

February 2019



UNIVERSITY OF
TORONTO



GOODMAN **GOLD** CHALLENGE

DÉFI **D'OR** GOODMAN

EXECUTIVE SUMMARY

RECOMMENDATION: invest in **INV Metals Inc.** as it demonstrates the largest risk adjusted return

- **Strength of Asset**

- Target NAVPS 145% higher than current share price
- Value of asset justifies market value in low case

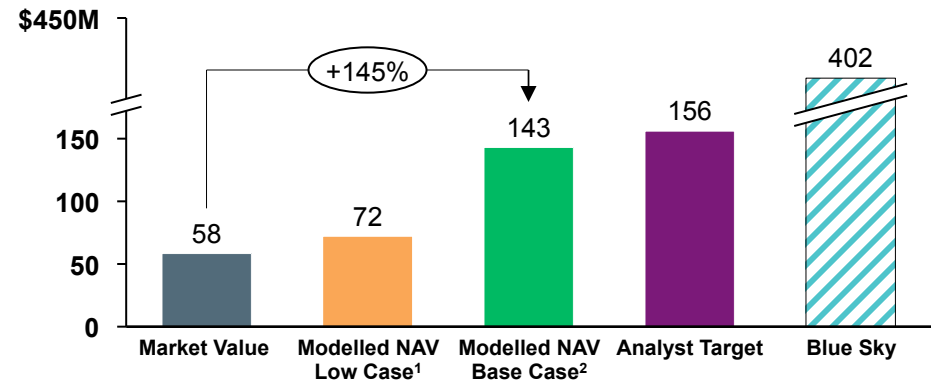
- **Ecuador: An Improving Mining Jurisdiction**

- Windfall tax eliminated
- Aims to double mining contribution to GDP to US\$4.6B by 2021
- Major mining companies investing in Ecuador

- **Exploration Upside**

- Potential for resource conversion
- Strong evidence of extension to deposit boundary, increasing Resources and Reserves portfolio
- Improvement in mining laws offers opportunity to begin drilling at 4 regional properties

INV METALS INC. VALUATION



Loma Larga: Key Figures ²	Base Case
Reserves (Eq. Au)	2.6 Moz
Grade (Eq. Au)	5.8 g/t
Annual Production (Eq. Au)	144 koz
AISC (Eq. Au)	\$764/oz
Mine Life	12 Years
Post-tax NPV (\$1,300/oz, 5%, +2022)	\$143M
Post-tax IRR (\$1,300/oz, 5%, +2022)	16%
Payback Period (\$1,300/oz, 5%, +2022)	4 Years



¹ Includes: 2 year construction delay, zero revenue from copper/gold concentrates, and no conversion of resources to reserves

² Includes: 2 year construction delay, \$4,200/t arsenic penalty, no conversion of resources to reserves, +20% Capex, and sc cost of debt & equity

AGENDA

Evaluation Method

Gold Market

Evaluation: Wallbridge Mining Co Ltd.

Evaluation: Reunion Gold Corp.

Evaluation: INV Metals Inc.

Investment Valuation

Risk Analysis

Conclusion



INVESTMENT PHILOSOPHY



Valuation Based on Minimum Speculation



Provides the Largest Risk Adjusted Return



Long-term Investment



EVALUATION CRITERIA

	Strength of Asset	Resources & Reserves, Grade, Operating Cost
	Management Team	Experience to Execute Strategy
	Social License to Operate / Location	Jurisdiction, Country Risk
	Capital Structure/Markets	Share Structure, Capital Requirement, Ability to Raise Capital
	Financial Position	Balance Sheet, Cash, Debt
	Long-term Shareholder Growth	Exploration Program, Permits, Milestones, Cost Reduction

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GOLD OUTLOOK: BULLISH; \$1,300/OZ AU



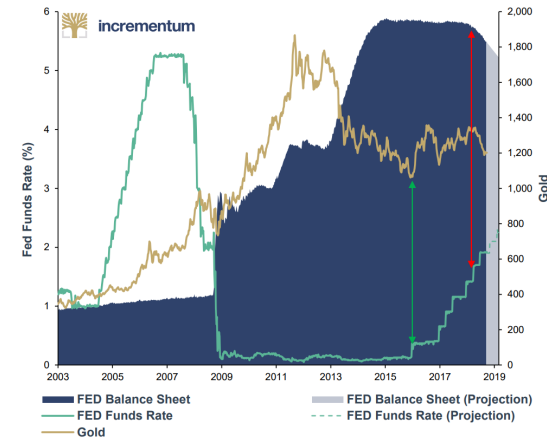
LOOMING RECESSION TO IMPROVE GOLD PERFORMANCE

- **High debt, soaring dollar, and rising interest rates could trigger recession¹**
- Balance sheet for Federal Reserve has fallen >7% since 2014¹
- Gold price bottomed out at beginning of current rate hike cycle¹
- Average gold price improvements of **20.8% during US recessions¹**

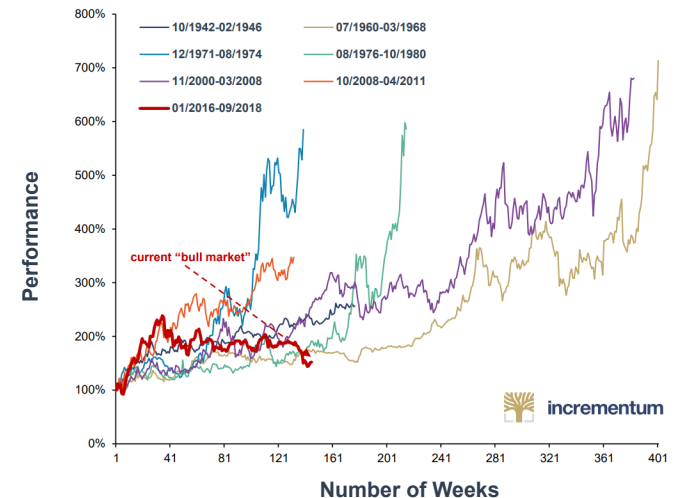
GOLD PERFORMANCE DURING US RECESSIONS¹

Decade	Gold Start (USD/oz)	Gold End (USD/oz)	Change (%)
11/1973 – 03/1975	100	178	78.0
01/1980 – 07/1980	512	614	20.0
07/1981 – 11/1982	422	436	3.3
07/1990 – 03/1991	352	356	1.0
03/2001 – 11/2001	266	275	3.5
12/2007 – 06/2009	783	930	18.8
Mean			20.8

CENTRAL BANKS TO DECREASE LIQUIDITY¹



GOLD BULL MARKET: BARRON'S GOLD MINING INDEX¹



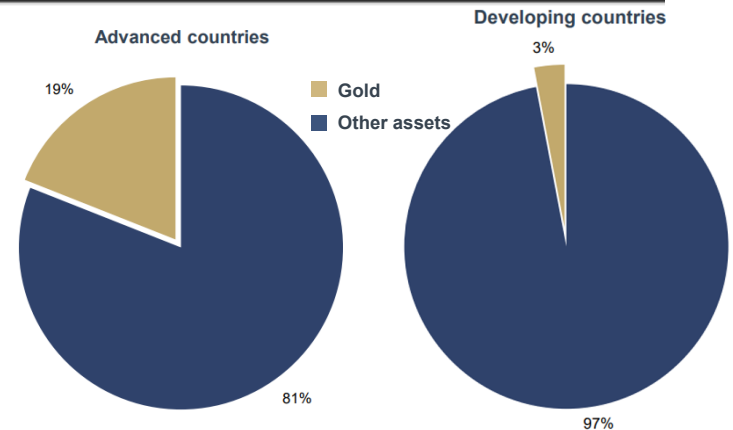
¹ Source: Incrementum AG's *In Gold We Trust Report 2018*



