 million or by bringing the project into commercial production. This initial investment was used to partly finance a CAN\$3 million exploration program on the Island Gold property. On December 3, 2004, Richmond Mines decided to invest up to an additional CAN\$10 million in order to acquire a 55% interest in the project. Richmond Mines became the project operator as of January 1, 2005. The Corporation acquired its 55% interest during the course of the fourth quarter of 2005, after having fulfilled its obligation to invest CAN\$10 million toward the project's development.

In January 2006, Richmond Mines and Patricia Mining announced the purchase of the remaining joint venture interest of Algoma Steel Inc. ("Algoma") in the Goudreau property near Dubreuilville, Ontario, for CAN\$100,000. The property remains subject to a 15% net profits interest ("NPI") royalty as per the original joint venture agreement between Algoma and Patricia Mining.

On December 16, 2008, Richmond Mines acquired all of the common shares of Patricia Mining that it did not already own pursuant to a plan of arrangement under the *Business Corporations Act* (Ontario). Following this transaction, Richmond's ownership interest of the Island Gold Mine increased to 100%.

On May 9, 2012, Richmond Mines acquired Red Pine Exploration's remaining 25% interest in the Edwards property, bringing the Corporation's ownership to 100%, and on June 13, 2012, the Corporation acquired the Salo property, which includes 3 claims located to the east of the Island Gold Mine.

On October 16, 2013, Richmond Mines signed a land and mining rights agreement (the "Agreement") with Prodigy Gold Inc. (Argonaut Gold Inc.), owner of the Magino Gold Project that is adjacent to the Corporation's Island Gold Mine. The Agreement will enable Richmond to extend the western boundary of its Island Gold Deep Project by a distance of 585 metres thus increasing the project's exploration potential towards the west. Mining rights below a depth of 400 metres were also secured on several claims to the south of the Island Gold Deep project, thus adding to the project's exploration potential at depth. As part of the Agreement, Richmond will acquire Claim SSM 722481 in its entirety, which immediately abuts Island Gold's Lochalsh Zone, where reserves and resources currently exist and where mining is currently taking place. In exchange, Argonaut will receive exploration and mining rights from surface to a maximum depth of 400 metres on certain Richmond claims that border the Magino Gold Project, providing it with greater flexibility in its project development. Under the terms of the Agreement, Richmond will receive a net payment of CAN\$2.0 million in cash from Argonaut upon completion of the land transactions.

This Agreement was slightly modified in June 2014. Under the revised terms, Argonaut will receive one claim in its entirety and surface and mining rights down to a depth of 400 metres on six claims. It will also receive surface rights on two claims down to a depth of 100 metres. The Corporation will receive two additional claims for a total of three and mining rights below a depth of 400 metres on three claims. As previously reported, under the terms of the Agreement, the Corporation will receive a net payment of \$2.0 million in cash from Argonaut upon completion of the land transactions, which are now expected to take place in 2015.

On August 5, 2014 - Richmond Mines Inc. announced that it has signed a definitive agreement to acquire the outstanding 31% ownership of four patented claims on the Island Gold Mine property, thereby increasing its ownership of these claims to 100% from 69% previously. The 31% ownership held by the third party will be acquired by Richmond in return for a 3% Net Smelter Return (“NSR”) royalty that is payable on 100% of the mineral production from the four claims, SSM2490, SSM2491, SSM2666 and SSM2667.

As part of this agreement Richmond will make the following advance royalty payments: \$1 million upon closing of the transaction, and \$1 million on each of January 3, 2015 and January 3, 2016. Advance royalty payments will decrease to \$0.3 million as of January 3, 2017, and will be paid annually until such time as a total of \$5.1 million has been paid in royalties (including advance royalties) to the third party, after which advance royalty payments will cease. All advance royal payments will be credited against any future NSR payments.

1.4. Ownership of Mining Rights

All mining titles on the Island Gold project were jointly held by Richmond Mines (55%), and Patricia Mining (45%). Since the acquisition of Patricia Mining on December 16, 2008, Richmond Mines held 100% of all mining titles relating to the Island Gold property with the exception of 4 patented claims of the Goudreau property (2490, 2491, 2666 and 2667), for which Richmond Mines owned 69% and the remaining 31% was held by a third party. Following the acquisition, the mining rights owned by Patricia (45%) were transferred to Richmond Mines in February and March 2009.

Since the signing in 2014 of a definitive agreement to acquire the outstanding 31% ownership of the four patented claims of the Goudreau property on the Island Gold Mine property, Richmond Mines holds 100% of all mining titles relating to the Island Gold property.

1.5. Mining Royalties

Island Gold properties held by Richmond Mines are subject to the payment of royalties and financial contractual obligations. Details can be found in the Island Gold 43-101 technical report dated March 31, 2014 and filed under the Corporation’s profile on the SEDAR website at www.sedar.com.

The Kremzar property is subject to a 4% NSR payable to Algoma which becomes payable to Algoma pursuant to the Algoma Royalty Agreement.

The Kremzar property is also subject to a 3% NSR payable to Teck, which is payable until such time as the Algoma NSR becomes payable. In the event that the Algoma NSR becomes payable and is reduced below 4%, Teck will be entitled to receive an NSR equal to 50% of the amount by which the Algoma royalty is reduced, payable on the same terms as the Algoma NSR.

The Lochalsh property is subject to a 3% NSR payable to Teck. The Island Main and Lochalsh zones, as well as a part of the Island Gold mineral resources below the 400 level, are located on this property.

The Goudreau property is subject to a 2% NSR payable to Teck and a 15% net profit interest (“NPI”) royalty payable to Algoma. The portion of the Island Gold mineral resources below the 400 level that are located on this property include the 4 patented claims for which Richmond Mines acquired in 2014 the remaining 31% that was held by a third party (claims 2490, 2491, 2666 and 2667). On a consolidated basis, NSRs on the four claims will total 4.38%. The 69% of the four claims is subject to the 15% Net Profit Interest (“NPI”), that becomes payable only once all operating costs and investments relating to the full Goudreau claim package have been recovered, including working capital, interest and management fees. The 15% NPI applicable to 69% of the four claims is equivalent to a 10.38% NPI on 100% of these four claims.

The Salo property is subject to an NSR royalty of 2%.

Red Pine Exploration owns a 2% NSR on the Edwards property.

There is a 10% NPI payable to Cavendish Investing Ltd. on 3 of the 6 claims transferred from Argonaut.

1.6. Environmental Obligations and Permits

A new closure plan was submitted in April 2013, to amalgamate the existing closure plan (Lochalsh and Kremzar) and include infrastructure associated with the new Island Gold Deep project. Richmond has received the confirmation in June 2014, that the Closure Plan was considered filed and that Richmond must now comply with this last version. The total closure cost estimate is \$1,577,127. To this end, financial guarantees have been submitted to the Director of Mineral Development and Rehabilitation, MNDM. Consequently, Richmond Mines has fulfilled its financial commitments for the mine closure.

An amendment to the Amended Environmental Compliance Approval (Number 3467-8TXKLU) was submitted in November 2014, to change the seasonal discharges periods to be allow for discharges from the tailing facility during other periods of the year. For this purpose, an assimilative capacity study has been conducted on Goudreau Lake, to assess the capacity of the lake to assimilate loadings from the proposed additional discharge period.

An application for an amendment to our existing Environmental Compliance Authorization (ECA: 6323-8GBRXV) for air and noise was submitted in the Fall of 2013. The purpose of this application was to address action items provided by the provincial Ministry following an inspection, obtain approval for new and previously unapproved equipment and obtain an ECA with Limited Operational Flexibility. At this time, the processing of the application has still not been completed by the Ministry and Richmond has not received this amendment.

1.7. Infrastructure

The Island Gold Mine infrastructure includes the primary tailings pond, the secondary settling pond, the Kremzar Mill (a carbon-in-pulp mill with a capacity of 850 tonnes per day), the Lochalsh ramp and portal, the mine access road, and the hydro lines. An office, a core logging and storage facility, and a locker-room are also located on the Kremzar Mine site.

1.8. Location of Mineralized Zones

The mineralized zones, including the reserves and resources of the Island Zone and underground infrastructure, are located on mining leases 991853, 991854 and 991852 and patented claim 2075 of the Lochalsh property, and the ramp and waste pad are on patented claims 1776 and 1710 of the Goudreau property. The reserves and resources of Lochalsh are located on mining leases 825288 and 825287 of the Lochalsh property. The Goudreau resources are located on patented claim 3817 of the Goudreau property. The deep C Zone estimated mineral resources at the Island Gold Mine are principally located on the Lochalsh mining lease 825288 and on Goudreau patented claim 2491.

1.9. Accessibility

Access to the Island Gold Mine is via an all-weather road from Highway 519, just west of Dubreuilville, Ontario. This village is located approximately 35 km east of the junction between Highways 17 and 519. It takes approximately one hour to drive from Wawa, Ontario, to the mine site.

1.10. Climate

The mine is located within the Lake Superior Regional climatic zone, moderated by the influence of Lake Superior. The average day time temperature is 2°C, ranging from -41°C to 31°C throughout the year. Annual precipitation is normally 669 mm of rain and 278 cm of snow. Winter winds are from the northwest and north, and during the summer south westerly to westerly winds prevail. The climate does not affect the mining operation, which extends all year long.

1.11. Local Resources and Infrastructure

Wawa has a population of approximately 3,500. Dubreuilville, originally a forestry community, has a population of approximately 900. The Island Gold Mine is also within a few kilometres of railway lines operated by Canadian National Railways and Algoma Railways. Sidings for each of these railway lines are located in the villages of Goudreau and Lochalsh.

A power substation connected to the provincial power grid, water supply, gravel roads, offices, maintenance buildings and living accommodations are all available within the mine area. Power is supplied by Algoma Power Inc. (formerly Great Lakes Power Corporation).

Richmont Mines also offers living accommodations and flexible schedules to its employees. Training is offered in order to maintain a local qualified workforce.

1.12. Physiography

The property area is within the Precambrian Shield adjacent to Lake Superior, in an area of low rolling hills that trend in an east-west direction with widespread swamps, and mixed forests of broadleaves and conifers. Property relief is low, from a high point of 488 metres above sea level near the Miller and Maskinonge Lakes, to a topographic low point of 381 metres above sea level near Goudreau Creek. The Mine area has been partially logged.

1.13. Exploration History

In 1983 Canamax Resources Inc. (“Canamax”) and Algoma formed a joint venture to evaluate the mineral potential of Algoma’s 117 patented claims covering the Goudreau iron range. In 1985, drilling by Canamax about two kilometres south of the Kremzar mine intersected a series of sub-parallel lenses containing gold mineralization within deformed rocks of the Goudreau Lake Deformation Zone (“GLDZ”). These lenses are known as the Lochalsh, Island Gold, Shore and Goudreau Lake zones. During 1989 and 1990, a 1,280 metre long ramp was driven into the Island deposit beneath Goudreau Lake from an adit on the north shore. Drifts and raises totalling 382 metres were developed on two levels at depths of 125 metres and 140 metres below the Goudreau Lake elevation. A bulk sample weighing 4,167 tonnes was extracted and processed at the Kremzar Mill.

Patricia Mining acquired the project in 1996 and completed 16,862 metres of diamond drilling in 49 holes on the Island deposit and Lochalsh Zone between 1996 and 2002. In 2004, Patricia Mining started an underground exploration program and completed a resource estimate at a cost of CAN\$3.0 million. A total of 125 metres of exploration drifts, 53 metres of ore sill and 8,137 metres of drilling were completed.

In 2005, Richmond Mines completed 2,111 metres of underground development and 7,903 metres of delimitation drilling. A total of 7,259 tonnes with a content of 6.23 g/t Au from ore development were stockpiled on the surface.

In 2006, Richmond Mines continued the exploration program. A total of 3,469 metres of development were completed including 506 metres of ramps and 1,700 metres of ore silling. A total of 56,861 tonnes of development ore with a content of 6.96 g/t Au were stockpiled on the surface. At the end of December 2006, a total of 41,531 tonnes of mineralized material grading 4.80 g/t Au were processed at the mill. A total of 28,149 metres of underground diamond drilling were performed on the Island Zone, and 10,602 metres of drilling were completed from the surface on the Lochalsh and Goudreau zones. Reserve and resource estimates were performed by Genivar in 2007 based on this work.

On October 1, 2007, Island Gold began commercial production. On December 16, 2008, Richmond Mines acquired all of the outstanding shares of Patricia Mining, increasing its ownership of the property to 100%, with the exception of four claims on the Goudreau property, for which Richmond owns a 69% interest.

During 2009, underground drilling at the Island Gold Mine included 212 drill holes totaling 26,914 metres. Approximately half of these metres were exploration holes in the Lochalsh, Goudreau and Extension-2 zones. The drilling confirmed the presence and continuity of the targeted zones. A surface diamond drilling program was implemented in conjunction with the underground drilling. The goal of this program was to primarily test the near surface eastern and western extensions of the known zones in the vicinity of Island Gold Mine.

In 2010, Richmond Mines continued its underground exploration program via drilling and drifting in order to improve the quality of the resources, convert resources to reserve categories and increase the overall resource base. The excavations were done in waste rock to continue the exploration access drifts towards the Extension-2 sector of the E1E Zone, the Goudreau and the Lochalsh zones. This development also permitted exploration diamond drilling in the Extension-2 sector of the E1E Zone, the Lochalsh and the Goudreau zones. During 2010, underground drilling at the Island Gold Mine included 12,110 metres of definition drilling and 24,423 metres of exploration drilling. These metres were exploration holes in the Lochalsh, Extension-1, Goudreau and Extension-2 zones. Drilling confirmed the presence and continuity of the targeted zones. The delineation drilling into the Extension-1 sector of the E1E and the Lochalsh sector permitted the conversion of Probable reserves into Proven reserves. The exploration drilling in the Extension-2 sector of the E1E confirmed the location of the known resource, and resulted in the conversion of a portion of the resources into Probable reserves. A surface diamond drilling program was implemented in conjunction with the underground drilling during 2010. The goal of this program was to primarily test the eastern, western and depth extensions of the known zones in the vicinity of Island Gold Mine. The 2010 surface exploration drill program was completed in December 2010, and consisted of 30,015 metres. The drilling on the projected eastern, western and depth extensions of the mine structure horizon was successful in identifying the continuance of similar alteration, mineralization and shearing over one kilometre east of the Island Gold Deposit under Goudreau Lake.

A total of 58,958 metres of drilling were completed in 2011. Nearly 26,000 metres of underground definition drilling were completed in the areas of Lochalsh, Goudreau and Extensions 2 and 3. These and other holes allowed for the conversion of a portion of the resources into reserves. Drilling below the 400 level was mainly done from the surface and once again demonstrated the potential at depth of the mine. More specifically, drilling identified four main areas (G, C, D and E1E) between the -500 and -900 m levels over a 150 metre corridor extending between the Main Island and Lochalsh areas.

