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## Analyst Note

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### **Integra Gold Corp. (ICG-V)**

#### **Again more optionality at the Lamaque South Gold Project**

**Event:** Drill results from the Plug No. 4 on the Lamaque South Gold Project in Québec Abitibi.

**Impact: Slightly positive.** Integra Gold discloses infill drill intercepts of 12.79m @ 16.08 g/t Au (incl. 1.05m @ 180.13 g/t Au) and 27.55m @ 4.21 g/t Au (incl. 0.60m @ 97.6 g/t Au), improving confidence level of both grade and continuity of mineralization at the Plug No. 4 deposit which could provide optionality for additional mineralized gold feed material.

#### **Analysis**

- **On April 19, 2016, Integra disclosed results from its 2015/2016 infill drill program on the Plug No. 4 at the Lamaque South Gold Project located in Val-d'Or, Québec.** Recall the Plug No. 4 Zone is located 500m N of the Triangle deposit and is one of several gold zones within the property (see Exhibit 1). The infill drill program at 25m centre steps (5 holes totaling 2,708m) was to confirm Integra's modelling and resource estimation approach at Plug No. 4. Results disclosed help define a reinterpreted geological model and improve Integra's spatial constraining of the thick vein clusters. This should contribute to the correct optimization scenario for potential future mining on the Plug No.4 deposit. Currently 5 drill rigs are active on the Lamaque South Gold Project with ~52,500m in assay results pending. We understand an updated resource estimate and PEA is to follow later in Q3/2016.