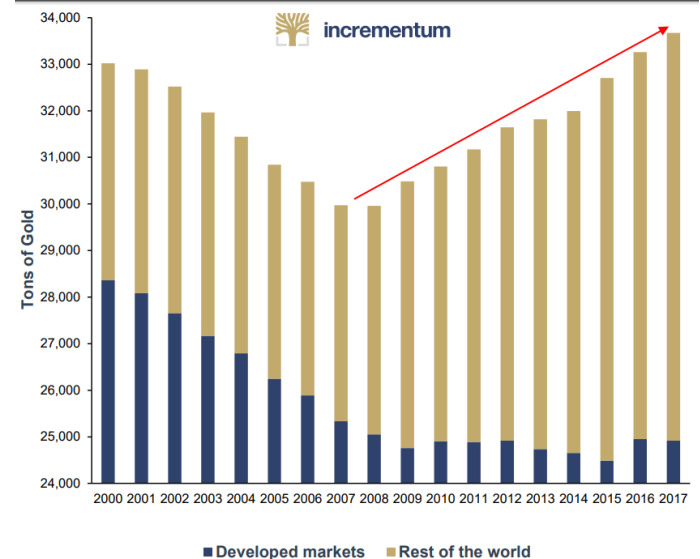
RENEWED INTEREST THROUGH M&A AND INCREASING GOLD RESERVES

- Recent mining M&A might have marked **bottom of bear market**¹
- Increase in gold reserves indicate growing distrust in the US dollar¹
- Gold reserves of emerging markets have increased consistently** (90%) since 2006 (from 4,600 tons to 8,800 tons in 2017)¹
- China, Russia, and Turkey have increased their bank gold holdings since 2007 by 310% (China), 410% (Russia), and 490% (Turkey)¹

CENTRAL BANKS TO DECREASE LIQUIDITY¹



GOLD HELD BY EMERGING COUNTRIES¹



BARRICK

RANDGOLD
RESOURCES

NEWMONT

GOLDCORP

PAN AMERICAN
— SILVER —

TAHOE
RESOURCES™

¹ Source: Incrementum AG's *In Gold We Trust Report 2018*



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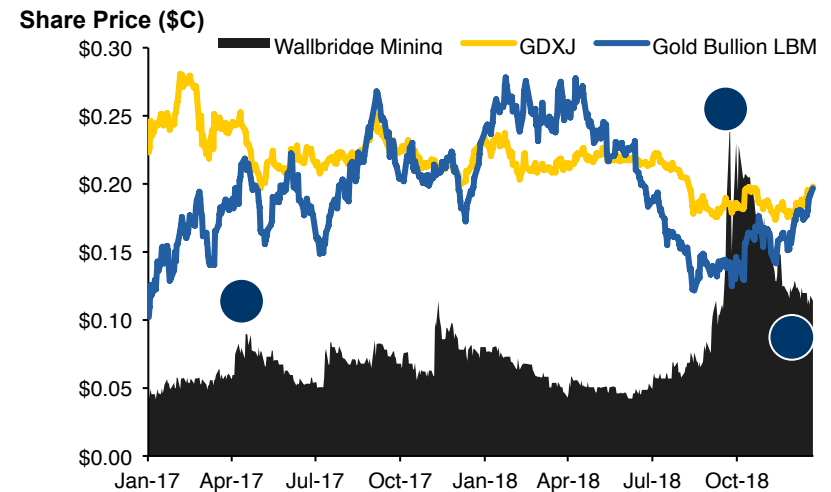
WALLBRIDGE MINING

ASSET HIGHLIGHT: FENELON



Ownership	<ul style="list-style-type: none"> 100%
Mining Claims	<ul style="list-style-type: none"> 1,052 ha
Stage	<ul style="list-style-type: none"> Developer
Location	<ul style="list-style-type: none"> Northwestern Quebec, 75 km NW of Matagami
Geology & Mineralization	<ul style="list-style-type: none"> Proximal to the Sunday Lake Deformation Zone
Work to Date	<ul style="list-style-type: none"> Two bulk samples have been mined and processed (total of ~7 koz Au)
Pre-Feasibility Study Highlights	<ul style="list-style-type: none"> Post-tax NPV_{5%}: \$2.8M Post-tax IRR: 60% Initial Capex: \$5.2M Mine Life: 18 months Resources: 38 koz at 12.8 g/t Au Reserves 29 koz at 9.3 g/t Au
Financial Information	<ul style="list-style-type: none"> TSX: WM Market Capitalization: \$96M Share Price: \$0.25

SHARE PRICE PERFORMANCE



- 1 Intersection of 7 m @ 149 g/t Au**
- 2 Successful drilling campaign; Investment from Eric Sprott**
 - 138 g/t at 4.85 m; 122 g/t at 2.95 m
 - Purchase of 54M common shares by Eric Sprott
- 3 Further drill results were not aligned with market expectation**

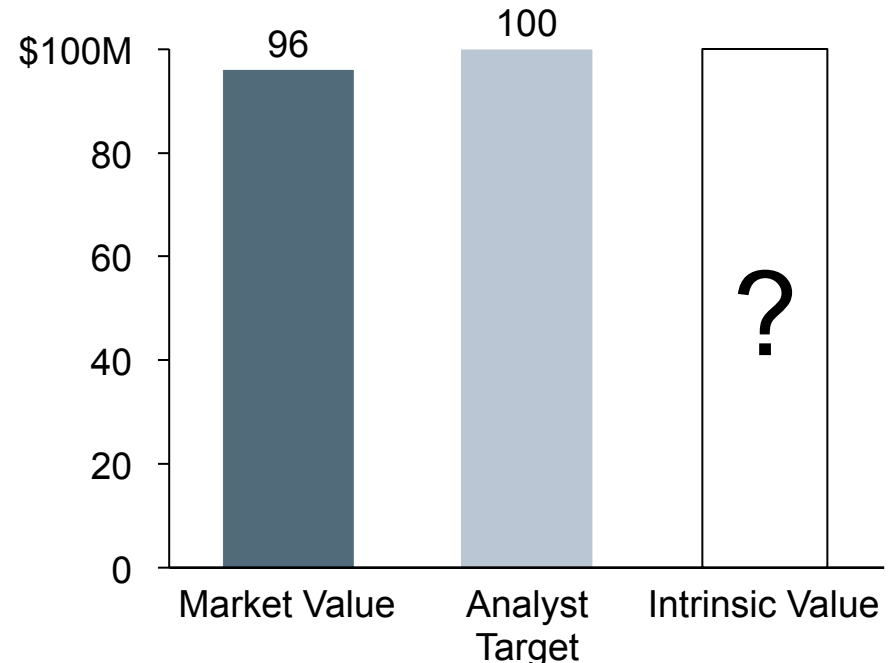


WALLBRIDGE MINING: THE STREET VIEW

WHAT THE ANALYSTS ARE SAYING

- **Current share price C\$0.245**
- **Average target price C\$0.26**
 - SADIF Investment: C\$0.32
 - ValuEngine: C\$0.20
- **Future Key Catalysts**
 - Completion of Bulk Sample
 - Production decision
 - Permitting for commercial operation
 - 50-75 km Drilling campaign
- **Key Strengths**
 - Low capex projects with high margins
 - Proven success of executing strategy to operate low capex projects: Broken Hammer Mine
 - Additional upside from secondary assets





COMPANY VALUATION



Valuation of main projects does not justify current market valuation



EVALUATION: WALLBRIDGE MINING

1	Strengths of Asset	<ul style="list-style-type: none"> • Low NPV • Short mine life 	Value of Assets does not justify market valuation	
2	Capital/Financial Structure	<ul style="list-style-type: none"> • 450M Fully Diluted Shares • More debt than cash • 50-75 km drilling at Fenelon 2019 	Funding needed to conduct exploration campaign	
3	Social License to Operate / Location	<ul style="list-style-type: none"> • Ideal Project Location: Québec 	Ideal Project location	
4	Long-term Shareholder Growth	<ul style="list-style-type: none"> • Proven ability to successfully execute corporate strategy 	Successful Development and Operation of Mine	

Conclusion: Proven success of developing and operating low capex mining projects, however, a small project NPV and adequate financial position does not justify current value



AGENDA

Evaluation Method

Gold Market

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Evaluation: Reunion Gold Corp.