A total of 85,509 metres of drilling were completed at Island Gold in 2012, nearly 60,534 metres of which were done underground. Definition drilling, in Lochalsh, Goudreau and Extensions 2 and 3 along with other drill holes, permitted part of the resources to be converted into reserves. Drilling below the 400 metre level was done from surface and from underground, and demonstrated the potential at depth of this mine (Island Gold Deep program). More specifically, the drilling resulted in a first mineral resource estimation for the C Zone at depth in January 2013.

In 2013, nearly 100,000 metres of drilling were completed underground at the Island Gold Mine, including approximately 62,000 metres for the Island Gold Deep exploration program, 20,000 metres of definition drilling and 18,000 metres of exploration drilling in the other areas of the mine. Exploration holes in Island Gold Deep sectors from the west, below Lochalsh, to the east, below Extension 1, confirmed the presence and continuity of the deep C Zone and of some parallel zones, and resulted in an important increase in gold resources. The definition-delineation drilling into the upper sectors of the mine and below Extension-2 also renewed the mineral reserves of the mine.

During 2014, approximately 35,000 metres of mainly delineation and definition drilling were performed underground at the Island Gold Mine. The definition-delineation drilling occurred mainly in the lower sectors of the mine, below the 400 level: upper part of the Deep C zone and below Extension 1 and 2. This program has renewed and also increased the mineral reserves of the mine.

With some underground drilling, there were also 1,000 metres of surface exploration drilling which were performed in 2014. Recent drill results (cut grades over true widths): in hole GD-14-01C from surface, intersections of 19.87 g/t Au over 3.93 metres in the C Zone, and 21.1 g/t Au over 0.95 metres in an undetermined zone, and in hole 400-528 09 drilled from underground, an intersection of 7.44 g/t Au over 8.49 metres in the C Zone.

1.14. Geological Setting

i) Regional Geology

The Island Gold property is part of the Michipicoten greenstone belt which is part of the Wawa sub-province and Superior Province of Archean age. The property is stratigraphically positioned in the upper portion of the Wawa Assemblage, composed by intermediate to felsic volcanic rocks capped by pyrite-bearing iron formations.

ii) Project Geology

The Island Gold property covers part of the interface between the Catfish assemblage, composed of mafic rocks, and the Wawa assemblage, which consists of felsic rocks. The pyrite-rich Goudreau iron formation lies at the contact between the Wawa and Catfish assemblages. A unit of pyroclastic rocks marks the transition between the two assemblages and hosts the gold occurrences encountered on the property. This gold mineralization is controlled by the Goudreau Lake Deformation zone (the “GLDZ”). The GLDZ hosts the Island, Lochalsh, Goudreau, Shore, and north shear gold zones, all located within the Island Gold property.

iii) Mineralization

Within the GLDZ there are a series of parallel shear zones, up to 25 metres wide by several hundred metres long, with dips ranging from -70° to -90° , which host the gold mineralization. Moderate to high strain intensity is present within the shear zones containing pervasive alterations occurring in the form of iron carbonate, silica and calcite. Gold is found primarily in quartz stringers and in veins, 1 cm to 1.5 metres wide, within areas of intense sericitization and silicification with 2% to 5% pyrite. Finely disseminated gold occurs in clusters up to 3 mm in diameter.

At the Island Gold deposit, 5 zones referred to as E1, E, D1, D, and C, are defined and characterized by the presence of alteration halos ranging from 0.5 metres to over 8 metres in thickness, and are comprised of intense silica alteration, albite alteration and quartz-carbonate veins. Two dominant envelopes are defined, namely the C/D envelope and the E/E1 envelope, which includes the D1 Zone. An anastomosing pattern defines the relationship between the zones.

The mineralized Island Gold Deep C Zone, which is being defined, corresponds to the continuation at depth of the mineralized zones which are mined at present above the -400 m level. The mineralization undergoes an inflection southward between the -400 m and -500 m levels, before returning with a high dip southward at depth. The average width of the deep C Zone resource is approximately 4.5 metres, which is above the average of 2.7 metres in mineralized zones above the -400 m level. Also, it seems that the number of gold-bearing quartz veins inside the alteration zone of the C Zone is slightly greater, with approximately 60% of the drill holes inside the first resource containing some visible gold, which translates into a higher average grade. Island Gold Deep mineral resources now also include 6 additional zones that are sub-parallel to the C Zone.

1.15. 2014 Results

i) Production

For the 12 months ended December 31, 2014, 233,202 tonnes of ore were processed at an average grade of 5.83 g/t, and 42,078 ounces of gold were sold at an average price of CAN\$1,398 (US\$1,266) per ounce. This compared to 2013 results, in which 244,631 tonnes of ore were processed at an average grade of 4.65 g/t, and 35,113 ounces of gold were sold at an average price of CAN\$1,434 (US\$1,392) per ounce. The higher year-over-year gold sales change reflect a 25% improvement in grade, partially offset by a slight 5% decrease in processed tonnage. The grade improved with the increase of the cut-off from 3 g/t to 3.75 g/t and also with the mining of higher grade areas: Extension 2, Goudreau and C Zone at depth. Cash costs at Island Gold decreased year-over-year to CAN\$982 (US\$889) from CAN\$1,124 (US\$1,092) in 2013, with the improvement being driven by the higher recovered grade. This was partially offset by a higher mining cost per tonne year-over-year, which stemmed from a greater amount of development work and a lower amount of processed tonnage year-over-year, as well as the short-term rental of crushing equipment from an outside supplier.

For the 12 months ended December 31, 2013, 244,631 tonnes of ore were processed at the Island Gold Mine at an average grade of 4.65 g/t, and 35,113 ounces of gold were sold at an average price of CAN\$1,434 (US\$1,392) per ounce. This compared to 2012, during which 246,743 tonnes of ore were processed at an average grade of 5.45 g/t, and 41,686 ounces of gold were sold at an average price of CAN\$1,665 (US\$1,666) per ounce. The year-over-year change reflected a 15% decline in recovered grades and a slight decrease in tonnage. Cash costs at Island Gold increased to CAN\$1,124 (US\$1,092) in 2013 from CAN\$884 (US\$884) in 2012, due primarily to a lower recovered grade and higher milling cost.

Island Gold Mine

	2014	2013	2012
Gold Poured			
Tonnes	232,730	242,593	248,049
Head grade (g/t)	5.84	4.63	5.45
Gold recovery (%)	96.26	96.09	96.45
Recovered grade (g/t)	5.62	4.45	5.26
Ounces poured	42,042	34,691	41,952
Gold Sold			
Tonnes	233,202	244,631	246,743
Head grade (g/t)	5.83	4.65	5.45
Gold recovery (%)	96.26	96.09	96.45
Recovered grade (g/t)	5.61	4.46	5.25
Ounces sold	42,078	35,113	41,686
Cash cost per ounce (US\$)	889	1,092	884
Investment in property, plant and equipment (<i>thousands of CAN\$</i>)	20,168	27,770	8,364
Exploration expenses (<i>thousands of CAN\$</i>)	771	4,532	10,969
Deferred development (<i>metres</i>)	3,013	1,939	1,135
Diamond drilling (<i>metres</i>)			
Definition/Delineation	34,599	19,971	16,425
Exploration	6,724	17,736	69,084

Extensive development work will be completed at the Island Gold Mine in 2015 in order to position the mine for future growth by unlocking the value of the deeper 1.1 million ounce global gold resource. Approximately 600,000 tonnes of ore and waste are expected to be mined during 2015, 80% of which will originate from below a vertical depth of -425 metres. The Corporation expects to mill an estimated 260,000 tonnes, of which approximately 45% will be from ore development, and a maximum of 30% will come from production stopes below level -425 but within the upper portion of the new resource. This higher level of development ore coming from exposing the new resources at depth will translate into a slightly higher cash cost per ounce at the mine. The amount of handled waste is expected to begin diminishing in 2016, which will reduce costs and increase profitability, while also freeing up capacity for additional ore tonnage as a greater percentage of mining is migrated to the lower levels of the mine.

Development of the main access ramp, or West Ramp, will continue to be advanced by the contractor, and will be extended from its current depth of -650 metres to a minimum depth of approximately -750 metres before the end of 2015. This will provide Richmond with access to mine between the depths of -650 and -750 metres in 2016, and should allow for increased gold ounce production to originate from the deeper, typically higher-grade and larger width zones.

The Corporation continues to use its own teams to advance the secondary East Ramp, located approximately 450 metres to the east of the main access ramp. This ramp will be extended from its current depth of -440 metres to a minimum depth of -570 metres by year-end 2015, and will open development and mining for 2015 and 2016 on the Extension 1 and Extension 2 areas of the mine below the -400 metre level. The main objective is to increase mining flexibility moving forward by splitting mining efforts between the Western and Eastern parts of the deposit. A total of nearly 2,900 metres of ramp development are planned in 2015.

ii) *Exploration*

Richmont's objective is to increase the reserves and the resources of this property and the Corporation remains confident regarding the long-term possibilities of Island Gold.

Definition and delineation drilling was completed during 2014 near the mine infrastructure, which resulted in a mining depletion replacement as well as an increase of 40,000 ounces of the gold reserves of the mine.

In September 2014 the Corporation announced plans to complete several additional exploration drill holes in order to better evaluate the potential of the deposit towards the east between depths of approximately -800 and -1,000 metres. Hole GD-14-01C, drilled from surface, intersected the targeted C Zone at a vertical depth of 1,203 metres, and assayed 19.87 g/t Au over a true width of 3.93 metres. Significantly, this intersection is approximately 250 metres down plunge from the limits of the currently defined resources, and is considered indicative of the excellent potential for the down plunge extension of Island Gold Mine's mineralization. An additional intersection of 21.1 g/t Au over 0.95 metres is not within the C Zone, but its relationship is yet to be determined. A second hole being drilled from surface will be concluded shortly, however the areas previously targeted by the remaining planned holes from surface will be drilled at a later date from the -620 metre exploration drift as development advances by the contractor, and drill access has been attained.

The additional two holes, drilled from underground (400-528-09 and 400-528-10), both successfully intersected the C Zone. Hole 400-528-09 intersected 7.44 g/t Au over 8.49 metres at a vertical depth of 858 metres, which is not a significant step out from the known resources, while hole 400-528-10 intersected 4.44 g/t Au over 6.07 metres at a vertical depth of 1,091 metres, which is approximately 100 metres below the currently defined resource base. A second zone grading 4.79 g/t Au over 2.87 metres at a vertical depth of -1,179 metres was similarly intersected by hole 400-528-10. While in a zone that is yet to be determined, this intersection is an approximate -200 metre step out to depth from the known resource, and is very encouraging.

Richmont has approved an \$8.5 million exploration budget for the Island Gold Mine property for 2015. The 61,000 metre exploration drill program has two primary objectives. The first is to test the eastern extension potential of the resource between 500 and 1,000 metres of depth with a budgeted 41,000 metres of underground drilling. This drilling will be more heavily weighted to the second half of the year once access has been achieved via the 620 metre level drift currently being developed by the contractor. Carrying out drilling from underground is less expensive considering the depths that are being targeted, and will also enable a better core angle. The second primary objective is to test a number of targets and target areas located toward the western property boundary, as well as to the east of the existing operations. This surface exploration drilling will encompass 20,000 metres, and will test the targeted areas from surface to a depth of approximately 750 metres.

The \$8.5 million exploration budget for Island Gold in 2015 will be a significant step to unlocking the future value of this asset through the potential growth of the currently defined 1.0 million ounce resource.

iii) Drilling

Most of the definition drill holes are planned on vertical cross-sections, in order to intercept mineralized zones at right angles along a grid spacing of 20 metres by 20 metres. Drilling operations are performed by a drilling contractor, under the supervision of the geological staff at the Island Gold Mine. Underground drill holes are BQ or NQ calibre. Core recovery is approximately 100%. The drill core is logged in detail by experienced and highly skilled staff, following established guidelines for the Island Gold Mine. A rock quality designation (“RQD”) analysis was completed for most of the drill holes drilled in the 2014 program and the RQD for the zones are generally excellent (> 90%). The interpretation and development of each section was completed after receipt of the drill hole assays and section plots. This interpretation served to complete the reserve and resource estimates.

iv) Sampling

The drill hole sampling approach is defined to coincide with lithological contacts, and samples have a minimum width of 0.3 metres and a maximum length of one metre. The core recovery is very good and can be considered to be representative.

The panel (or chip) sampling method consisted of taking horizontal representative samples of the geology (units or alteration) that was exposed either in the face or in the adjacent walls. The samples weighed an average of 1.5 kg to 2 kg for a zone of 1.5 vertical metres by 0.3 to 1.0 horizontal metres. Each face was sampled and the number of assays varied based on the geology and the opening.

The drill cores and chip samples are representative and the mineralization style, with the presence of quartz veins and free gold, shows a nugget effect.

v) Assays

During 2014, core samples were sent to Expert Laboratory (LabExpert) in Rouyn-Noranda, Québec, to Activation Laboratory (Actlabs) in Geraldton, Ontario and also to Wesdome (Wesdome) Laboratory in Wawa, Ontario. Underground muck and chip samples were also sent at this laboratory.

Gold assays are completed by fire assay with 30 g of material with either a gravimetric or AA finish. The cut-off for gravimetric versus AA finish, has been established at 3 g/t Au. The detection limit for gold is 3 ppb. Rejects and pulps are kept by the laboratory or stored at the Island Gold site. These methods and the routine sample preparation are described in the following section. A detailed procedure can be found in the Technical Report for the Island Gold Mine as of March 31, 2014, filed under the Corporation’s profile on the SEDAR website at www.sedar.com.

The step-by-step procedure for sample analyses is briefly described as follows:

- 1) Dry samples, if required;
- 2) Crush total sample to ½ inch (Jaw Crusher);
- 3) Split approximately 350 g using a Riffle Jones;
- 4) Remaining rejects are placed in a plastic bag and packed in cartons with sample numbers listed on the outside;
- 5) Pulverize the 350 g sample;
- 6) Homogenize the pulp: it is then ready for assay;
- 7) Samples are then analyzed by fire assay with an absorption atomic or gravimetric finish. A total of 30 g of representative material are subjected to the fire assay and to gravimetric finish.

vi) *Quality Control*

In 2007, during the course of the geological confirmation program, an evaluation of “Quality Assurance/Quality Control” (“QA/QC”) data was done to address the three main concerns of analytical determination protocols, namely: (i) contamination, (ii) accuracy, and (iii) precision, as measured by the results obtained from field and analytical blank standards, certified reference standards and an assortment of specific duplicate samples collected and/or prepared, in addition to the regular samples submitted to the laboratory. A certified standard and blank assay was run with each sample batch. In addition, a replicate assay was run on every 10th sample to be used for checking the reproducibility of the assays.

The results of the field and analytical blanks used to monitor for potential contamination during sample processing and assaying indicate that no significant contamination is likely to have occurred during the sampling/assaying programs completed for 2007.