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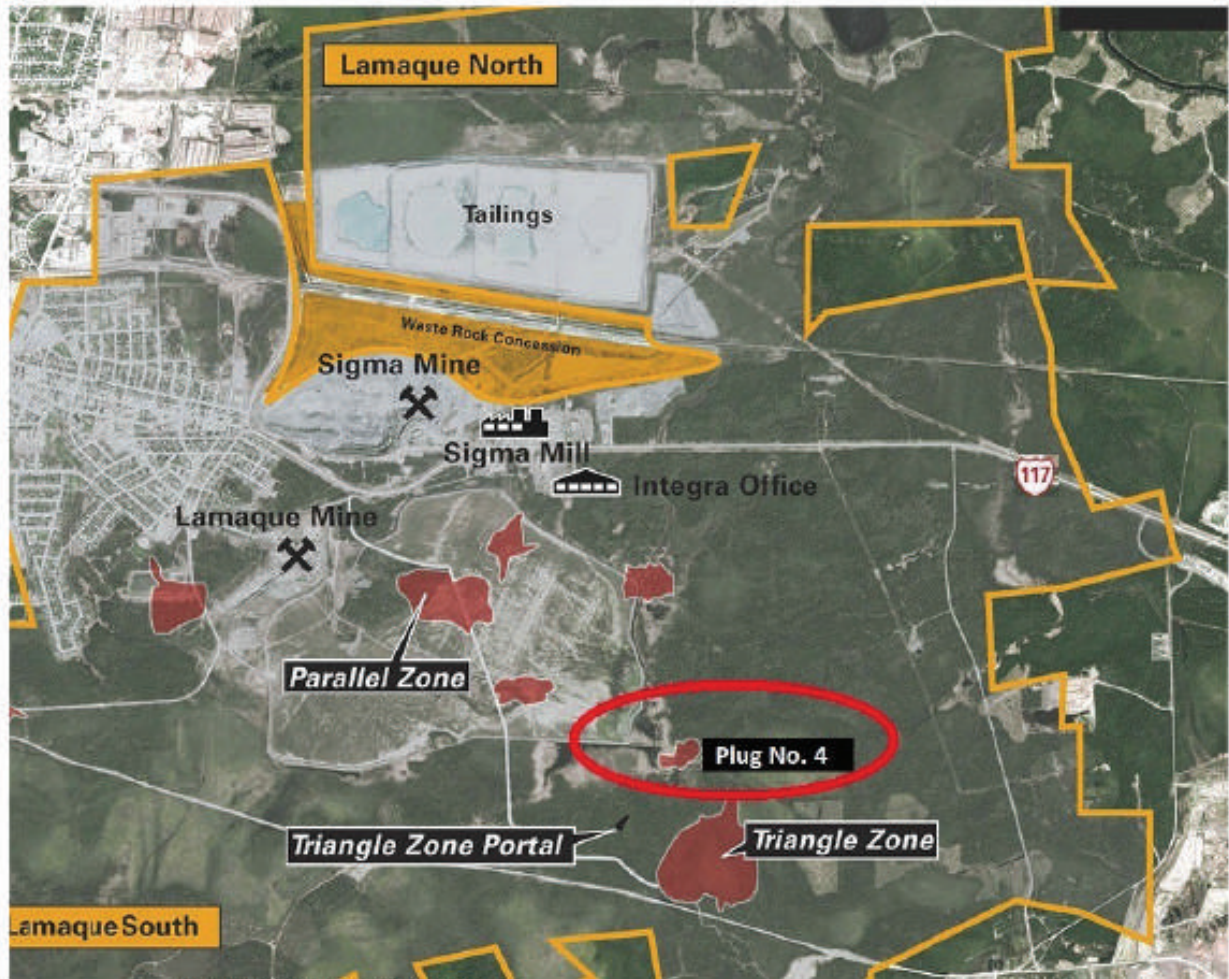
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- **Gold mineralization at Plug No. 4 consists of thick clusters of flat lying tension veins and high grade/sub-vertical quartz-tourmaline C-type structures, hosted within a dioritic/gabbroic intrusive similar to the Lamaque Mine and Goldex Mine host rocks.** Wide gold bearing intercepts, include 12.79m @ 16.08 g/t Au (12.79m @ 4.11 g/t Au cut 34.4 g/t Au), 27.55m @ 4.21 g/t Au (27.55m @ 2.83 g/t Au cut 34.4 g/t Au) in DDH P4-15-028, and 31.05m @ 1.31 g/t Au in hole P4-15-025. Plug No. 4 has the potential to increase both the feed to the mill and the eventual total annual production profile at Lamaque. Reinterpretation of the Plug No. 4 deposit is in progress with insights from the Triangle deposit and comparisons with the Lamaque and Goldex mineralization styles. Plug No. 4 shows certain potential for bulk mining as both C-structures (steeply-dipping stacked shear zones) and flat-lying tension veins form large clusters of veins that have striking similarities to bulk zones mined historically at the Lamaque Mine and a certain resemblance to the nearby (10km to the west) Agnico-Eagle Goldex deposit (0.7M oz.). The average grade at Goldex (M, Mx and E zones) is 1.61 g/t Au, with a cut off set at 0.9 g/t Au, and direct mining costs are ~\$34 per tonne, with ore mined using bulk mining methods.
- **New vein cluster interpretation holds well for advancements.** The Plug No. 4 can be traced on surface for 200m E-W by 150m N-S, extending to a depth of over 1,000m vertical. Gold mineralization within the intrusive is hosted within quartz-carbonates-tourmaline veins within sub-vertical shear zones, in addition to flat lying quartz-carbonate-tourmaline veins that are present as dense vein clusters. These dense vein clusters can be tens of metres thick vertically and are geometrically stacked within the intrusive in the down-dip direction. The mineralized vein clusters appear to be more abundant below a vertical depth of 200m (recall Teck mined ~50,000oz. Au above 200m vertical in late 1960s) and remain largely confined to within the intrusive plug and open at depth (see Exhibit 2). With better understanding of the distribution and controls of gold mineralisation at Plug No. 4, Integra is well positioned to pursue the organic growth potential at the Lamaque South Gold Project. Considering the accretive acquisition back in early fall 2014 of the Sigma Mill and Mine Complex (a fully permitted 2,200tpd mill and tailings facility) Integra can be expected to advance the mine project development.



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Exhibit 1: Plan map of the Lamaque South Project and Plug No 4.



Source: modified from Integra Gold Corp.



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