Evaluation: INV Metals Inc.

Investment Valuation

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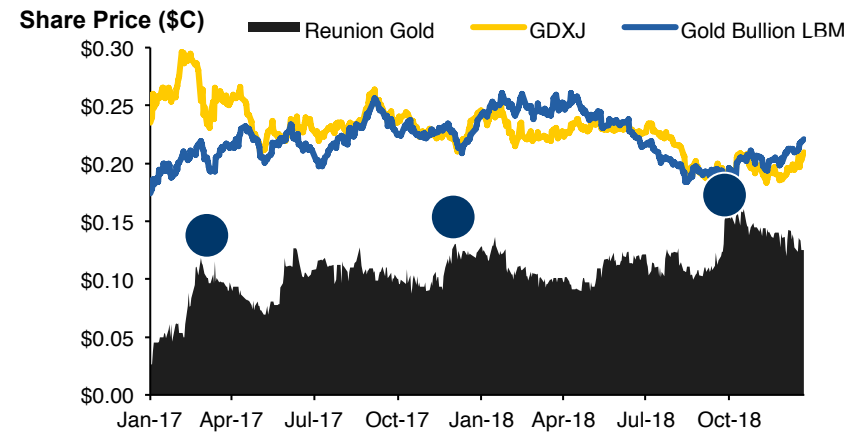
REUNION GOLD: JUNIOR EXPLORATION IN FRENCH GUIANA

ASSET HIGHLIGHT: DORLIN GOLD



Ownership	<ul style="list-style-type: none"> Earn-in agreement to acquire 75% through: <ul style="list-style-type: none"> Completion of Feasibility Study Spending of US\$3M
Mining Claims	<ul style="list-style-type: none"> 8,400 ha
Location	<ul style="list-style-type: none"> Central West Region of French Guiana, 190 km SW Cayenne
Geology & Mineralization	<ul style="list-style-type: none"> Mineralization associated with tourmaline quartz bearing gold deposits
Resources & Reserves⁽¹⁾	<ul style="list-style-type: none"> Measured & Indicated: 779 koz at 1.1 g/t Au Inferred: 793 koz at 1.1 g/t Au
Financial Information	<ul style="list-style-type: none"> TSX: RGD Market Capitalization: C\$120M Share Price: \$0.19

SHARE PRICE PERFORMANCE



- 1 Approval for Sale of Matthews Ridge**
- 2 Private Placement with Barrick Gold Corporation**
- 3 Historical data validation: 2.54 g/t Au @ +85 m**

Near-term driver expected to come from exploration program

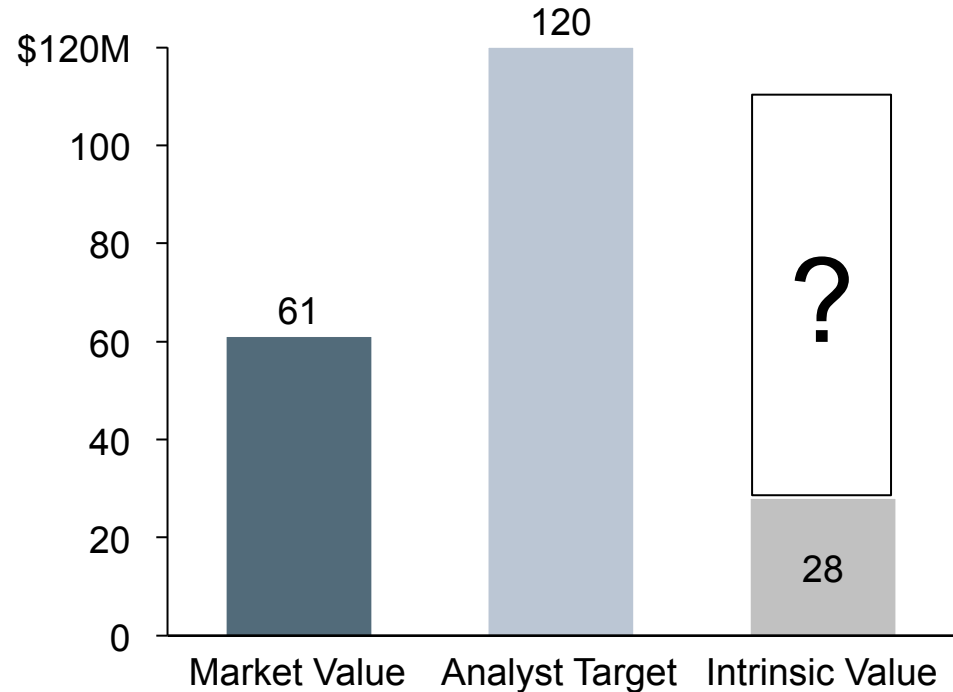


REUNION GOLD: THE STREET VIEW

WHAT THE ANALYSTS ARE SAYING

- **Current Share Price: C\$0.19**
- **Average Target Price: C\$0.38**
 - Cormark Securities: C\$0.35
 - Paradigm Capital: C\$0.40
- **Future Key Catalysts**
 - Updated resource estimation in early 2019
 - 1,500 m drilling campaign in Q2 2019; 10,000 m drill program in 2019
 - Re-interpretation of project geology
 - Additional geophysical surveys
- **Key Strengths**
 - Barrick and Dundee maintained their respective 15% and 16.5% equity stakes in a recent C\$15M private placement
 - Induced polarization survey at Dorlin outlined anomalies extending for 4km

COMPANY VALUATION







A 2001 non-compliant resource estimate in an unproven jurisdiction introduces significant risks

¹ Based on EV/oz. using Montagne D'or project (Columbus Gold), located in French Guiana



EVALUATION: REUNION GOLD CORP.

1	Strength of Asset	<ul style="list-style-type: none"> Historical resource of ~1.6 Moz; must consider risk adjustment No successful large scale mining operation in French Guiana 	Non-compliant Resources	
2	Capital/Financial Structure	<ul style="list-style-type: none"> Key strategic shareholders 383M Fully Diluted Shares 	Exploration Programs Fully Funded	
3	Social License to Operate / Location	<ul style="list-style-type: none"> Remote jurisdiction; permitting and access risk 	Remote Location; Sovereign Risk	
4	Long-term Shareholder Growth	<ul style="list-style-type: none"> Option to acquire project in Feb. 2017 Obtained exploration permits 	Ability to achieve major milestones	

Conclusion: Unproven jurisdiction and non-compliant resource estimate introduces significant speculation and risk