In 2013, the QA/QC program was still in place with the addition of certified standards applied to samples submitted to the laboratory (Wesdome, LabExpert and Actlabs). Each laboratory has its own QA/QC program with the addition of analytical blank standards and certified reference standards to each batch of assays. Also, some core and chip sample duplicates were taken in 2014 and sent to the laboratories as part of the QA/QC program.

The assays supporting the Island Gold Mineral Resource estimate are based on sample preparation and analytical protocols that meet standard industry practice.

vii) *Security of Samples*

In 2005, the core logging facility and core storage area were established on the Kremzar Mine and milling site. A trailer was installed on site and is used as a core logging facility. A separate room was installed for core sawing and sample packing. The cores are stored outdoors in covered racks or as separate cross-piles. There is a gate on the mine access road and there are personnel working on site at all times. Individual sample bags are sealed. The samples are placed in large rice fiber bags and placed on pallets. Samples are transported by a third party transportation company. The underground channel samples are shipped to the River Gold laboratory in Wawa, Ontario, by Island Gold staff.

In 2012, a new and more functional coreshack was built near the old one on the Island Gold Mine site.

1.16. Mineral Reserve and Mineral Resource Estimates

Proven and Probable Reserves at Island Gold were increased by 28%, net of 2014 mining depletion. As of December 31, 2014, total Proven and Probable Reserves at the Island Gold Mine were 183,750 gold ounces, of which 51%, or 93,750 ounces, are located in zones below -400 metres. This compared to Proven and Probable Reserves of 143,500 gold ounces at the end of December 2013. The updated Reserve estimate reflects the 16,897 metres of definition drilling and 17,702 metres of delineation drilling completed during the year, which successfully replaced Reserves that were mined during the year. This also compared with Proven and Probable reserves of 141,456 ounces of gold at a grade of 5.60 g/t at December 31, 2012. Please refer to the detailed Mineral Reserve & Resource table on page 88.

The estimated Measured and Indicated Resources of Island Gold Mine totalled 219,050 ounces of gold at December 31, 2014, which includes 154,200 ounces of gold within the lower extension below -400 metres. Measured and Indicated Resources within the Island Gold Mine infrastructure decreased from the December 31, 2013 level of 233,350 gold ounces, reflecting that some Resources were successfully reclassified as Reserves. Measured and Indicated Resources are exclusive of Reserves. Measured and Indicated resources at December 31, 2012 totalled 110,958 ounces of gold.

Estimated Inferred Resources were 1,002,750 ounces of gold at the end of 2014, with the extension below -400 metres encompassing 919,950 of these ounces. This compares to Inferred Resources of 1,037,350 ounces of gold at the end of 2013, which included 954,600 ounces in the deeper extension of the mine. This also compared to Inferred resources of 563,886 ounces of gold at the end of 2012.

Gold grades of the Mineral Resources are slightly lower compared to 2013. This reflects some changes made in the kriging parameters used in the deeper extension estimation as well as a decreased of the gold assay capping levels for some of the lower parallel zones. Capping was reduced from 95 to 70 g/t Au for the B Zone and from 40 to 31 g/t Au for the D, D1 and E1E zones following a new statistical review.

The Corporation hired RPA, an independent consultant, to conduct a review of the estimated Mineral Resources for the zones below a vertical depth of -400 metres at the Island Gold Mine. RPA concluded that the estimate is reasonable, has been adequately prepared using standard industry practices, and conforms to the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (CIM definitions) as incorporated into National Instrument 43-101 (NI 43-101).

A portion of the C Zone Resource, located between the -535 metres and -675 metres levels, have been successfully transferred into Reserves following definition drilling and development that were completed in 2014. A study comparing the Resources as of December 31, 2013 and the Resources/Reserves and mined material as of December 31, 2014 for this specific area was completed, with the results showing good reconciliation. Specifically, at the end of 2013, 286,000 tonnes at a grade of 8.3 g/t were estimated for this area. This compared very favourably to the 294,000 tonnes at a grade of 8.67 g/t at the end of 2014, with all material (including mined material) reported as a Resource with no recovery or dilution take into account. This result is for a small portion of the C Zone and, consequently, should not be extrapolated to the entire C Zone area.

December 31, 2014, mineral reserve and mineral resource estimates were realized by Raynald Vincent, P. Eng., M.G.P., and Daniel Vachon, P. Eng., employees of the Corporation, who are qualified persons under NI 43-101. Factors and parameters used in the determination of the mineral reserve and mineral resource estimates are based on the knowledge of the employees of the Island Gold Mine as of December 31, 2014.

The mineral reserve and mineral resource estimates were carried out in accordance with NI 43-101 recommendations and regulations. Mineral resources and reserves were classified according to the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) classification and adopted by the CIM Council on December 11, 2005. All standards generally accepted in the mineral industry as well as NI 43-101 recommendations and CIM regulations for both mineral resource and reserve estimates have been fully complied with.

The source data and parameters used in the resource estimation correspond to knowledge acquired and best estimates as at December 31, 2014. Budget costs used in the evaluation are based on estimated and actual data, taking into account acquired experience.

i) Mineral Reserve Estimates

General

The database and the parameters used to estimate the mineral reserves are based on the results from 2014, the forecast for 2015 and information available as at December 31, 2014. The technical parameters were reviewed by Daniel Adam, P.Geo., Ph.D., Vice-President, Exploration, an employee of the Corporation. Thus, both the dilution and the ore-recovery factors by mining methods used in the reserve estimate are based on mining methods. All these factors and parameters will be updated on an annual basis in order to account for changes in mining operations.

The conversion of mineral resources to reserves is based on economic studies. As per NI 43-101, only mineral resources in the Measured and Indicated categories can be used to establish the estimate of mineral reserves.

ii) Technical Parameters

The main parameters used to estimate mineral reserves and mineral resources are as follows:

- A cut-off grade of 3.75 g/t Au estimated using a gold price of US\$1,200 per ounce and an exchange rate of CAN\$1.0833/US\$1.00;
- Grades were capped at 75 g/t Au for all zones, with the exception of Island Gold lower zones: 95 g/t for the C, 70 g/t for the B, 40 g/t for the G and G1 and 31 g/t for the D, D1 and E1E;
- A minimum true thickness of 2.0 metres based on the mining method (longitudinal long holes);
- An average rock density of 2.82 t/m³ is defined, 2.80 t/m³ for Island Gold lower zones;
- Ore mining recovery: 95% for designed stopes - pillars between stopes have been excluded;
- External dilution: an average dilution rate of 18% of waste at a grade of 0.5 g/t Au is assumed for stopes. A dilution rate of 30% at a grade of 0.5 g/t Au is assumed for development;
- Excluded mill recovery of approximately 95%.

iii) Estimation Methods

At the Island Gold Mine, the Gemcom GEMS 6.7 software was used to prepare the resource estimation. The reserve and resources estimates were calculated following two distinct methods. Reserve estimation was done with block model using an inverse distance to the power 2 calculation for Island Main, Lochalsh and Goudreau sectors and also Island Gold lower D, D1, E1E, G and G1 zones. Ordinary Kriging has been used for Extension 1 and 2 as well as for Island Gold lower C and B zones. The polygonal method was used for Extension 3 resource estimation.

Regardless of the methods used, composites were established by the geological department for each drill hole and underground development face. The diamond drill hole composites were determined following an interpretation on vertical cross-sections and horizontal plans while the development composites were interpreted using the face mapping and assay results of each development face. Once individual composites were determined, each one was tagged in the database according to their individual zone name. Individual pierce points were generated on longitudinal sections for each zone. These longitudinal sections are a representation of an average plane through each mineralized zone.

For the polygonal method, construction of the polygons is completed on longitudinal sections. An area of influence of 20 metres was determined for the development composite and the diamond drill holes. A 10 metre influence was used on the lateral extremities of the development composite to limit their influence. When all polygons are generated, a combination of the development and drill hole pierce points is created. After the ore block limits are determined and the grade and tonnes of each reserve block are calculated, specific dilution and ore recovery are factored into the final reserve estimate.

All the geo-scientific data collected at the Island Gold Mine are entered into a Gemcom database. Internal procedures have been prepared in order to validate the information in the database. All this work is performed by the Island Gold Mine geology department and all steps, from data entry to layout drawings, follow strict and established procedures, including crosschecks to ensure full validity. Access to all databases is restricted to selected personnel in order to ensure complete integrity.

iv) Cut-off Grade

The cut-off for stopes was established at 3.75 g/t Au. This cut-off was calculated using, among other things, 2014 production costs and anticipated 2015 production costs.

v) Reserve Classification

More detailed descriptions regarding classification of mineral reserves at the Island Gold Mine are set out below.

Proven Mineral Reserves

Ore development was completed above, below or on both levels of the ore block. If only one level was developed, a minimum drill spacing of 20 metres was necessary to confirm the vein continuity. An economic study was done by the engineering department of the Island Gold Mine to validate the block as reserves.

Probable Mineral Reserves

No development was done above or below. Since the information from the ore development was lacking, a maximum drill hole spacing of 20 metres center to center was necessary to validate the vein continuity inside the ore block. Economic study was done by the engineering department of the Island Gold Mine to validate the block as reserves.

Dilution and mining recovery rates are included in the reserve estimation.

Reserve Table

As of December 31, 2014, the mineral reserves of the Island Gold Mine are estimated at:

Reserve Categories	Tonnes (metric)	Grade (g/t Au)	Au ¹ (oz)
Proven	173,000	6.25	34,700
Proven (below -400 m)	86,000	6.57	18,150
Probable	290,500	5.91	55,300
Probable (below -400 m)	345,500	6.81	75,600
Total (Proven + Probable)	895,000	6.39	183,750

¹: Before mill recovery of 95%.

As of December 31, 2014, the mineral reserves at Island Gold were 183,750 ounces of gold, calculated using a long-term gold price of US\$1,200 per ounce, an exchange rate of CAN\$1.0833 = US\$1.00, and an expected mine life of approximately four years.

vi) Mineral Resource Estimation

Mineral Resource Classification

Indicated Resources: A maximum drill hole spacing of approximately 20 metres center to center is required to have a good control on the vein continuity, especially if no development has been done above or below the ore block. No economic feasibility study was done on the resource block. This last parameter differentiates these blocks from the Probable reserve blocks.

Inferred Resources: These blocks are represented by zones interpreted with a wide hole spacing or by isolated drill holes, with zones interpreted to be the continuity of the known mineralized zones. No economic feasibility study was done on the resource blocks as drill spacing is too sparse to warrant one.

Resource estimation of the Island Gold lower zones:

The C Zone, as well as the other parallel zones that are being defined at depth, are typical of the Island Gold Mine mineralization with decimetre-size grey quartz veins, which often contain visible gold, inside plurimetric altered zones with disseminated pyrite.

The current mineral resource estimation of the Island Gold lower zones was completed for an area which extends over 1,000 metres laterally, between a depth of 450 metres and 1,100 metres, and which is below the area of the Island Gold Mine currently being mined. A total of 465 surface and underground drill holes were used to model the mineralized zones with 3D wireframes using a minimum true thickness of 2 metres.

Mineral resources were estimated by 3D block modeling (with block dimension of 10 metres x 10 metres x 4 metres) with Gems software and using 2 metre composites, composite less than 0.75 m were discarded.

For the C and the B zones, grade estimation was done by Ordinary Kriging using parameters that have been defined with a variographic study done on the C Zone. For all the other zones, grade estimation was done using an inverse squared distance weighted interpolation. A minimum of 2 composites and a maximum of 20 composites (within an ellipsoidal search ellipse of 60 metres x 60 metres x 40 metres) were used for the interpolation.

A density of 2.80 t/m³ was used for the tonnage calculation of all the zones, which is based on one URSTM laboratory measurement completed on a composite sample of four C Zone core intercepts (a density of 2.82 t/m³ is presently used at the Island Gold Mine).

Mineral resources were estimated using a minimum average grade of 3.75 g/t Au inside the modeled mineralized zone. This cut-off is based on a gold price of US\$1,200 per ounce, and an exchange rate of CAN\$1.0833 = US\$1.00. The mineral resource area was cut into the C Zone wireframe using an extrapolation of approximately 30 metres from drill hole intercepts, an extrapolation of about 20 metres was used for the other zones. All the blocks inside the clipped wireframes are accounted for in the mineral resource. Inside the mineral resource area, the drill spacing average is approximately 50 metres although there are areas with a larger spacing as well as areas with tighter spacing.

A portion of the lower C Zone, where definition drilling and drifting have been done, is now classified as a reserves. For the other part, considering the present drill spacing, about 20% of the gold ounces of the C Zone resources have been categorized as indicated. The Indicated resource blocks that have been defined are located within areas that have been interpolated with the first pass of Kriging. The other portions of the C Zone resources, as well as the totality of the resource blocks in the other zones, have been categorized as inferred.

Table of Mineral Resources

As of December 31, 2014, the Mineral Resources of the Island Gold Mine are estimated at:

Resource Categories ¹	Tonnes ² (metric)	Grade ² (g/t Au)	Au (oz)
Measured	26,000	5.30	4,400
Indicated	269,500	6.98	60,450
Indicated ³ (below -400 m)	438,000	10.95	154,200
Total (Measured and Indicated)	733,500	9.29	219,050
Inferred	369,500	6.97	82,800
Inferred ³ (below -400 m)	3,178,000	9.00	919,950
Total Inferred	3,547,500	8.79	1,002,750

¹ Mineral Resources presented are exclusive of Reserves. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

² Tonnages and grades of these resources do not include any dilution and have not been corrected with a mining recovery factor.

³ Underground Mineral Resources established for the C Zone and six other lateral zones below a vertical depth of -400 metres.

1.17. Mining Operations and Metallurgy

The extraction method is by longitudinal long holes with a maximum panel length fixed by a hydraulic radius factor of 4.5.

The Island Gold ore is hauled by truck to the Kremzar mill located at an approximate distance of 0.8 km from the portal of the ramp. The Kremzar mill is a traditional gold recovery mill using a conventional Carbon in Pulp (“CIP”) process, with circuits for crushing, grinding, gold cyanidation and carbon-in-pulp and two electrowinning (“EW”) cells.

Gold recovery of the CIP circuit at the Kremzar mill is approximately 95%.

	2014		2013		2012	
Revenues (<i>thousands of CAN\$</i>)	58,971		50,487		69,631	
Ounces sold	42,078		35,113		41,686	
Data per ounce of gold sold	US\$	CAN\$	US\$	CAN\$	US\$	CAN\$
Cash cost	889	982	1,092	1,124	884	884
Depreciation and depletion	225	248	221	228	181	181
Total	1,114	1,230	1,313	1,352	1,065	1,065
Average price obtained per ounce	1,266	1,398	1,392	1,434	1,666	1,665

C. Exploration Projects and Other Properties

1. General

Richmont Mines owns or holds interests in many mining properties at different stages of exploration. The following table outlines Richmont Mines' interest in its exploration properties as at December 31, 2014.

Property	Year of acquisition	Number of Mining titles	Participation ¹
Quebec			
Wasamac	1988	4	100%
Camflo Northwest	2005	13	80%
Ontario			
Sewell	2002	6	100%
Cripple Creek	2002	27	100%

¹ The Corporation will be required to pay royalties if some of these properties are brought into commercial production.

The following table presents Richmont Mines' exploration expenses in 2012, 2013, 2014 and the budgeted estimated amounts for 2015 (in thousands of CAN\$).

(in thousands of \$)	2015 \$	2014 \$	2013 \$	2012 \$
	Estimated			
Exploration costs - Mines				
Island Gold	8,496	771	4,532	10,969
Beaufor	1,320	1,733	1,929	1,432
	9,816	2,504	6,461	12,401
Exploration costs - Other properties				
Wasamac	142	169	1,102	9,477
Monique	-	2	221	744
Other	31	154	347	459
Project evaluation	300	357	474	511
Exploration and project evaluation before depreciation and exploration tax credits	10,289	3,186	8,605	23,592
Depreciation	84	71	229	200
Exploration tax credits	-	515	(959)	(3,527)
	10,373	3,772	7,875	20,265

2. Francoeur Property, Rouyn-Noranda, Quebec, Canada

The Francoeur Mine was closed on November 30, 2012 and ceased mining operations on March 6, 2013 (within the meaning of federal regulations).

2.1. Location and Property Description

The Francoeur property is located 25 km west of Rouyn-Noranda, Abitibi, Beauchastel Township, ranges IV and V, lots 1 to 9.

2.2. Description of Mining Rights

The Francoeur property consists of 16 mining claims, 3 mining concessions and 5 mining leases totalling approximately 505 ha.

Number of mining titles	Area (ha)	Expiration date
16 mining claims	170.57	Claims expire between 05/23/2015 and 12/28/2016
3 mining concessions	230.21	Mining concessions 194, 322 and 326: 01/31/2016
5 mining leases	103.95	Mining leases 776, 825, 826 ,849 and 1006 expire between 09/07/2015 and 06/26/2032
24	504.73	

All of these claims are anticipated to be renewed before the anniversary date by applying excess credits available or by the execution of the required works. For the mining leases, taxes are paid to the government every year to keep them in good standing. For mining concessions, geological work is performed to keep it in good standing and taxes are paid every year. Richmond Mines has an internal procedure and an external control to insure appropriate follow up regarding claim expiry dates. All the mining claims, mining concessions and mining leases were in good standing in 2014 and are expected to be for 2015. A mining lease was obtained for the West Zone area in 2012. A detailed list and map of locations can be found in the amended technical report for the Francoeur Gold Property as of August 17, 2012 filed under the Corporation's profile on the SEDAR website at www.sedar.com.

2.3. Ownership of Mining Rights

All mining titles on the Francoeur property are held by Richmond Mines.

2.4. Mining Royalties

There are no royalties or back-in-rights related to any of the mining claims, mining leases and mining concessions.

2.5. Environmental Obligations and Permits

Following the announcement of the end the mining activities, Richmond Mines stopped mine dewatering on March 18, 2013 and ceased mining operations on March 6, 2013 (within the meaning of federal regulations). The notice of final cessation of mining activities was sent April 4, 2014 to MDDELCC. Richmond has begun the preliminary cleaning and restoration work on this property and award a contract to a consultant for the Environmental Site Assessment on May 2014. They made a site assessment based on historical activities (phase I) and made collection and chemical analysis of soil and groundwater samples on the site (phase II). Following these results, decontamination work has begun in 2014 and will continue in 2015.

2.6. Infrastructure

The Francoeur property includes two vertical shafts with their headframes. The 477-metre shaft No.6 provided access to levels 4 to 11, and served thereafter for ventilation purposes. A machine shop, a core shack and a warehouse are regrouped in this same area.

The 818-metre Jean-Guy Rivard shaft (No.7) is located 650 metres northeast of the No.6 shaft. The Jean-Guy Rivard shaft was sunk by Richmond Mines, giving access to six additional levels (12 to 17). The headframe also included a service building containing a covered ore bin, the main office and a dry room. A hoist room, an air compressors room, an electric room are grouped in this same area.

There are no mill facilities at the site, and accordingly, no mine tailings were left in place, except in the area of the old tailings between shaft No.1 and No.2 in the eastern part of the property.

From 1993 to the end of mining activities in 2001, the ore was sent to Richmond Mines' Camflo Mill in Malartic, Quebec. Waste contained 0.4% sulphur, and the material had a positive neutralizing potential and did not generate acidic drainage (H_2SO_4). Richmond Mines also used the Camflo Mill to treat the ore from the West Zone in 2012. Consequently, no mine tailings have been stored on the site. Only a non-acid generating waste stock pile is on the site.

2.7. Location of Mineralized Zones

The Francoeur No.3 deposit constitutes the main ore zone of the Francoeur property which was mined until 2001 down to the 17th level by Richmond Mines. The No.3 deposit is hosted in the metavolcanic rocks of the Blake River Group. Gold mineralization mainly developed in the ductile Francoeur-Wasa shear zone. The mineralized zone extends for at least 1,200 metres down dip from surface to beyond the 17th level. It is a composite orebody consisting of four distinct ore zones, three of which occur within the Francoeur-Wasa shear zone.

The "West Zone" is located to the west of the No.3 deposit. It is composed of two zones, the Main Zone (West) and the Footwall Zone (FW), both located in the Francoeur-Wasa shear zone and dipping northward at about 30° to 40°. Gold-bearing mineralization is closely associated with albite-pyrite alteration. This zone apparently differs from the No.3 orebody by its apparent NW plunge instead of the NE plunge generally observed elsewhere.

2.8. Accessibility

The property is easily accessible by Provincial road 117 that joins Rouyn-Noranda, Quebec, and the small community of Arntfield, Quebec. From there, a secondary road (Provencher Avenue North) leads northwest for 3.2 km to the Francoeur No.6 and Jean-Guy Rivard shafts. A number of gravel and bush roads crosscut the property over a few hundred metres in all directions.

2.9. Climate

The average temperatures are -17.2° C in January and +17.2° C in July based on measurements taken over 30 years in this area. There is an average monthly maximum of 61 cm of snowfall in December and 101.9 mm of rain in September.

2.10. Local Resources and Infrastructure

Rouyn-Noranda (pop. 41,475) is a well established mining community offering a vast amount of services. The Horne copper smelter is the most important employer with a workforce of more than 500.

Hydro-Québec electric power is available on the mine site from an hydro line located along the access road and connected to a provincial hydro line which runs along Provincial Highway 117.

The Ontario Northland Railway runs south of the property, parallel to Provincial Highway 117.

2.11. Physiography

The area straddles the coniferous and boreal zones. The forest cover is composed of 50% leafy and 50% resinous trees with moderate commercial value.

The topography is relatively flat (285 m to 300 m) with the exception of the northeast corner of the property where outcrops are no more than 30 metres higher than the average level.

2.12. Exploration History

The Francoeur property was staked for the first time in 1923 following a gold discovery which later became Zone 1. In 1932, Francoeur Gold Mines Ltd. sunk a 45° incline shaft (No.1) of approximately 226 metres with four levels (95, 191, 290 and 488 foot levels) in the footwall of Zone 1.

In 1936, zones 2 and 3, located at more than 549 metres west of Zone 1, were discovered through drilling along the Francoeur-Wasa shear.

In July 1964, Francoeur Gold Mines Ltd. was acquired by Wright-Hargreaves Mines Ltd. (Wasamac Division). Mining operations started in May 1968 and ended in March 1971 for a total gold production of 69,227 ounces from 385,292 tonnes grading 5.6 g/t of gold (Karpoff, 1986).

In October 1985, Rouyn Mining Resources ("RMR", now Richmond Mines) signed an option agreement with Lac Minerals to acquire a 50% interest on the Francoeur property.

The Jean-Guy Rivard (No.7) shaft was sunk in May 1989 to a final depth of 818 metres.

In June 1991, RMR's name was changed to Richmond Mines Inc.

On October 1, 1991, development work was completed and commercial production began at a rate of 400 tonnes per day. From 1992 to 1994, production was increased from 500 tons to 800 tonnes per day.

In June 1992, Richmond Mines acquired Lac Minerals' 50% share of the Francoeur and Wasamac properties.

In 1993, Richmond Mines bought the Camflo Mill and began processing Francoeur's ore.

From 1991 to 2001, the Francoeur Mine produced 1,701,892 tonnes of ore at a grade of 6.31 g/t (345,436 ounces of gold).

In 2001, Richmond Mines conducted exploration work in the west part of the mine. A new resource was identified, the West Zone, but given the low gold price, the development work required to mine this resource made the project uneconomic. Subsequent to the closing of the mine in November 2001, Richmond Mines acquired the adjacent Norex property in February 2002.

The 2002-2003 exploration drilling programs (7,801 m) successfully increased the West Zone mineral resources to 884,514 tonnes grading 7.9 g/t Au. However, the feasibility study demonstrated that any effort to resume production by deepening the Jean-Guy Rivard shaft would be marginally profitable at that time. The mine was subsequently flooded and restoration of the site began.

A 43-101 technical report was produced in 2009 and the dewatering of the mine was undertaken.

At the end of 2009, 8 out of the mine's 17 levels had been dewatered, and the surface infrastructure had been fully re-commissioned. The Corporation began drift excavation and underground mine preparation work on this property when dewatering of the mine was completed at the end of the second quarter of 2010. As of December 31, 2010, 1,239 metres of underground development had been completed.

From 2010 to November 2012, 639 diamond drill holes were done over a total of 46,489 metres to define the West Zone. A new reserve and resource estimate was completed in June 2012 and a 43-101 technical report was filed on SEDAR on August 17, 2012. Furthermore, an exploration drift and rehabilitation work were done on levels 12 to 17, and the access ramp was completed between levels 16 and 17. The Francoeur Mine began commercial production on August 1, 2012. The ramp was being advanced below level 17 until the announcement of the mine closure on November 29, 2012.

2.13. Geological Setting

i) Regional Geology

The property is located in the Rouyn-Noranda, Quebec area, a typical sector of the Archean aged Abitibi greenstone belt located in the eastern part of the Superior Province. The Superior Province is the largest exposed Archean craton in the world that hosts several world class gold deposits.

ii) Project Geology

The Francoeur property includes the Francoeur No.1, No.2 and No.3 deposits. They occur along the Francoeur-Wasa shear zone and, from east to west, together with the Arntfield No.1, No.2, and No.3 deposits, the Wasamac deposit and the Wingate deposit. Despite the showing of local differences, all of these deposits are very similar to one another in both geological aspects and types of mineralization. The Francoeur No.3 deposit was the largest one of them all.

iii) *Mineralization*

The ore zones of the Francoeur deposits are generally made up of distinct lenticular and tabular bodies up to one metre in thickness, and form buff or beige coloured bands, called BB bands. All the BB bands are mainly composed of carbonate, albite, pyrite and minor amounts of quartz and rutile, with trace amounts of sericite and gold.

Instead, the gold emplacement apparently developed in the shear zone and is partially related to albitite dikes. The nature of the contacts of gold ore bodies with enclosing mylonitic schist is quite variable.

The BB bands display a wide variety of textures ranging from a foliated micro-breccia, to more common fine grained and very well laminated rock. They contain on average 20 to 40 g/t Au and the grade can reach 50 g/t Au locally. The gold is commonly in its native form and is very fine-grained. Gold grains are usually associated with small pyrite crystals, but a proportion is also disseminated in the finely recrystallized carbonate-albite matrix.

iv) *2012 Development*

In 2012, necessary developments were completed permitting the Francoeur Mine to begin commercial production on August 1, 2012. At the end of November 2012, the mine had 153 employees.

On November 29, 2012, the Corporation announced the immediate closure of the Francoeur Mine. Constant high production costs due to low gold grade, difficult mining conditions and the lack of experienced miners required to run the mine in those particular conditions, within a context in which management was not able to see significant improvements in the future, were the main factors which led to the decision to close the mine. Gold commercial production at the mine ceased on November 30, 2012 and the Corporation subsequently began the estimated 4 month closing process.

2.14. Mineral Reserve and Mineral Resource Estimates

All the results of the definition drilling done in 2011 and in the beginning of 2012 were used to do the re-estimation of the Francoeur mineral reserve and resource in June 2012. Technical parameters used for this reserve and resource estimation are described in the Technical Report filed on SEDAR on August 17, 2012.

At the end of 2013, there were no more reserves at the Francoeur Mine, as the last tonne of ore was sent to the Camflo Mill in March 2013 and the mine was subsequently closed.

i) *Mineral Resource Estimation*

As at December 31, 2013, using a cut-off grade of 4.30 g/t, the Mineral Resources of the Francoeur deposit were estimated as below.

The price of gold used for calculation was US\$1,450 per ounce using an exchange rate of CAN\$1.00 = US\$1.00.

Resource Category ¹	Tonnes ² (metric)	Grade ² (g/t Au)	Au (oz)
Measured	40,000	5.89	7,600
Indicated	280,000	6.55	59,000
Total (Measured + Indicated)	320,000	6.47	66,600
Inferred	18,000	7.17	4,150

¹ Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. Underground Mineral Resources established as of December 31, 2012. Francoeur Mine closed in November 2012.

² Tonnages and grades of these resources do not include any dilution and have not been corrected with a mining recovery factor.

3. Wasamac, Rouyn-Noranda, Quebec, Canada

3.1. Location and Property Description

The Wasamac property is located approximately 15 km west of Rouyn-Noranda, Quebec, within the heart of the Abitibi gold mining district.

3.2. Description of Mining Rights

The Wasamac property consists of 3 mining concessions (CM 349, CM 364, and CM 370 for 757.65 ha) and a mining claim (CDC20098 for 1.71 ha) which cover a total area of 759.36 hectares in the Beauchastel township.

3.3. Ownership of Mining Rights

The Corporation owns 100% of the Wasamac property.

3.4. Mining Royalties

There are no royalties or back-in-rights related to any of the mining concessions.

3.5. Environmental Obligations and Permits

The restoration work of drilling sites was completed in 2013. Approximately 20,000 trees were planted on drilling sites and on other areas of the Wasamac property. Seeding was also done on various other areas. A follow-up of the plantation was made in 2014.

Steps for the request of the development authorization applications have been continued. A second pump test has been conducted on the dewatering well, to perform modeling of groundwater. The results have been transmitted to the MDDELCC in 2014. Following the analysis of these results, additional informations were asked by the ministry.

Upon the receipt of the Certificate of Approval (MDDELCC) for carrying out remedial work to the south of Wasamac parks, two spillways were built on August 2014 to prevent rejection of mining residues to the environment.

3.6. Infrastructure

In the past, the Wasamac Mine had an inclined shaft dipping to the north in the footwall of the Main Zone that was approximately 420 m deep. Drifting was done on 7 main levels (every 200 feet) until approximately -400 m below surface. Two lateral drifts accessed zones 1 and 2 towards the east (at the 400 foot and 800 foot levels). The mine was closed in 1971 and is now entirely flooded. All infrastructure was dismantled and equipment removed.