AGENDA

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Investment Valuation

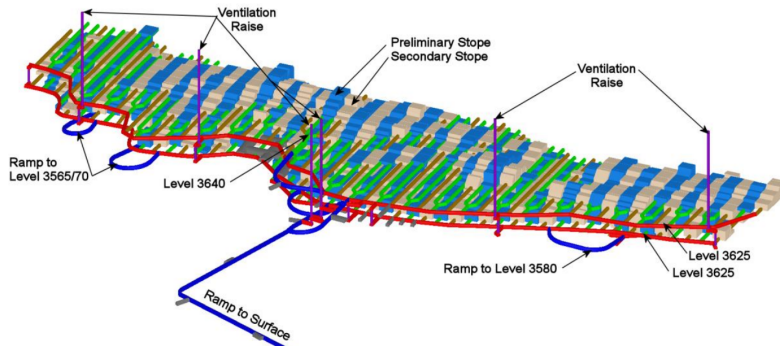
Risk Analysis

Conclusion



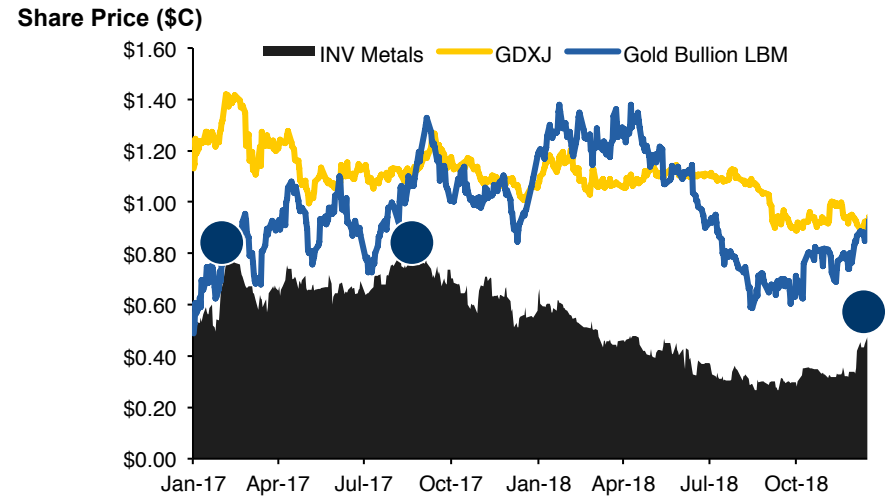
INV METALS INC.

ASSET HIGHLIGHT: LOMA LARGA



Ownership	• 100%
Mining Claims	• 7,960 Ha
Stage	• Developer
Location	• Southern Ecuador, 30 km SW of Cuenca
Geology & Mineralization	• High sulphidation epithermal systems
Feasibility Study Highlights	<ul style="list-style-type: none"> • Post-tax NPV_{5%}: US\$356M • Post-tax IRR: 24.7% • Initial Capex: US\$309M • Mine Life: 12 year • Resources: 3.6 Moz at 4.75 g/t Eq. Au • Reserves 2.6 Moz at 5.81 g/t Eq. Au
Financial Information	<ul style="list-style-type: none"> • TSX: INV • Market Capitalization: \$72M • Share Price: \$0.63

SHARE PRICE PERFORMANCE



- 1 Exploration Concessions Awarded**
- 2 Commencement of Feasibility Study**
- 3 Positive Feasibility Study: Post-tax NPV US\$356M**

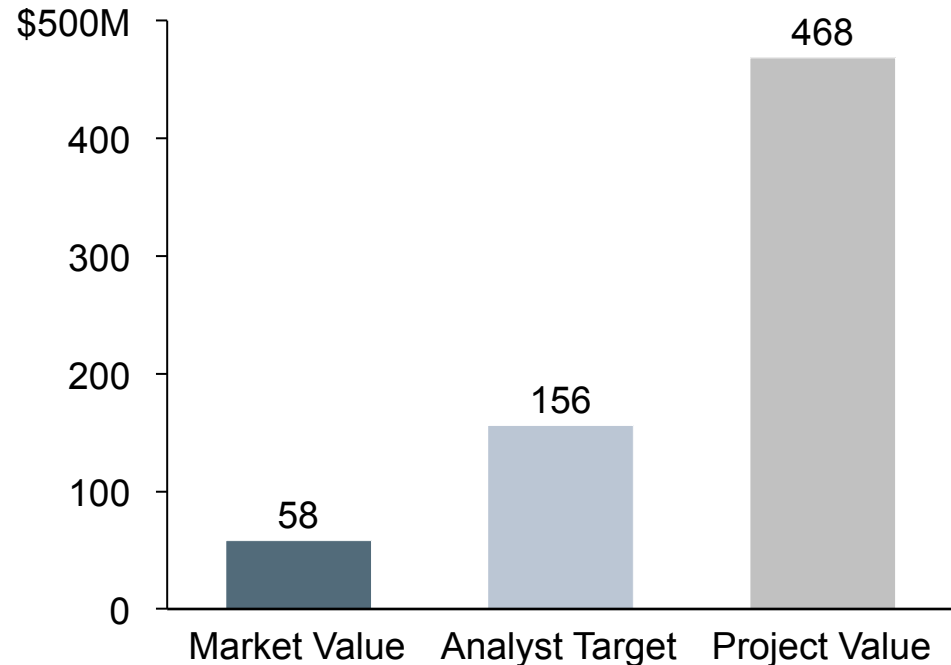
Recent share price appreciation coming from Feasibility Study results

INV METALS INC: THE STREET VIEW

WHAT THE ANALYSTS ARE SAYING

- **Current share price C\$0.63**
- **Average target price C\$1.68**
 - GMP Securities: C\$1.60
 - BMO: C\$2.00
 - Eight Capital: C\$1.60
 - Clarus Securities: C\$1.50
- **Future Key Catalysts**
 - Results from referendum
 - Permitting
 - Financing Options for project development
 - Construction of Loma Larga
 - Production in late 2021
- **Risk of equity financing to meet capital for development and exploration at Loma Larga**