The surface rights covering the area of the old infrastructure and of the tailings pond are still owned by Richmond.

3.7. Location of Mineralized Zones

The main mineralized zones currently known on the Wasamac property are located within the Wasa shear zone. This shear zone runs through the center of the property, and has an east-west orientation and a dip of about 50° to the North.

3.8. Accessibility

The property is located 15 km west of Rouyn-Noranda, in the province of Quebec. It is easily accessible from the Provincial Highway 117 that joins Rouyn-Noranda and the small community of Arntfield. The Wasamac property is directly accessible from Provincial Highway 117 and from a secondary road (Rang des Cavaliers).

3.9. Climate

The average temperatures are -17.2° C in January and +17.2° C in July based on measurements taken over 30 years in the area. There is an average of 61 cm of snowfall in December and 101.9 mm of rain in September.

3.10. Local Resources and Infrastructure

Rouyn-Noranda, Quebec (pop. 41,475) is a well established mining community offering a vast amount of services. The Horne copper smelter is the most important employer with a workforce of more than 500 employees. Skilled administrative personnel, technicians, geologists, mining engineers and experienced miners are available in the area.

Hydro-Québec electric power is available from a provincial hydro line which runs along Provincial Highway 117.

The Ontario Northland Railway runs north of the property, parallel to Provincial Highway 117.

3.11. Physiography

The area straddles the coniferous and boreal zones. The forest cover is composed of 50% leafy and 50% resinous trees with a moderate commercial value.

The Abitibian forest is a living habitat able to support a wide diversity of mammals and birds. Amongst these, beavers and moose are the most common species. Meanwhile, the moose habitat is somewhat restricted by the absence of large coniferous covers, human activities and the close proximity of the town of Rouyn-Noranda. Beaver dams hinder the water flow in several areas (including the Wasamac property) and aquatic fur animals like muskrats, minks and otters can cohabit in such an environment.

The topography is relatively flat (average 300 metres above sea level) with the exception of the northwest portion of the property where outcrops are not more than 20 metres higher than the average level, and the Monts Kekeko to the South. The local drainage heads south from creeks crosscutting the property towards the Wasa, Helene and Adeline lakes.

3.12. Exploration History

The Wasamac property has been the object of extensive past exploration work. The following section provides a brief exploration history.

Gold mineralization was originally discovered in 1936 by Mine d'Or Champlain through surface trenching work. Subsequent surface diamond drilling intersected encouraging gold values but geological continuity seemed erratic. A 60 metre shaft (Wildcat Shaft) was sunk and one underground level was developed.

In 1944, Mine d'Or Champlain changed its name to Wasa Lake Gold Mines and initiated a new exploration program. This led to the discovery of a new gold bearing zone, the Main Zone, located some 300 metres north of the Wildcat Zone.

During the period from 1945 to 1948, an inclined shaft was sunk at a 55° angle down to the 1,000 foot level which was followed by significant development work on five underground levels. Ore reserves established at the time stood at just over 2 million tonnes at an average grade of 5.28 g/t Au (NI 43-101 non-compliant).

In 1960, Barnat Mines Ltd., in association with Little Long Lac Gold Mines, gained control of Wasa Lake Gold Mines and changed its name to Wasamac Mines Ltd. A production decision was reached in 1964, and the underground workings were dewatered and rehabilitated and commercial production officially commenced on April 1, 1965.

Between 1965 and 1971, nearly 1.9 million tonnes of ore from the Wasamac deposit were treated by Wasamac Mines Ltd. followed by Wright-Hargreaves Mines Ltd.

In May 1971, the mine ceased its operations due to low gold prices (approximately US\$35/oz), increasing production costs and the abolishment of federal aid to the mining sector.

Consequently, very little exploration was conducted on the property until 1974 when Lac Minerals carried out limited diamond drilling on the MacWin Zone and deep diamond drilling work on the Main Zone. During the early 1980's, Lac Minerals reactivated exploration work on the property.

In 1983, following pre-feasibility work on the surface pillar recovery, Lac Minerals drilled an additional 1,880 metres from 33 surface holes at a 15 metre spacing in order to upgrade the level of confidence of this surface zone.

Following the option agreement with Lac Minerals in 1986, the exploration work conducted by Rouyn Mining Resources ("RMR", which later changed its name to Richmond Mines Inc. in 1991), which consisted of 11 surface holes totaling 3,710 metres, was aimed at further evaluating the surface pillar zone along with Zone 1 and Main Zone down dip extensions.

From November 1987 to June 1988, RMR dewatered the mine to a depth of 975 feet and rehabilitated the 400 and 800 foot levels in an attempt to explore the Zone 1 down dip extension through underground drilling. Once again, however, weak gold prices drove the Corporation to bring the project to a halt.

In 1994, Richmond restored the Wasamac Mine site. All surface installations were dismantled, the shaft was capped and the tailings re-vegetated.

From 1989 to 2002, exploration work on the property consisted of limited surface diamond drilling to keep the mining lease in good standing. A total of 8 surface holes were drilled during this period, totaling just over 4,500 metres. The main geological target was the Wasa shear zone at depth.

In 2002, Richmond re-activated exploration work on the Wasamac property in an attempt to evaluate the down plunge extension of zones 1 and 2 at depth.

In 2011, a total of approximately 52,000 metres of drilling was completed on the Wasamac property.

In March 2012, the Corporation announced the results of an independent NI 43-101 compliant Preliminary Economic Assessment (“PEA”) for the Wasamac gold project. According to the PEA which assumed a gold price of CAN\$1,350 (US\$1,300) per ounce, the estimated total potential mine life would be 14 years with production of 6,000 tonnes per day, and an annual production of 140,000 ounces of gold. The PEA similarly estimated that the total life of mine recovered production would be 1.75 million ounces of gold at an average cash cost of US\$688 per ounce, or CAN\$46.15 per tonne. The undiscounted cash flows of this project were estimated to be CAN\$405 million with an internal rate of return of 7% and a payback of 8 years. This PEA was based on NI 43-101 compliant mineral resource estimates of 556,385 Au ounces of Measured and Indicated resources and 2,130,532 Au ounces of Inferred resources.

Following 2012 drilling results, measured and indicated resources were estimated at 15.2 million tonnes at a grade of 2.86 g/t for 1.4 million ounces of gold and inferred resources were estimated at 18.8 million tonnes at a grade of 2.66 g/t for 1.6 million ounces of gold. In November 2012, Richmond announced that scheduled technical work and permitting efforts would continue as planned in 2013 at Wasamac, however, no additional exploration and development activities would be undertaken on the asset. This decision was made following several months of project optimization studies, from which Richmond concluded that alternative scenarios did not currently offer a meaningful economic improvement in the current gold price environment, over the initial Preliminary Economic Assessment outlined in the Corporation’s March 28, 2012 press release.

3.13. Geological Setting

i) Regional Geology

The Wasamac property is located within the Rouyn-Noranda mining district, in the Abitibi greenstone belt of the Superior Province of the Canadian Shield. The area consists mostly of felsic to mafic volcanic rocks of Archean age along with related dioritic sills which are concordant to the regional rock formations. These volcanic and intrusive rocks have generally been metamorphosed to the green schist facies.

The greenstone belts which host the gold deposits occur as east-northeasterly trending ribbon domains in the volcano-plutonic terrains. They typically consist of mafic to ultramafic and felsic metavolcanics, interlayered with metasediments. The supracrustal rocks have been intruded by syn-volcanic plutons. Saturated and undersaturated felsic to mafic igneous rocks intruded into the greenstone belts in late Archean.

The metamorphic grade of most of the present greenstone terrains ranges from sub-greenschist to greenschist facies in the center, to lower amphibolite facies at the margin. Amphibolite facies contact metamorphic aureoles occur around intrusions into the greenstones.

ii) Project Geology

Volcanic rocks of the Blake River Group which host the gold deposits are the principal Archean rock-types exposed in the study area. Rocks of the Blake River Group are bounded to the north by the Porcupine-Destor-Parfouru fault system and to the south by the Cadillac Fault. The Blake River Group is the youngest volcanic sequence in the Superior Province and forms a central volcanic complex which is characterized by cyclic bimodal andesite-rhyolite units of calc-alkaline and tholeiitic affinity. These units are underlain by the sedimentary rocks of the Timiskaming Group, which are themselves overlain by little deformed Proterozoic sedimentary rocks of the Cobalt Group along the south boundary. The volcanic rocks are intruded by two major intrusive rocks, mafic gabbro-diorite sills and stocks that are either synvolcanic or clearly post-tectonic. All lithologies, except for the syenites, are folded and metamorphosed.

The property can be subdivided into two distinct volcanic sequences; the southeastern portion is characterized by massive mafic to intermediate flows, while the northern portion is underlain by an intercalation of mafic volcanic flows, felsic tuffs and brecciated rhyolite. These two volcanic sequences are separated by a subsidiary fault of the Larder Lake-Cadillac tectonic zone, called the Wasa shear zone, which crosses the entire length of the property from east to west.

Elsewhere on the property, several small mafic intrusive bodies composed of gabbro and diorite can be found. These intrusive bodies vary in size and seem to be generally concordant with the regional stratigraphy which runs east-west.

Below the Proterozoic Cobalt sediments, just south of the Wasamac property, the Larder Lake-Cadillac Fault cuts the Archean rocks and separates the rocks of the Blake River Group to the north with the sedimentary rocks of the Timiskaming Group to the south. Beside this major structure, the Archean rocks are also affected by two families of very different faults, one of which is related to the Wasa shear zone, and the other to the Horne fault. Like the regional structures, these faults and shear zones are nearly striking east-west. The Wasa shear zone is a reverse fault with a north dipping trend and is strongly hydrothermally altered on the Wasamac property. Most of the gold mineralization found on the property to date is related to the Wasa shear zone.

Only minor folding has been observed on the property. Schistosity varies between south-east to north-east with a northern dip of about 55 degrees and corresponds to regional schistosity. The stratigraphic high, from pillows observation, is towards the north.

iii) Mineralization

The Wasa shear zone runs through the centre of the property in an east-west fashion. This shear zone, which trends at an azimuth of 265°, has a 50-60° dip to the north and a maximum thickness of 80 metres. To the west, the shear zone splits into two separate branches and becomes thinner, while to the east, the shear zone weakens as well and displays an average thickness of 25 metres. This shear zone is characterized by the development of a strong mylonitic fabric and an intense hydrothermal alteration which totally destroyed the primary structures and textures of the protolith. Mineral assemblages of rocks within the shear zone consist of chlorite, carbonate, hematite, albite and sericite in the middle of the zone. Gold is associated with a dissemination of fine pyrite in the altered portions of the shear zone.

During the production era, two gold bearing zones were mined, namely the Main Zone and the East N°1 Zone (now Zone 1), while two other less significant zones, the East N°2 (now Zone 2) and the MacWin zones, have only been delimited by diamond drilling.

Main Zone: Originally discovered in 1944 through surface drilling, the Main Zone can be described as a well laminated mineralized zone. It is located near the centre of the property, within the Wasa Shear and high grade parts display true widths of 10 to 15 metres (up to 25 metres locally) over a strike length of 400 metres. Gold mineralization is associated with quartz, carbonate, sericite, albite, pyrite and chlorite inside the shear zone. Visible gold is rare and strong gold assays are generally associated with high silica content and a lot of fine grained pyrite. If the entire mineralized zone is considered, i.e. including lower grade parts, the width of the mineralized zone can reach over 50 metres.

Zone 1: Located some 400 metres east of the Main Zone, this zone has a similar mineralogical assemblage with the Main Zone. The high grade part displays true widths of 4.5 to 7.5 metres over a strike length of 150 metres. During the last phase of production work, underground development work was undertaken in an effort to mine this gold bearing lens but only limited tonnage was finally extracted. The thickness of the whole mineralized envelop is larger, up to 20 metres.

Zone 2: In September of 1944, surface drilling work intersected another gold bearing structure some 800 metres east of the Main Zone. The higher grade part of this zone has an average thickness of 3 to 6 metres over a strike length of 225 metres. The zone was partially developed from underground but no production was recorded. This mineralized zone is located in the upper part of the shear zone, near the hanging wall.

Zone 3: This mineralization was intersected with the 2002-2004 drilling. It is located in the lower part of the shear zone, near the footwall, below the MacWin Zone.

Zone 4: This new mineralized zone was discovered with the exploration drilling conducted in 2012. This small mineralized zone was intersected at the eastern edge of the property, and it extends onto the neighboring Globex Mining Enterprises claim.

MacWin Zone: Formerly known as the Wingate Zone, this zone was found in 1945 near the eastern property boundary and is also located within the Wasa shear zone.

Wildcat Zone: Located approximately 300 metres south of the Main Zone, the Wildcat Zone was the first gold showing to be discovered on the property (1936). This gold bearing zone consists of a carbonate altered zone at the margins of a gabbroic unit. Gold mineralization is associated with quartz carbonate veinlets containing fine grained pyrite. The pyrite mineralization is also present throughout the altered halo as disseminations.

3.14. Drilling

i) Previous Exploration Work

A considerable amount of exploration and development work was carried out on the Wasamac property since the discovery of the first gold-bearing veins. Successive underground developments have allowed for the discovery of additional resources along the Wasa Shear during the years the Main Zone was exploited.

The most recent exploration programs conducted on the Wasamac property were completed between 2002 and 2012 by the Corporation.

All applications for permits and certificates of authorization were completed in order to begin the excavation of an exploration ramp and the dewatering of the old mine. On November 29, 2012, Richmond Mines announced that exploration work was being suspended due to current market conditions and gold price, and given that alternative mining scenarios considered showed no improvement over the results of the PEA.

ii) *2013 Program*

A cementation program of previously completed exploration holes was undertaken during the first quarter of 2013. 49 diamond drill holes were cemented followed by ground preparation for tree planting and reforestation of the property.

3.15. Mineral Resource Estimates

The mineral resource estimation was carried out by Daniel Adam, P.Geo., Ph.D., Vice-President, Exploration, an employee of Richmond Mines, a member of a professional association and a qualified person as defined by NI 43-101.

The mineral resource inventory was realized in accordance with the recommendations as set by NI 43-101. The classification of the Mineral Resources is following the general guidelines as adopted in December 2005 by the CIM council.

i) *Technical Parameters*

The Mineral Resource estimate was done with all the assay results of the 2012 drilling program and after the reception of a re-interpretation of the continuity of the mineralized bodies in the Wasamac shear zone.

The method and parameters used for the resource estimation were as follows:

- Interpretation and construction of the 3D envelope of the mineralized zones was done using section and plan views. Mineralized intercepts were coded by zone and all the intercepts, surface DDH, underground DDH and face DDH, were verified.
- A high grade assay capping value of 35 g/t Au was used as defined in the statistic review done by Belzile Solutions Inc. (“BSI”) in 2010.
- Two metre composites were created in all the mineralized intercepts and coded by zone. For the creation of the composites, the software was set in a way to use the entire intercept, the composite length was therefore adjusted to make all intervals equal.
- The Mineral Resource was estimated by 3D block modeling (Block dimension of 4 m x 4 m x 5 m wide) with Gems software and using 2 m composites. All of the underground developments and stopes were modeled in three dimensions. All the blocks located inside the stopes and developments were eliminated from the model (tonnage and grade equalled to zero).
- Grade estimation was done by ordinary Kriging using parameters based on a statistical study on gold and silver, that has been completed by BSI using the majority of 2012 results.
- A density of 2.8 t/m³ was considered for tonnage calculation in mineralized zones. This tonnage factor was consistent with historical records and with the URSTM laboratory’s measurements completed in 2010 and 2011.
- Grade estimation was verified and compared with an inverse square distance interpolation in Zone 2.

- Inside the modeled mineralized zones the criteria to define the mineral resource was a minimum of 4 m true width with a minimum average grade of 1.5 g/t of gold. This cut-off was established using a gold price of US\$1,450/oz and an exchange rate of 1.00. To calculate the mineral resources inside each zone, lines were traced on a longitudinal section (to define blocks with at least a minimum true width of 4 metres and a minimum average grade of 1.5 g/t Au) and used to clip the blocks. Only the blocks inside the line were put into the mineral resources.

ii) *Mineral Resource Estimation*

The Measured and Indicated resources of the five Wasamac mineral zones total 15,251,500 tonnes grading 2.86 g/t Au and 0.57 g/t Ag for 1,402,250 ounces of gold and 280,000 ounces of silver. The Mineral Resources in the Inferred category total 18,759,000 tonnes grading 2.66 g/t Au and 1.73 g/t Ag for 1,605,400 ounces of gold and 1,044,000 ounces of silver.

Mineral Resource Classification

Resources classification was based on the criteria proposed in BSI's 2012 statistical review of the Wasamac project. For the Main Zone: Measured resources correspond to the blocks interpolated in the first pass of Kriging (7 metre x 10 metre x 10 metre search ellipse with a minimum of 3 and a maximum of 8 composites and a maximum of 2 composites from the same hole); Indicated resources correspond to the blocks interpolated in the second pass of Kriging (12 metre x 60 metre x 45 metre search ellipse with a minimum of 3 and a maximum of 8 composites and a maximum of 2 from the same hole); Inferred resources correspond to the blocks interpolated in the third pass of Kriging (10 metre x 80 metre x 60 metre search ellipse with a minimum of 1 and a maximum of 8 composites and a maximum of 2 composites from the same hole). Similar parameters were used for zones 1 to 4. The interpolation was performed on gold and silver with the same settings for the Main zone, Zone 3 and Zone 4. The search ellipses are different for gold and silver in zones 1 and 2.

Table of Mineral Resources

Following the Mineral Resources estimation, the Mineral Resources at Wasamac as of December 31, 2012 were estimated as follows:

Resource Category ¹	Tonnes ² (metric)	Grade ² (g/t Au)	Grade (g/t Ag)	Au (oz)	Ag (oz)
Measured	3,124,500	2.75	0.02	276,550	2,500
Indicated	12,127,000	2.89	0.71	1,125,700	277,500
Total (Measured + Indicated)	15,251,500	2.86	0.57	1,402,250	280,000
Inferred	18,759,000	2.66	1.73	1,605,400	1,044,000

¹ Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

² Tonnage and grades of these resources do not include any dilution and have not been corrected by a mining recovery factor.

D. National Instrument 43-101 – Standards of Disclosure of Mineral Projects

Mineral reserve and mineral resource estimations for the Corporation’s material properties were established by “qualified persons” as defined under NI 43-101, and their names are set out in the table below. These reserve and resource estimations were reviewed by Mr. Daniel Adam, P.Geo., Ph.D., Vice-President, Exploration, an employee of Richmond Mines.

Mines	Qualified Persons	Titles
Beaufor and W Zone mines	Jessy Thelland, P.Geo. Marc-André Lavergne, P.Eng.	Senior Geologist, Beaufor and W Zone mines Manager, Beaufor, W Zone and Monique divisions
Island Gold Mine	Raynald Vincent, P.Eng., M.G.P. Daniel Vachon, P.Eng.	Chief Geologist Chief Engineer
Francoeur Property	Marc-André Lavergne, Eng. Daniel Adam, P.Geo., Ph.D. Pierre Rivard, P.Geo.	Former Francoeur Mine Manager Vice-President, Exploration Corporate division Former Production Geologist
Wasamac Project	Daniel Adam, P.Geo., Ph.D.	Vice-President, Exploration, Corporate division
Monique Mine	Daniel Adam, P.Geo., Ph.D.	Vice-President, Exploration, Corporate division

E. Table of Mineral Reserves and Resources¹

	December 31, 2014			December 31, 2013		
	Tonnes (metric)	Grade (g/t Au)	Ounces contained	Tonnes (metric)	Grade (g/t Au)	Ounces contained
Island Gold Mine						
Proven Reserves ²	173,000	6.25	34,700	251,500	5.95	48,100
Proven Reserves ² (below -400 m)	86,000	6.57	18,150	-	-	-
Probable Reserves ²	290,500	5.91	55,300	393,000	6.04	76,350
Probable Reserves ² (below -400 m)	345,500	6.81	75,600	88,500	6.70	19,050
Total Proven & Probable Reserves ²	895,000	6.39	183,750	733,000	6.09	143,500
Measured Resources	26,000	5.30	4,400	28,000	5.57	5,050
Indicated Resources	269,500	6.98	60,450	255,500	7.23	59,400
Indicated Resources ³ (below -400 m)	438,000	10.95	154,200	456,000	11.52	168,900
Total Measured & Indicated Resources	733,500	9.29	219,050	739,500	9.81	233,350
Inferred Resources	369,500	6.97	82,800	363,000	7.09	82,750
Inferred Resources ³ (below -400 m)	3,178,000	9.00	919,950	3,196,000	9.29	954,600
Total Inferred Resources	3,547,500	8.79	1,002,750	3,559,000	9.07	1,037,350
Beaufor Mine⁴						
Proven Reserves ²	53,000	7.13	12,100	82,000	5.54	14,600
Probable Reserves ²	91,500	7.02	20,650	130,500	7.00	29,350
Total Proven and Probable Reserves	144,500	7.06	32,750	212,500	6.43	43,950
Measured Resources	111,500	5.30	19,000	107,500	5.50	19,000
Indicated Resources	805,500	6.60	170,850	803,500	6.56	169,500
Total Measured & Indicated Resources	917,000	6.44	189,850	911,000	6.44	188,500
Inferred Resources	743,000	6.51	155,600	906,000	6.50	189,200
Monique Mine⁵						
Proven Reserves ²	-	-	-	14,500	1.42	650
Probable Reserves ²	14,500	3.16	1,450	401,000	2.33	30,050
Total Proven & Probable Reserves ²	14,500	3.16	1,450	416,000	2.30	30,700
Indicated Resources	107,500	4.88	16,850	107,500	4.88	16,850
Wasamac Gold Property⁶						
Measured Resources	3,124,500	2.75	276,550	3,124,500	2.75	276,550
Indicated Resources	12,127,000	2.89	1,125,700	12,127,000	2.89	1,125,700
Total Measured & Indicated Resources	15,251,500	2.86	1,402,250	15,251,500	2.86	1,402,250
Inferred Resources	18,759,000	2.66	1,605,400	18,759,000	2.66	1,605,400
Francoeur Gold Property^{6,7}						
Measured Resources	40,000	5.89	7,600	40,000	5.89	7,600
Indicated Resources	280,000	6.55	59,000	280,000	6.55	59,000
Total Measured & Indicated Resources	320,000	6.47	66,600	320,000	6.47	66,600
Inferred Resources	18,000	7.17	4,150	18,000	7.17	4,150
TOTAL GOLD						
Proven + Probable Reserves	1,054,000	6.43	217,950	1,361,500	4.98	218,150
Measured + Indicated Resources	17,329,500	3.40	1,894,600	17,329,500	3.42	1,907,550
Inferred Resources	23,067,500	3.73	2,767,900	23,242,000	3.80	2,836,100

¹ Mineral Resources presented are exclusive of Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

² In 2014, based on a gold price of US\$1,200/oz and an exchange rate of CAN\$1.0833 = US\$1.00 (in 2013, a price of US\$1,225/oz and an exchange rate of CAN\$1.06 = US\$1.00 were used).

³ Underground Mineral Resources established for the C Zone and six other lateral zones below a vertical depth of -400 metres.

⁴ W Zone and 350 Zone Mineral Reserves and Mineral Resources are included with the Beaufor Mine as at December 31, 2014 and 2013.

⁵ Monique Mineral Reserves are open-pit, and Mineral Resources are located underground directly below the open-pit.

⁶ Underground Mineral Resources established as of December 31, 2012 using a gold price of US\$1,450/oz and an exchange rate of CAN\$1.00 = US\$1.00.

⁷ Francoeur Mine closed in November 2012.

F. Other Aspects of the Business

1. Camflo Mill Inc.

The Camflo Mill processed a total of 435,371 tonnes in 2014, up 37% from the 317,038 tonnes processed in 2013. This increase was attributable to the contribution of a full year of commercial production from the Monique Mine in 2014, versus only three months in the prior year. Processing levels in 2013 were notably higher than in 2012 owing to the addition of bulk sample material and commercial and pre-production ore from the Monique and W Zone operations during the year.

2. Environmental Obligations and Permits

The closure plan for the Camflo Mill was approved and revised in 2014 by the *Ministère de l'Énergie et des Ressources naturelles* (the "MERN"). The revision of the closure plan was submitted to MERN in February 2014 and approved on November 2014.

In 2014, Richmond Mines finalized the long process for obtaining his Industrial Waste Reduction Permit (Attestation d'assainissement), as required by the regulations of MDDELCC. A draft permit was produced by the MDDELCC in summer 2014 and was made public for consultation. Following this process, the attestation was issued on February 19, 2015.

A request for a Certificate of Approval (MDDELCC) have been submitted and obtained in 2014 for the collection and treatment of water from a new well in order to provide potable water for domestic use.

The Corporation is of the opinion that all necessary permits and approvals have been sought and obtained.

3. Gold Marketing and Sales

The profitability of gold mining is directly related to the market price of gold as compared to the cost of production. Gold prices fluctuate widely and are affected by numerous factors, including expectations with respect to the rate of inflation, exchange rates (specifically the U.S. dollar relative to other currencies), interest rates, global and regional political and economic situations and governmental policies with respect to gold holdings by a nation's central bank. The demand and supply of gold usually affect gold prices but not necessarily in the same manner as supply and demand affect the prices of other commodities. The entire gold available for sale includes a combination of mine production, stock and gold bullion held by governments, public and private financial institutions, industrial organizations and private individuals. As the amounts produced in any single year account for a small portion of the total available supply of gold, normal variations in current production do not have a significant impact on the supply of gold or its price.

The following table sets out the annual average gold price (London PM fix) in U.S. over the past five years:

	(US\$)
2010	1,225
2011	1,572
2012	1,669
2013	1,411
2014	1,266

Gold can be sold on numerous markets throughout the world and it is not difficult to ascertain its market price at any particular time. Richmond Mines is not dependent upon the sale of its gold to any one customer because of the large number of available gold purchasers.

Richmont Mines may occasionally use put and call options on gold, and forward sales contracts on gold and U.S. dollars. All such contracts are previously approved by the Corporation's Board of Directors.

Gold dore bars are transported between the mills and the refinery by commercial armoured truck. These bars are refined at the Royal Canadian Mint of Ottawa refinery under a service contract at competitive rates. Refined metal is sold on the spot market to commercial bullion dealers (or under forward sales contracts if previously approved by the Corporation's Board of Directors).

In 2014, 2013 and 2012, Richmond Mines had not entered into any gold derivatives contracts.

4. **Environment**

Richmont Mines' principal business activities are the production of gold from mining development, extraction and processing of minerals, and mining exploration to maintain and increase its ore reserves. These operations are subject to various levels of control and strict government regulations, such as laws and regulations with respect to activities related to natural resources and the protection of the environment.

Environmental protection legislation applicable to the Canadian mining industry mandates high standards for the reduction or elimination of emissions, deposits, and issuance or release into the environment of contaminants caused by the extraction or processing of ore. In addition, certificates of authorization must be obtained in advance for the construction and commercial operation of a mine, plant, concentrator or refinery, since such types of operations that are specific to the mining industry may result in emissions, deposits, issuance or release of contaminants into the environment or may affect the quality of the environment.

4.1. *Quebec & Ontario*

Provincial legislation in Quebec and Ontario in mining matters includes the acquisition and ownership of mining titles, safety standards, royalties and mining taxes. The *Mining Act* provides for the rehabilitation and restoration of lands affected by mining activities. In Ontario, approval for any plan for the rehabilitation and restoration of land affected by a Corporation's operations is given by the Ministry of Northern Development and Mines ("MNDM"), while in Quebec it is given by the *Ministère des Ressources naturelles* ("MRN"). Corporations must comply with the plan and provide a financial guarantee to that effect.

In Quebec, when a corporation commences mining operations, it must submit its rehabilitation and closure plan before the beginning of its activities. In Ontario, the plan must be approved before the beginning of commercial production; moreover, a local public consultation must also be held.

The Ministries may enjoin a corporation which has already ceased its mining operations on a particular site to perform the rehabilitation and restoration work required by the presence of tailings. In the event that the Corporation does not comply with such requirements, the MRN and the MNDM may have the rehabilitation and restoration work executed by a third party, at the Corporation's expense.

Richmont Mines does not foresee any specific difficulty in meeting the requirements under the *Mining Act* (Quebec) and the *Mining Act* (Ontario).

Richmont Mines holds certificates of authorization issued by the *Ministère du Développement durable, de l'Environnement, de la Faune et des Parcs* (the *Ministry of Sustainable Development, Environment, Wildlife and Parks*, the “MDDEFP”) with respect to its mining operations in Quebec (Beaufor Mine, W Zone Mine, Monique Mine and Camflo Mill) and by the Ontario’s *Ministry of the Environment* for its Island Gold Mine, located in Ontario.

5. **Employees**

Richmont Mines offers its employees a compensation package including attractive benefits and a stock-option plan for management. The Corporation employed a total of 373 workers and 212 contractors as of December 31, 2014, versus 442 workers and 125 contractors at December 31, 2013.

The Camflo Mill has renewed its collective agreement that expired on December 31, 2012 for a three-year period ending December 31, 2015. No assurance can be given that the Corporation will be successful in renewing the collective agreement in the future.

The employees of the Beaufor Mine, Monique Mine and the Island Gold Mine are not unionized and labour relations are satisfactory.

IV. CONSOLIDATED FINANCIAL INFORMATION

The selected consolidated financial information has been derived from the consolidated financial statements included in the Richmond Mines annual report for the year ended December 31, 2014, and should be read in conjunction with these statements and the accompanying notes.