COMPANY VALUATION



Near-term share price appreciation expected to come from exploration upside



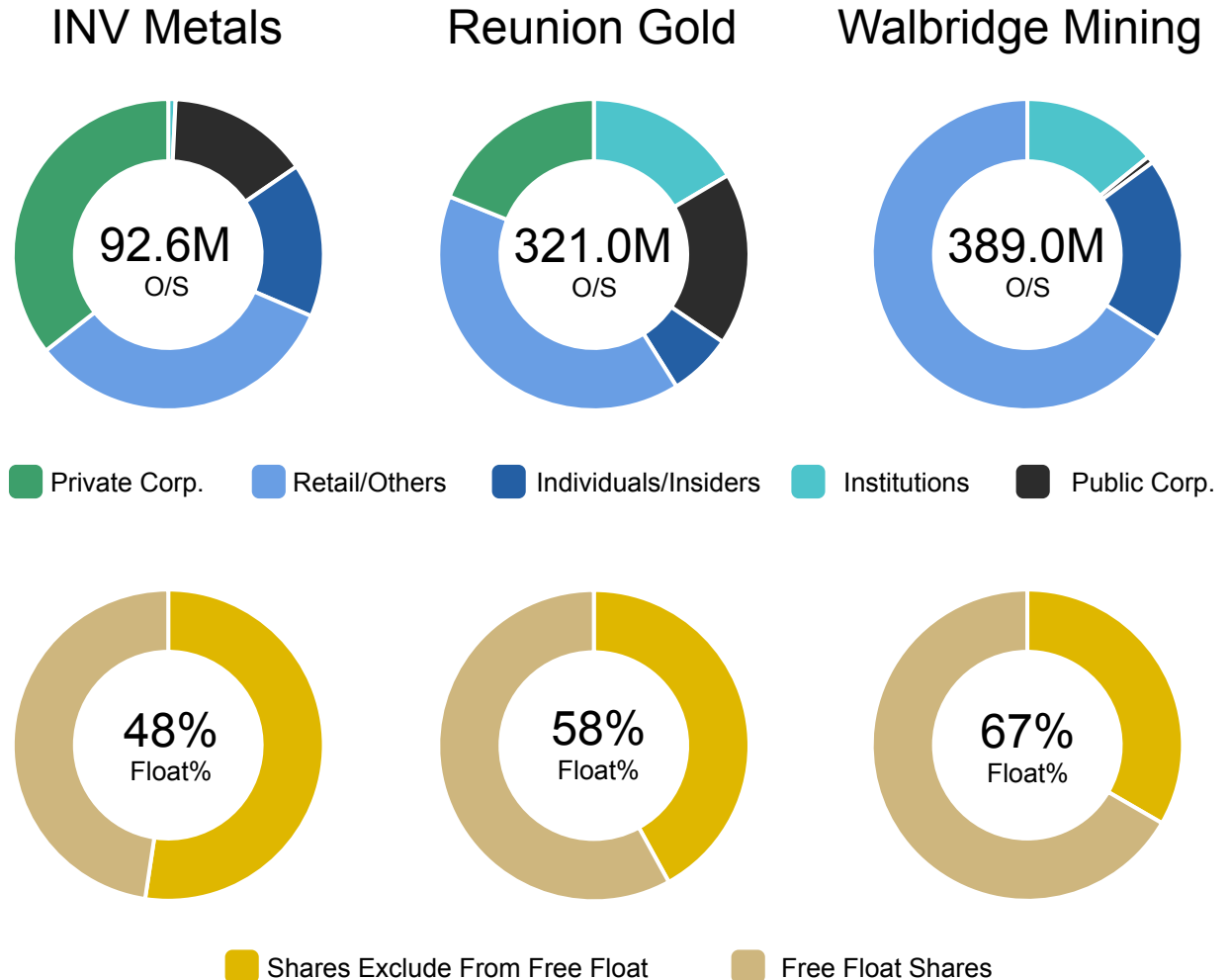
EVALUATION: INV METALS

1	Strength of Asset	<ul style="list-style-type: none"> Reserves: 2.6 Moz at 5.8 g/t AISC: \$609/oz Feasibility Stage Level 	Top Tier Deposit	
2	Capital/Financial Structure	<ul style="list-style-type: none"> Ability to raise capital Capital development of US\$300M requires significant debt and equity financing 	Further Dilution Expected Prior to Production	
3	Social License to Operate / Location	<ul style="list-style-type: none"> Historically challenging mining jurisdiction Opportunity to leverage success of Fruta del Norte and Sol Gold's Cascabel project 	Historically Challenging Jurisdiction	
4	Long-term Shareholder Growth	<ul style="list-style-type: none"> Success of growing Resources & Reserves portfolio while achieving development milestones 	Strategy to increase Resources & Reserves	

Conclusion: Top tier deposit showing favourable economics despite large mining tax

OWNERSHIP STRUCTURE SUMMARY

- INV Metal's shares are closely-held by institutional investors and insiders
- Relative to it's peers, INV trades at a low-float
- INV provides the least downside risk but also the highest upside potential



EVALUATION: INV METALS IS THE BEST FIT TO OUR INVESTMENT OBJECTIVE

**REQUIRES
FURTHER
INVESTIGATION**



	REUNION GOLD CORPORATION	WALLBRIDGE MINING COMPANY LIMITED	INV METALS
1 Strength of Asset			
2 Capital/Financial Structure			
3 Social License to Operate / Location			
4 Long-term Shareholder Growth			

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MANAGEMENT: PROJECT TEAM WITH GLOBAL MINE DEVELOPMENT EXPERIENCE

Terrance MacGibbon – Chairman

- Canadian Mining Hall of Fame Inductee
- Founder of FNX Mining, co-founder of Torex Gold and founder of TMAC Resources
- +30 years experience with Inco Limited

Bill Shaver – COO

- +40 years experience in constructing mines
- Former COO of FNX Mining
- Former President and CEO of DMC Mining Services

Candace MacGibbon – CEO

- +25 years experience in Mining & Capital Markets
- Former Institutional salesperson at RBC
- 4.5% ownership (4.1M shares)

Doug Flegg – Capital Markets Advisor

- +30 years of experience in mining and mining finance
- Former Managing Director at BMO Capital Markets

Darren King – VP Exploration

- +20 years experience in mineral exploration in South America
- Highly experienced in world class high sulphidation deposits:
 - Pueblo Viejo
 - Lagunas Norte
 - Pascua-Lama
 - Veladero

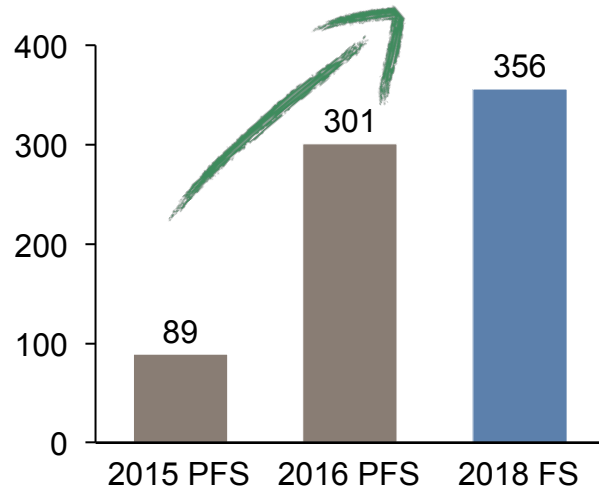
Simon Meik – Mineral Processor Advisor

- +40 years experience in mineral processing
- Ph.D. in Minerals Engineering from University of Birmingham

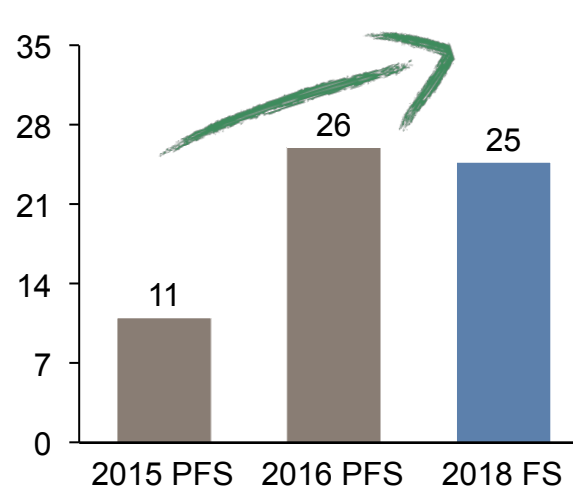


ABILITY TO GENERATE VALUE OF PROJECT AND RESOURCES AND RESERVES PORTFOLIO

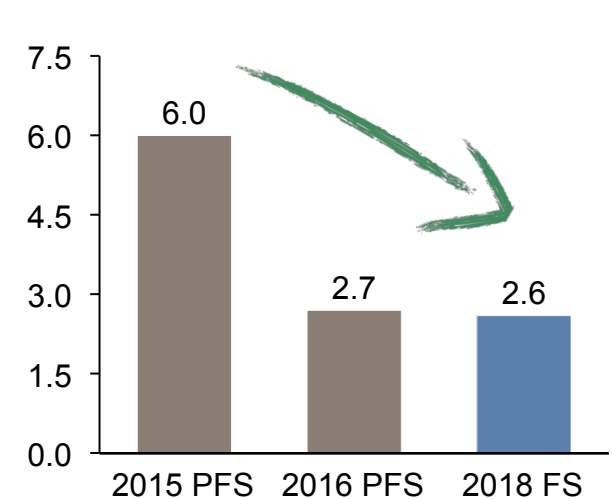
Post-tax NPV (US\$)