A. For the Last Three Fiscal Years

	Years ended December 31 (thousands of Canadian dollars except per share data)		
	2014	2013	2012
Revenues	132,196	90,213	101,718
Net earnings (loss) from continuing operations	8,182	(33,162)	(2,977)
Net loss from discontinued operation	-	(1,098)	(42,038)
Net earnings (loss)	8,182	(34,260)	(45,015)
Basic earnings (loss) per share			
Earnings (loss) from continuing operations	0.18	(0.84)	(0.08)
Loss from discontinued operation	-	(0.03)	(1.20)
Basic net earnings (loss)	0.18	(0.87)	(1.28)
Diluted earnings (loss) per share			
Earnings (loss) from continuing operations	0.18	(0.84)	(0.08)
Loss from discontinued operation	-	(0.03)	(1.20)
Diluted net earnings (loss)	0.18	(0.87)	(1.28)
Total assets	148,771	123,328	148,244
Non-current long-term debt	5,724	5,196	702
Working capital	34,837	13,952	54,296
Shareholders' equity	107,957	86,353	118,363

B. Dividend Policy

The Corporation has not declared or paid any dividends on its common shares since its incorporation. Richmond Mines has no current plans to pay dividends on its common shares. Its current policy is to retain earnings to finance its capital expenditures and exploration programs. In the future, the Board of Directors may declare dividends according to its assessment of the financial position of the Corporation, taking into account financing requirements for future growth and other factors that the Board of Directors may deem relevant in the circumstances.

V. CAPITAL STRUCTURE

Richmont Mines' capital stock is composed of an unlimited number of common shares, with no par value.

Common Shares (in thousands)	2014	2013	2012
Weighted average outstanding	45,261	39,594	35,055
Issued and outstanding as of December 31	48,276	39,596	39,566
Diluted as of December 31	52,987	44,173	42,413
Closing price as of December 31 (TSX) (in CAN\$)	3.69	1.07	2.99

The holders of the common shares are entitled to one vote per share at all of the Corporation's shareholder meetings, are entitled to dividends, if and when declared by the directors of the Corporation, and to the distribution of the residual assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation.

Repurchase of Shares

In 2014, the Corporation did not repurchase any common shares as its normal course issuer bid expired on December 4, 2009 and was not renewed.

Omnibus Long-Term Incentive Plan

The Corporation offers a long-term incentive plan that permits the granting of options ("Options"), restricted share units ("RSUs"), share appreciation rights ("SARs") and retention awards ("Retention Awards") to directors, officers, senior executives and other employees, consultants and service providers providing ongoing services to the Corporation.

VI. MARKET FOR SECURITIES

The Corporation's common shares are listed on the Toronto Stock Exchange (TSX) and the New York Stock Exchange Market (NYSE MKT) under the ticker symbol "RIC".

Toronto Stock Exchange (TSX) (CAN\$)

2014	Share volume	High	Low	Close
First quarter	3,138,120	\$2.07	\$1.09	\$1.56
Second quarter	2,707,956	\$1.63	\$1.21	\$1.51
Third quarter	9,390,883	\$3.07	\$1.36	\$2.26
Fourth quarter	9,024,212	\$4.00	\$2.07	\$3.69
Annual summary	24,261,171	\$4.00	\$1.09	\$3.69

New York Stock Exchange Market (NYSE Market) (US\$)

2014	Share volume	High	Low	Close
First quarter	11,073,410	\$1.85	\$1.04	\$1.41
Second quarter	5,331,133	\$1.52	\$1.11	\$1.37
Third quarter	16,709,389	\$2.82	\$1.27	\$2.00
Fourth quarter	21,118,226	\$3.49	\$1.86	\$3.16
Annual summary	54,232,158	\$3.49	\$1.04	\$3.16

VII. DIRECTORS AND OFFICERS

Names, municipalities of residence, offices and principal occupations of the directors and executives officers of the Corporation are as follows:

Name and Municipality of Residence	Office held with the Corporation	Principal Occupation	Director or Officer since	Number of shares owned on March 24, 2015 ¹	Number of options held on March 24, 2015	RSU's
H. Greg Chamandy ⁴ Westmount, QC, Canada	Executive Chairman of the Board	Business Executive	May 14, 2009	5,016,363 ²	667,000	14,000
Renaud Adams, Eng. ¹¹ Oakville, ON, Canada	President and CEO	President and CEO of Richmond Mines Inc.	Nov. 17, 2014	70,000	800,000	-
René Marion, Eng. ^{3, 4, 5, 6} Toronto, ON, Canada	Director	Mining Consultant	Nov. 6, 2013	50,000	115,000	11,000
Elaine Ellingham, P.Geo., M. Sc., MBA ^{3, 4, 5, 6, 9} Toronto, ON, Canada	Director	Geologist, President of Ellingham Consulting Ltd.	Feb. 4, 2010	-	335,000	11,000
Michael Pesner, CPA, CA ^{3, 5, 6} Montreal, QC, Canada	Director	President, Hermitage Canada Finance Inc.	Nov. 1, 2010	16,000	256,000	11,000
Daniel Adam, P.Geo., Ph.D. ⁷ Rouyn-Noranda, QC, Canada	Vice-President, Exploration	Vice-President, Exploration of Richmond Mines Inc.	March 10, 2008	43,200	135,000	7,000
Rosaire Émond, Eng. ⁸ Val-d'Or, QC, Canada	Vice-President and Chief Operating Officer	Vice-President and Chief Operating Officer of Richmond Mines Inc.	Jan. 13, 2014	-	191,800	7,000
Nicole Veilleux, CPA, CA ¹⁰ Rouyn-Noranda, QC, Canada	Vice-President, Finance	Vice-President, Finance of Richmond Mines Inc.	March 1, 2006	32,000	175,000	8,500
Mélissa Tardif Ste-Gertrude-Manneville, QC, Canada	Corporate Secretary	Lawyer at Richmond Mines Inc.	May 9, 2013	-	50,000	2,700

1. As the Corporation has no direct knowledge of the number of shares controlled by the above-mentioned directors and officers, the information was provided by each of them.

2. Of this number, 961,805 common shares are directly held by Mr. Chamandy. The remaining 4,020,854 and 33,704 common shares are held by Oxbridge Group Inc., an entity ultimately controlled by Mr. Chamandy and Ms. Chantal Condoroussis, Mr. Chamandy's spouse.

3. Member of the Audit Committee.

4. Member of the Corporate Social Responsibility Committee.

5. Member of the Human Resources and Compensation Committee.

6. Member of the Corporate Governance and Nominating Committee.

7. Mr. Daniel Adam was nominated Vice-President, Exploration on February 25, 2013.

8. Mr. Rosaire Émond was nominated Vice-President and Chief Operating Officer on January 13, 2014 and resigned on March 6, 2015.

9. Lead Director

10. Ms. Nicole Veilleux was nominated Vice-President, Finance on September 25, 2014.

11. Mr. Renaud Adams was nominated President and Chief Executive Officer on November 17, 2014.

The Corporation does not have any other committees other than those mentioned above.

The above-mentioned individuals have held their principal occupation as indicated beside their respective names during the last five years, with the exception of Mr. Rosaire Émond who, prior to January 13, 2014, was Island Gold Deep Project Manager for Richmond, Mr. Daniel Adam, who, prior to February 25, 2013 was General Manager, Exploration at Richmond, Ms. Mélissa Tardif who, prior to May 9, 2013, was Richmond's Assistant Corporate Secretary and prior to August 8, 2011, was a lawyer in a property management company, Ms. Nicole Veilleux, who, prior to September 25, 2014 was the Financial Director for Richmond Mines, Mr. Renaud Adams, who, prior to November 17, 2014 worked as President and COO of Primero Mining Corp. and Mr. René Marion, who, prior to November 6, 2013, worked as President and CEO and Director of AuRico Gold.

Each director shall, unless he or she resigns or his or her office becomes vacant for any reason, hold office until the close of the next annual meeting of shareholders or until his or her successor is elected or appointed.

The directors and officers mentioned above own a total of 5,227,563 common shares of Richmond Mines, which represents 9.02% of the Corporation's 57,941,223 common shares issued and outstanding as at March 24, 2015.

VIII. AUDIT COMMITTEE

A. Audit Committee's Charter

The audit committee's charter is set out in Schedule A hereto.

B. Composition of the Audit Committee

The audit committee is composed of Mr. Michael Pesner, Chairman of the Audit Committee, Mr. René Marion and Ms. Elaine Ellingham. All members of the audit committee are independent and financially literate as defined in National Instrument 52-110 *Audit Committees* ("NI 52-110").

1. Relevant Education and Experience

Mr. Pesner is a CPA, CA and is President of Hermitage Canada Finance Inc., a Corporation that specializes in financial advisory services. Previously, Mr. Pesner was a Senior Partner in Financial Advisory Services at the Montreal offices of KMPG, prior to which he was National Executive, Corporate Recovery Partner at KMPG predecessor firm Thorne Ernst & Whinney. Mr. Pesner also serves on the Board of Directors of the following public companies: Quest Rare Minerals Ltd., Canamex Resources Corp., Le Château Inc., Alexandria Minerals Corporation, Nutritional High International Inc., Wi2Wi Corporation and Liquid Nutrition Group Inc.

Mr. Marion is a mining engineer and the President and Chairman of RJLM Professional Services Ltd., a private consulting firm in the mining industry. He was previously the President and CEO of Aurico Gold from 2007 through 2012 and held a variety of roles with increasing responsibility at Barrick Gold Inc. from 1995 through 2007. He is a member of the Association of Professional Engineers of Ontario and the Ontario Society of Professional Engineers. He also serves on the Board of Guyana Goldfields Inc., Falco Resources Ltd. and Temex Resources Corp.

Ms. Ellingham is a professional geoscientist with over 25 years of experience in the mining industry. Ms. Ellingham is President of Ellingham Consulting Ltd., a company providing geological and advisory services to international clients. She spent eight years with the Toronto Stock Exchange, from 1997 - 2005, in a number of capacities including National Leader of Mining, and served on the TSX Stock List Committee. Ms. Ellingham was Senior VP, Investor Relations for IAMGOLD Corporation and has a range of experience in mineral exploration, corporate development and investor relations for mining companies including Campbell Resources Inc., Rio Algom Exploration Inc., and St. Joe Canada Inc. Ms. Ellingham is currently a director of Wallbridge Mining Company Limited, Aurania Resources Ltd., and Williams Creek Gold Limited. Ms. Ellingham served as the Richmond's interim President and Chief Executive Officer from July 2, 2014, to November 17, 2014.

2. Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, the Corporation has never relied on the exemptions provided in Parts 2 and 3 of NI 52-110 or an exemption from NI 52-110 or any part thereof granted under Part 8 of NI 52-110.

3. Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, the Board of Directors has never refused to adopt a recommendation of the audit committee with respect to the nomination or compensation of the external auditor.

4. Pre-Approval Policies and Procedures

The Committee pre-approves all permissible non-audit services and all audit review or other engagements, and advises the Board on compensation, fees and terms for such services provided by the auditors.

5. External Auditor Service Fees

5.1. Audit Fees

The aggregate fees billed by the external auditors for audit services for each of the last three financial years are the following:

Nature of services (in CAN\$)	2014	2013	2012
Audit services*	154,875	141,750	135,000

* Includes the audit of the internal controls and financial reporting as required by the Sarbanes-Oxley legislation.

5.2. Audit-Related Fees

The aggregate fees billed for each of the last three financial years for certification services and related services provided by the external auditors which are reasonably related with the performance of the audit or review of the Corporation's financial statements are described in the following table:

Nature of services (in CAN\$)	2014	2013	2012
Special work	46,337	27,403	25,050

5.3. Taxation Fees

The aggregate fees billed for each of the last three financial years for the professional services provided by the external auditors with regards to tax compliance, tax advice and tax planning are described in the following table:

Nature of services (in CAN\$)	2014	2013	2012
Review quarterly estimate	11,625	10,125	10,125
Planning and tax advice	5,750	6,400	7,925

5.4. All Other Fees

The aggregate fees billed for each of the last three financial years for the products and services provided by the external auditors, other than the services previously stated, are described in the following table:

Nature of services (in CAN\$)	2014	2013	2012
Other consultations	869	997	8,185
Other expenses	13,125	12,955	1,968

IX. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Corporation is involved in three (3) legal proceeding as of March 24, 2015:

- Against Sterling Oil & Gas Corporation (“Sterling”), who was the propane supplier for the Island Gold Mine. Richmond Mines is suing Sterling for an approximate amount of CAN\$156,000. The Corporation presented its claim in front of the Superior Court of Justice of Ontario, for a breach of contract which occurred on July 30, 2010. In response to this claim, Sterling is countersuing Richmond Mines for an approximate amount of CAN\$365 million, mainly related to the installation and rental of Sterling equipment. Management is of the opinion that the basis of Sterling’s countersuit is unfounded. The trial is expected to be held in 2015.
- Against 6676162 Canada Inc., which filed legal procedures in the Court of Quebec in June 2010 for a claim of CAN\$450,000. A decision was rendered on November 29, 2010. The request was rejected due to the fact that 6676162 Canada Inc. was not represented by counsel at the outset which is counter to the requirements of the Code of Civil Procedure. A new application to institute proceedings was filed on February 23, 2011. Richmond transferred the case to arbitrators as stipulated in the contract. The parties have chosen arbitration before three arbitrators. Both Richmond and 6676162 Canada Inc. have each chosen one arbitrator. The third arbitrator has been selected by the first two. Richmond made a counterclaim of CAN\$218,248 for repairs that needed to be redone. The arbitration is expected to be held in 2015.
- Richmond filed a legal procedure against Agrégat RN, its former contractor at the Monique Mine, for an amount of CAN\$1,401,910, representing corrective measures that had to be performed by Richmond’s new contractor Richmond has received the defense and counterclaim documents from Agrégat RN for an amount of almost \$15,000,000. The trial is expected to be held only in 2015.

As at March 24, 2015, Richmond Mines is not aware of any other legal proceedings involving the Corporation.

X. REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the common shares of the Corporation is Computershare Trust Corporation of Canada Inc., located at 1500 University Street, Suite 700, Montreal, Quebec H3A 3S8.

XI. MATERIAL CONTRACTS

On June 29, 2007, Richmond Mines sold its East Amphi property and related surface equipment to Osisko Exploration Ltd.

In November 2007, Richmond Mines entered into an agreement with LKA International Inc. (“LKA”) which granted the Corporation an option to earn a 50% joint-venture interest in LKA’s Golden Wonder Mine. In December 2007, Richmond Mines exercised its option. In October 2008, Richmond Mines announced the termination of its option to proceed with the joint venture agreement.

These contracts were filed on April 15, 2008, under the Corporation’s profile on the SEDAR website at www.sedar.com.