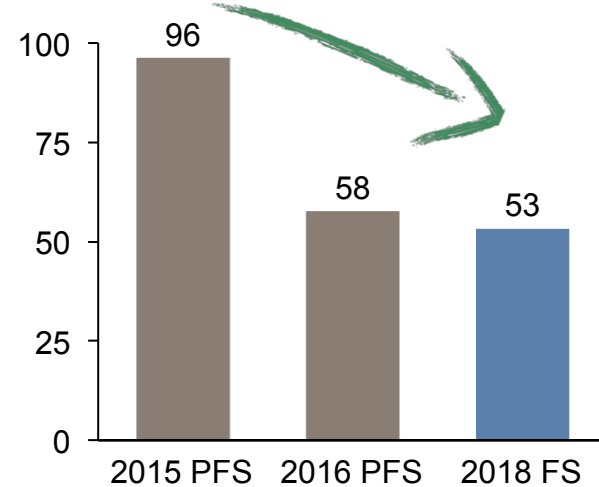
Post-tax IRR (%)



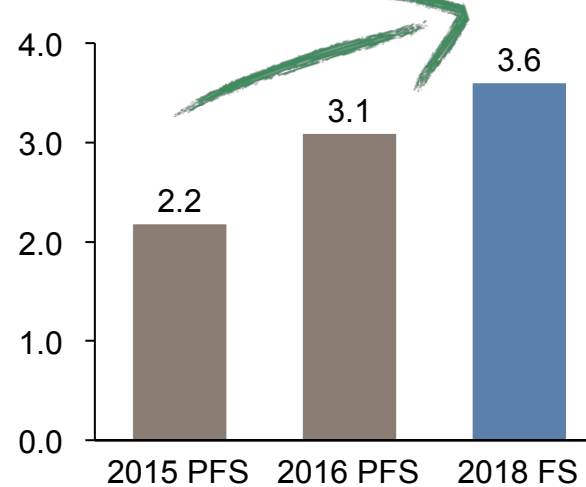
Payback Period (Years)



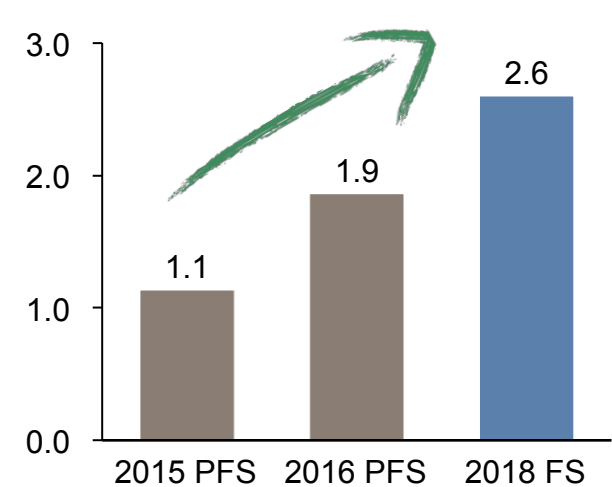
Opex (US\$/t)



Resource (Moz Au.Eq)



Reserve (Moz Au.Eq.)



TWO LOMA LARGA CONCENTRATES

Two streams come out of the mill that will be sold to markets

Pyrite Gold Concentrate	
Concentrate Produced	161,000 t/year
Gold Grade	28 g/t
Silver Grade	102 g/t
Copper Grade	0.3%
Arsenic Grade	0.08%
Revenue Split	73%

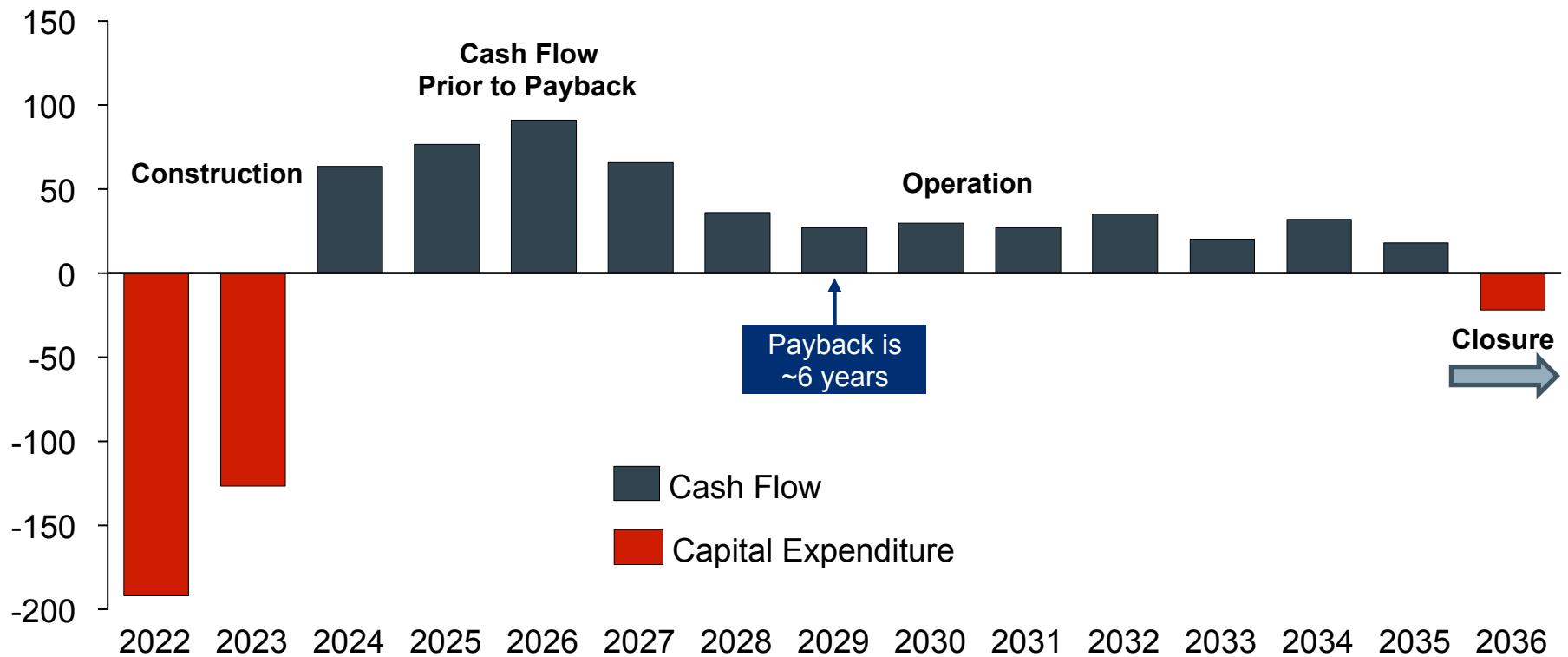
Copper Gold Concentrate	
Concentrate Produced	9,600 t/year
Gold Grade	93 g/t
Silver Grade	1860 g/t
Copper Grade	30%
Arsenic Grade	8.5%
Revenue Split	27%



INV REMAINS PROFITABLE UNDER WORST CASE ARSENIC ASSUMPTIONS

Scenario	Post-Tax NPV	Post-Tax IRR
No Revenue from Cu/Au Conc.	\$72M	11%

Post Tax Net Cash Flow (CAD)



Cumulative Cash Flow	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	(\$192M)	(\$319M)	(\$255M)	(\$179M)	(\$88M)	(\$22M)	(\$4M)	\$41M	\$70M	\$97M	\$133M	\$153M	\$184M	\$202M	\$202M



METALLURGY: BLENDING THE ARSENIC

ADDITIONAL VALUE THROUGH ARSENIC

- Loma Larga forecast a **small-tonnage** copper concentrate of 8.5% As (9,600 tonne/annum)
- Expected **arsenic penalty** represents only **6% of concentrate revenue** (US\$370/tonne at 8.5% As, revenue of \$5,900/tonne copper concentrate)

NOT A UNIQUE SITUATION

Mining Projects	Arsenic Grade	Tonnes of Concentrate (ktonne)
Marcupanta, Peru	8.0%	70
Chelopech, Bulgaria	6.0%	22
Ministro Hales, Chile	4.0%	215
Timok, Serbia	1.4%	77
Chuquimata, Chile	1.2%	330

- **Smelters** in China, Namibia, and Chile are **known to take high-arsenic concentrates**
- **Reduction** of arsenic **through blending**
- Opportunities for **additional smelters through sufficient blending** (Trafigura Group Pte. Ltd, Ocean Partners)

Abatement Plant, Chile – Ecometales Limited



- 5-17% As
- Capacity: 7.5 kt/annum As

Tsumeb Corporation, Namibia – Dundee Precious Metals



- Capacity: 370 kt/annum
- Supporting Chelopech mine (6% As)

Guixi Smelter, China – Jiangxi Copper



- 2.1 Mt concentrate smelter capacity
- +10 kt/annum As

Horne Smelter, Canada – Glencore

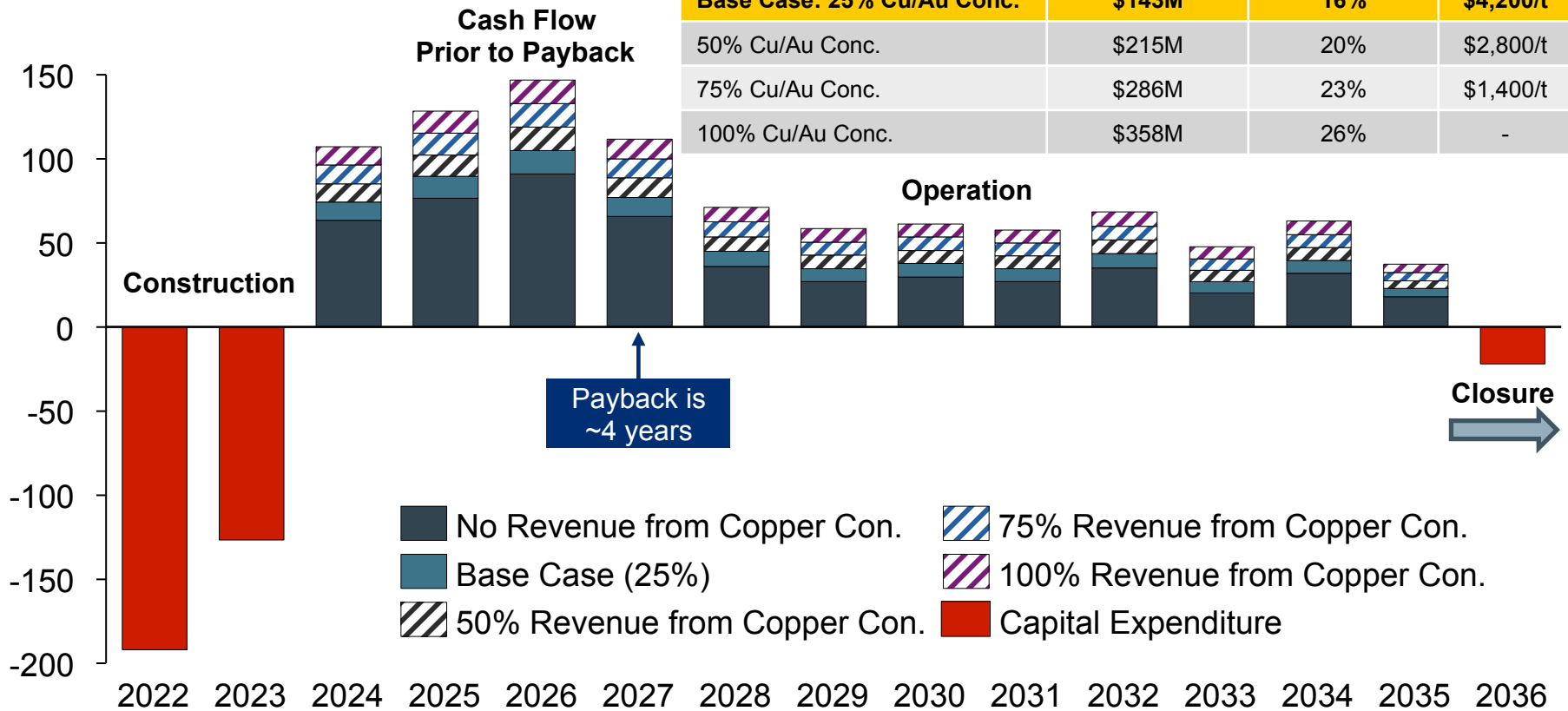


- 840 ktonne smelter capacity



RECEIVING 25% VALUE OF TOTAL CU/AU CONC. DOUBLES NPV

Post Tax Net Cash Flow (CAD)



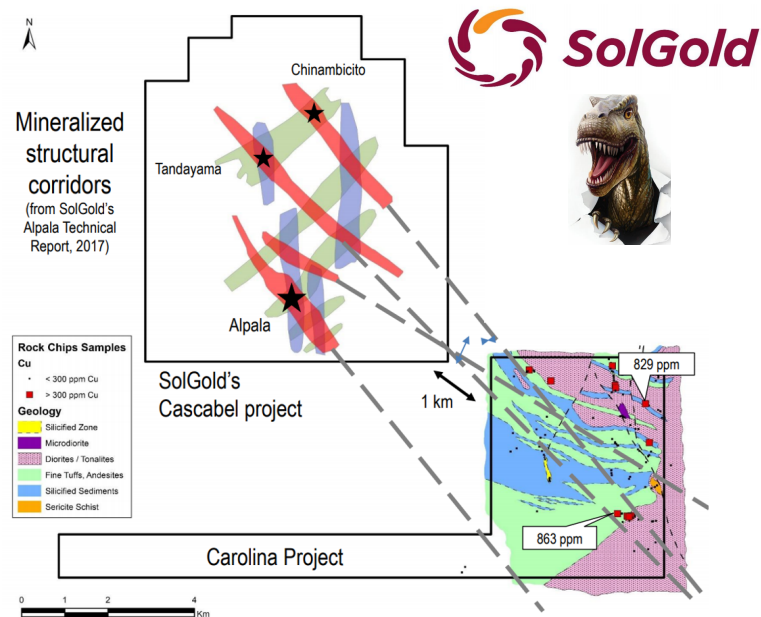
Cumulative Cash Flow	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	(\$253M)	(\$418M)	(\$320M)	(\$203M)	(\$65M)	\$37M	\$96M	\$141M	\$191M	\$237M	\$294M	\$329M	\$381M	\$411M	\$389M



ADDITIONAL EXPLORATION: BEYOND LOMA LARGA

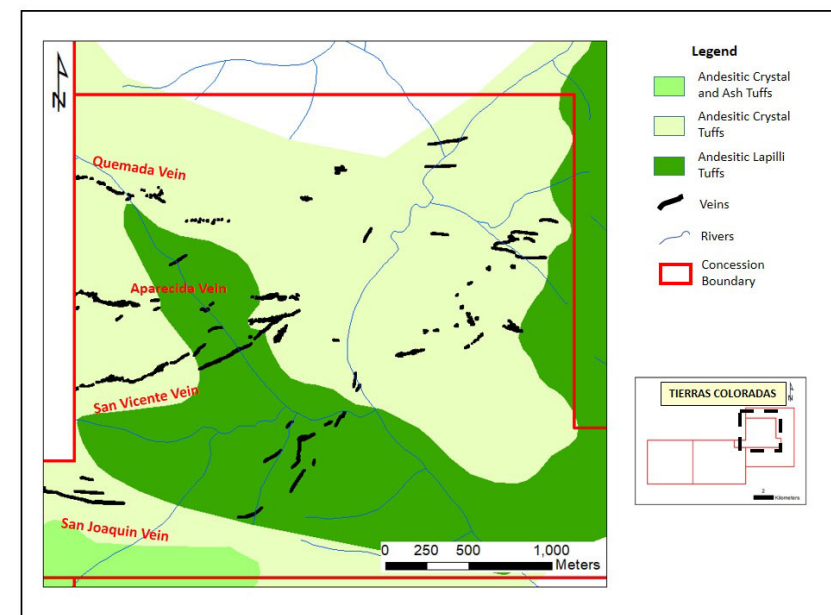
Exploration upside to develop new assets aided by recent changes to mining laws