In June 2010, Richmond Mines entered into an underwriting agreement with a syndicate of underwriters co-led by Desjardins Securities Inc and CIBC World Markets Inc. and including Dundee Securities Corporation and National Bank Financial Inc. (the “Underwriters”) to sell common shares of Richmond Mines at a price of CAN\$5.00 per share. The 3,300,000 Common Shares issued by Richmond Mines included 300,000 Common Shares issued upon the exercise in part by the underwriters of an over-allotment option. The agreement was filed on SEDAR on June 2, 2010.

In October 2011, Richmond completed a private placement of 980,500 common shares at CAN\$10.50 per share with the Fonds de solidarité FTQ and the Fonds régional de solidarité Abitibi-Témiscamingue, s.e.c. (collectively, the “Subscribers”), for a total cash consideration of CAN\$10.3 million. In addition, the private placement entitled the Subscribers to 245,125 warrants to purchase additional Richmond common shares at an exercise price of CAN\$13.00 per common share before December 31, 2012.

On February 1, 2012, Richmond Mines completed a CAN\$10 million private placement with Mr. Bob Buchan and two members of his immediate family in the form of convertible debentures. The debentures had a 5 year maturity with a 7.6% annual interest rate, and were convertible into Richmond common shares at a conversion price of CAN\$12.17 per share at the option of the holders at any time following the date of issuance. On September 24, 2012, Richmond Mines announced the immediate retirement of these debentures held by Mr. Bob Buchan and two members of his immediate family.

These contracts were filed on May 7, 2012, under the Corporation’s profile on the SEDAR website at www.sedar.com.

On September 26, 2012, Richmond Mines Inc. completed a non-brokered private placement with four institutional funds, through which the Corporation issued 5.97 million common shares at CAN\$4.35 per share for, a total cash consideration of CAN\$26 million. Some Directors and officers subscribed to the private placement for an amount representing less than 2% of the private placement.

That contract was filed on March 5, 2013, under the Corporation’s profile on the SEDAR website at www.sedar.com.

In mid-October 2013, the Corporation announced that it had signed a land and mining rights agreement with Argonaut Gold Inc. (“Argonaut”), owner of the Magino Gold Project that is adjacent to the Corporation’s Island Gold Mine. This Agreement was slightly modified in June 2014. Under the revised terms, Argonaut will receive one claim in its entirety and surface and mining rights down to a depth of 400 metres on six claims. It will also receive surface rights on two claims down to a depth of 100 metres. Instead of receiving one claim in its entirety and mining rights below a depth of 400 metres on two additional claims, the Corporation will now receive three claims in their entirety, and mining rights on three additional claims below a depth of 400 metres. As previously mentioned, under the terms of the Agreement, the Corporation will receive a net payment of \$2.0 million in cash from Argonaut upon completion of the land transactions, which is now expected to take place in a few months.

On June 17, 2013, Richmond Mines obtained a letter of offer for a senior credit facility for up to US\$50 million from Macquarie Bank Limited (“MBL”) to advance the Island Gold Deep project. The US\$50 million facility consisted of three tranches, all of which were subject to certain conditions being met prior to drawdown. The Corporation issued call warrants for the purchase of 1,250,000 Richmond shares to MBL upon closing of the facility agreement on August 23, 2013. The warrants had an exercise price of CAN\$2.45 per share, and expire 3 years from the original date of their issue to MBL. A total of 812,500 warrants vested immediately upon closing of the facility agreement and were sold to another funds. The remaining 437,500 warrants were to have vested when the conditions to drawdown Tranche B had been fully met by the Corporation, and were cancelled upon the December 20, 2013 termination of the facility.

These contracts were filed on March 11, 2014, under the Corporation’s profile on the SEDAR website at www.sedar.com.

On April 23, 2014, Richmond Mines announced that it has closed the bought deal financing previously announced on April 3, 2014. The Corporation issued a total of 8.05 million common shares at a price of CAN\$1.45 per share, including the entire over-allotment option of 1.05 million common shares, on a bought-deal basis, for aggregate gross proceeds of CAN\$11.67 million, through a syndicate of underwriters lead by Macquarie Capital Markets Canada Ltd. and including BMO Nesbitt Burns Inc., CIBC World Markets Inc. and Desjardins Securities Inc (the "Offering"). The proceeds from the Offering will be used for working capital and general corporate purposes.

On August 5, 2014, Richmond Mines announced that it has signed a definitive agreement to acquire the outstanding 31% ownership of four patented claims on the Island Gold Mine property, thereby increasing its ownership of these claims to 100% from 69% previously. The 31% ownership held by the third party will be acquired by Richmond in return for a 3% Net Smelter Return (“NSR”) royalty that is payable on 100% of the mineral production from the four claims.

The purchase and sale agreement and the royalty agreement were filed on March 17, 2015, under the Corporation’s profile on the SEDAR website at www.sedar.com.

On February 11, 2015, Richmond Mines Inc. announced that it has closed the bought deal financing previously announced on January 20, 2015, and increased on January 21, 2015. Indeed, on January 20, 2015, Richmond Mines Inc. announced that it has entered into an agreement with Macquarie Capital Markets Canada Ltd. (“Macquarie”) as lead underwriter, on behalf of a syndicate of underwriters, for the issuance of 7.5 million common shares of the Corporation, on a bought-deal basis, at a price of CAN\$4.00 per share (the “Offering Price”) for gross proceeds of CAN\$30 million (the “Offering”). The syndicate of underwriters also includes CIBC World Markets Inc., National Bank Financial Inc., BMO Capital Markets, TD Securities Inc., and PI Financial Corp. On January 21, 2015, Richmond Mines Inc. announced that it has agreed to increase the size of its previously announced bought deal offering to CAN\$34 million.

XII. EXPERTS’ INTERESTS

Raymond Chabot Grant Thornton LLP has advised Richmond Mines that it is independent of Richmond Mines within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants.

Mr. Jessy Thelland, Mr. Daniel Vachon, Mr. Marc-André Lavergne and Mr. Daniel Adam, employees of Richmond Mines and each a “qualified person” within the meaning of NI 43-101, have not received any direct or indirect interest in the property of Richmond Mines or of any associate or affiliate of Richmond Mines. As at the date hereof, to the best of the knowledge of management each of the aforementioned individuals beneficially own, directly or indirectly, less than 1% of the securities of Richmond Mines.

XIII. ADDITIONAL INFORMATION

Additional information regarding the Corporation may be obtained under the Corporation's profile on the SEDAR website at www.sedar.com and on the Corporation's website at www.richmont-mines.com. Additional information, including directors' and officers' remuneration and indebtedness, the principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Corporation's information circular for its most recent annual meeting of shareholders that involved the election of directors.

Additional financial information is provided in the Corporation's financial statements and management's discussion & analysis for the year ended December 31, 2014.

SCHEDULE A
AUDIT COMMITTEE CHARTER
RICHMONT MINES INC

The Audit Committee of Richmond Mines Inc. (the “Corporation”) is a standing committee of the Board of Directors whose primary function is to carry out a detailed and thorough review of audit matters, to be responsible for the oversight of the work of any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit or review services for the Corporation (including resolution of disagreements between management and the auditor regarding financial reporting), to consider and approve related party transactions and to offer the Corporation’s auditors, shareholders and employees a direct link to the non-executive directors. This Committee will assist the Board in fulfilling its oversight responsibilities by reviewing the financial information which will be provided to the shareholders and others, the internal control structure, the audit process, and adherence to applicable laws and regulations. In carrying out its duties, the Committee will apply reasonable materiality standards to all matters under review.

The Audit Committee shall be comprised of three directors as determined by the Board, each of whom shall be unrelated directors, free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

All members of the Audit Committee shall be financially literate and have a working familiarity with basic finance and accounting practices. At least one member of the Committee shall have accounting or related financial management expertise. The definition of “financially literate” is the ability to read and understand a balance sheet, an income statement and a cash flow statement. The definition of “accounting or related financial management expertise” is the ability to analyse and interpret a full set of financial statements, including the notes attached thereto, in accordance with generally accepted accounting principles.

The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders’ meeting. Unless a Chairman is elected by the full Board, the members of the Committee shall designate a Chairman by a majority vote of the full Committee membership.

The Committee shall meet at least quarterly. No meeting shall be held unless a quorum of members is present. A majority of the members shall constitute quorum. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. The meetings may be in person or by telephone.

The Committee shall have the power to conduct or authorize investigations into any matters within the Committee’s scope of responsibilities. The resources of the Corporation shall be available to the Committee to carry out its duties and, if need be, the Committee may (at the Corporation’s cost) take external professional advice and invite outsiders with relevant experience to attend if necessary.

Audit Committee Mandate

1. The Committee shall recommend to the Board the engagement and retention of the external auditors, evaluate the auditors' performance and qualifications and be directly responsible for the oversight of their work. The Committee will also periodically consider the independence of the auditors, including an annual review of any non-audit services provided and related fees received. This evaluation and review should include the evaluation and review of the lead partner of the auditing firm including such partner's regular rotation as required by law. In making its evaluations, the Audit Committee should take into account the opinions of management and especially the personnel responsible for its internal financial control, and shall present its conclusions to the Board.
2. The Committee shall pre-approve all permissible non-audit services and all audit, review or other engagements, and advise the Board on compensation, fees and terms for such services provided by the auditors. The Committee shall establish policies and procedures as warranted for the pre-approval of services by the auditors and review such proposed services on a periodic basis. The Audit Committee shall also consider whether the auditor's performance of permissible non-audit services is compatible with the auditor's independence. The Audit Committee shall also review with the auditor any written statement from the auditor concerning any relationships between the auditor and the Corporation or any other relationships that may adversely affect the independence of the auditor.
3. The Committee shall discuss with the auditors, in July of each year before the annual audit commences, the nature, scope and timing of the audit and ensure coordination if more than one audit firm is involved.
4. The Committee shall inquire of management, the auditors, the Director, Finance and the Chief Executive Officer about significant risks or exposures to loss or liability facing the Corporation and inquire as to the steps management has taken to minimize such risks.
5. The Committee shall consider, in consultation with the auditors and the Vice-President, Finance the scope and budget of the annual audit to ensure completeness of coverage, reduction in redundant efforts, and the effective use of audit resources.
6. With respect to the annual external audit of the Corporation, the Committee shall review with the Vice-President, Finance, management and the auditors:
 - a) the Corporation's annual financial statements and accompanying notes and the auditors' report thereon, including the Corporation's specific disclosures under related "Management Discussion and Analysis" in its report and in Form 20-F, and in all other comparable disclosures required under the Corporation's public filings, related press releases, the adequacy of the Corporation's internal controls including management's evaluation of and report on the Corporation's disclosure controls and procedures and internal controls, any significant recommendations the auditors and management may offer to improve disclosure controls and procedures and internal controls, major judgmental areas, and significant adjustments resulting from the audit;

- b) any significant reserves, accruals or estimates which may have a material impact on the financial statements, including mineral reserves;
 - c) any difficulties or disputes with management encountered by the auditors during the course of the audit, including any restrictions on the scope of the auditors' work or access to required information and any instances of second opinions sought by management;
 - d) management letters to the auditors;
 - e) other matters related to the conduct of the audit, including the adequacy of the Corporation's internal controls and any significant findings during the year and management's responses thereto;
 - f) review any material related party transactions; and
 - g) review the performance of the Corporation's internal accounting department and provide a direct line of communication between that department, the auditors and the Board of Directors.
7. Following its review, the Committee shall provide a recommendation to the Board for the inclusion of the financial statements in the Corporation's Annual Report, in Form 20-F, and in other related public filing documents that require approval of the Board of Directors including press releases.
8. With respect to the unaudited quarterly reports of the Corporation, the Committee shall consider and review with management and the Vice-President, Finance:
- a) the Corporation's quarterly financial statements and accompanying notes, including the Corporation's specific disclosures under related "Management Discussion and Analysis" in its report and in all other comparable disclosures required under the Corporation's public filings, related press releases, the adequacy of the Corporation's internal controls including management's evaluation of and report on the Corporation's disclosure controls and procedures and internal controls, any significant recommendations management may offer to improve disclosure controls and procedures and internal controls, and major judgmental areas;
 - b) any significant reserves, accruals or estimates which may have a material impact on the financial statements, including mineral reserves; and
 - c) review any material related party transactions.

Following its review, the Committee shall provide a recommendation to the Board for the inclusion of the unaudited quarterly statements in the quarterly reports and in other related public filing documents that require approval of the Board of Directors including press releases.

9. The Committee shall consider with management and the auditors the possible impact of any pending changes in accounting standards or Regulations or any significant changes in the Corporation's accounting policies.

10. The Committee shall meet as needed with the Corporation's legal advisor to review legal and regulatory matters, including any material pending legal proceedings involving the Corporation and any reports received from regulators that may have a material impact on the Corporation's financial statements, environmental compliance and financial liabilities or reserves.
11. The Committee shall meet periodically with the auditors in separate executive sessions, without any member of senior management present, to discuss any matters that they or the Committee believe should be discussed privately with the Committee.
12. The Committee shall report its actions to the Board of Directors with such recommendations as the Committee may deem appropriate. Minutes will be taken for each Committee meeting which will be approved at its next meeting.
13. The Committee shall review with the Vice-President, Finance, legal advisors, and the auditors, as appropriate, the results of their review of the Corporation's Code of Ethics for Financial Reporting Individuals and other internal policies having application.
14. The Committee shall, if appropriate, review any letter to be included in the Annual Report that describes the Committee's composition and responsibilities and how such were discharged.
15. The Committee shall consult as required with the Corporation's Compensation Committee with respect to compensation of the Chairman and senior executives.
16. Other responsibilities of the Committee shall include:
 - a) Reviewing and approving the Corporation's hiring policy regarding employees and former employees of the present and former external auditor of the Corporation;
 - b) reviewing the appointment and termination of the Vice-President, Finance;
 - c) reviewing the adequacy of this Audit Committee Charter annually and evaluate the performance of the Audit Committee every two years, and recommend such changes in the Charter as the Audit Committee may determine from time to time are appropriate;
 - d) orientation and training as needed for members of the Committee;
 - e) reviewing with management and the auditors the potential risks facing the Corporation, the steps management is taking to mitigate such risks, and the adequacy of public disclosure of these risks; and
 - f) receiving, considering and responding to complaints received by the Corporation regarding questionable accounting or auditing matters and internal accounting controls, and in that connection:
 - i) providing for the confidential, anonymous submission by employees and others of concerns regarding questionable accounting or auditing matters, or internal accounting controls;
 - ii) if warranted, conducting investigations of management and others to determine the merits of any such concerns;

- iii) retaining independent counsel and other advisors if warranted to assist the Committee in connection with any such investigation;
 - iv) making recommendations for any remedial action to be taken by the Corporation, if warranted, to correct any questionable accounting or auditing matter; and
 - v) if material, recommending the disclosure both to the public and to appropriate regulatory agencies of the results of any such investigation and any remedial action to be taken by the Corporation in response thereto.
17. The Committee shall perform such other duties and responsibilities as may be assigned to it from time to time by the Board.
18. The Committee shall circulate approved minutes of its meetings to all members of the Board.



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