CAROLINA PROJECT



- **1 km from Cascabel:** Top Tier porphyry copper-gold deposits (>US\$2B NPV)
- 3,040 ha land package
- Samples graded at >4.0 g/t Au

TIERRAS COLORADAS



- Epithermal Gold quartz veins outcrop on surface
- 6,955 Ha land package
- Samples graded at 240 g/t Au with silver values



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Investment Valuation

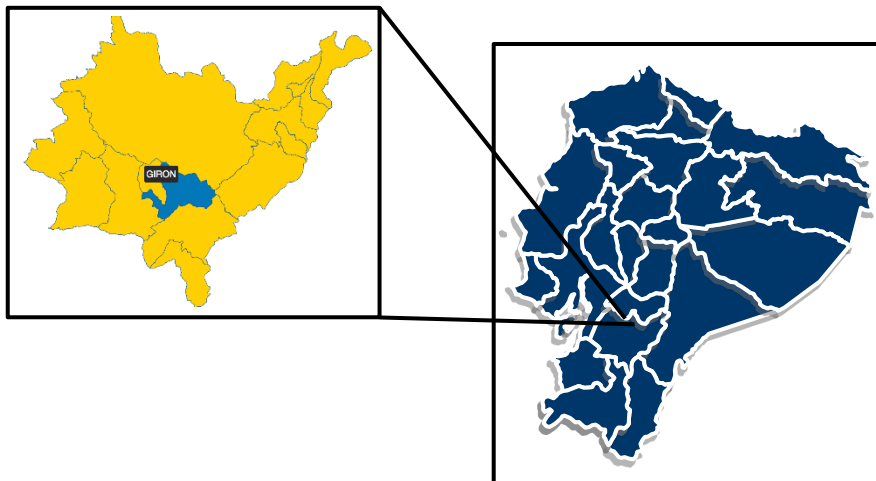
Risk Analysis

Conclusion



ECUADOR – THE REFERENDUM

- A referendum is taking place on the municipality of Giron on March 24 of this year
- **The referendum is not legally binding**
 - Political move to gain national visibility
 - Most opposition coming from environmentalists and indigenous group from Cuenca
- In 2018, a national referendum took place asking the population if they agree with mining activities in cities and protected areas
 - **Did not stop mining companies to invest in the country**



ECUADOR – THE OPPORTUNITY IS HERE

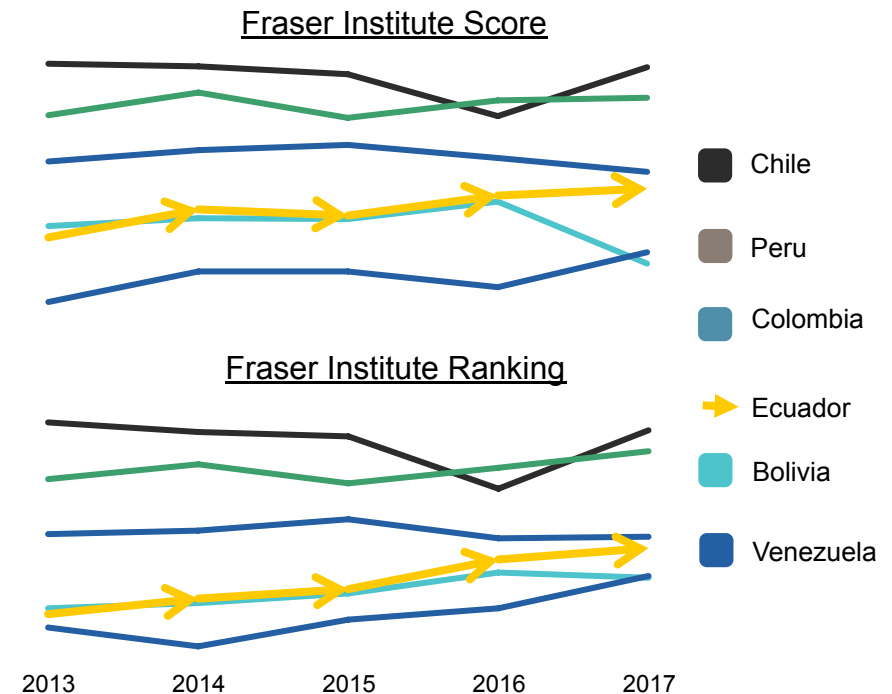
AN IMPROVING MINING JURISDICTION

- The right time to be in a resurgent Ecuador
 - Ecuador will go from having no large scale mines to having two constructed in 2020



GEOPOLITICAL RISK

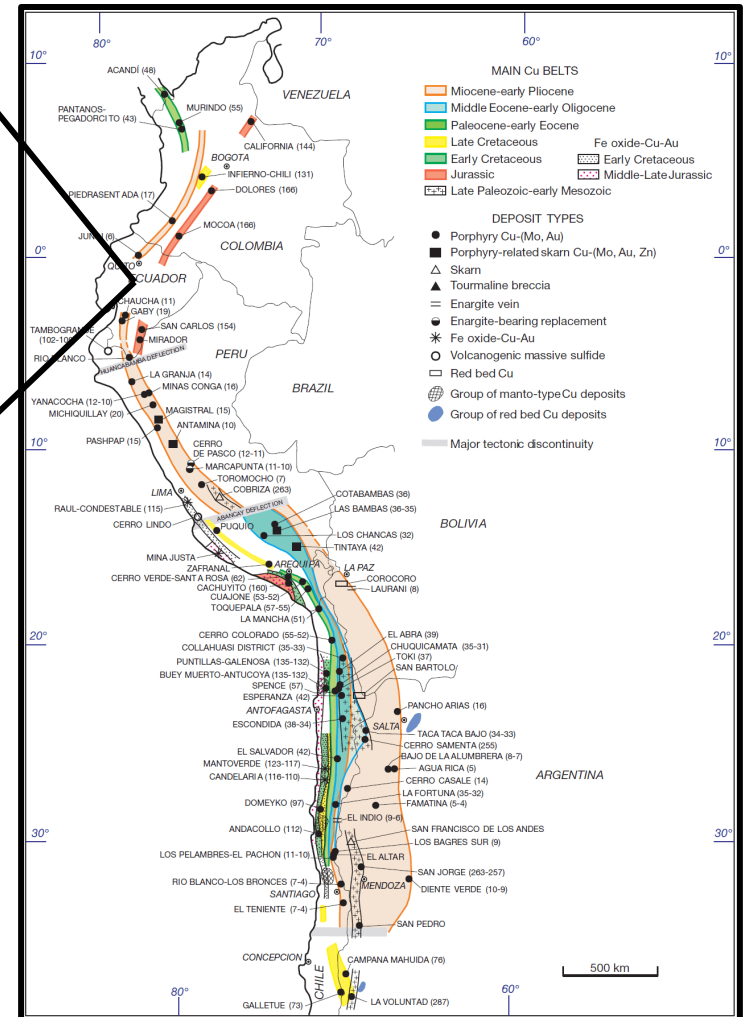
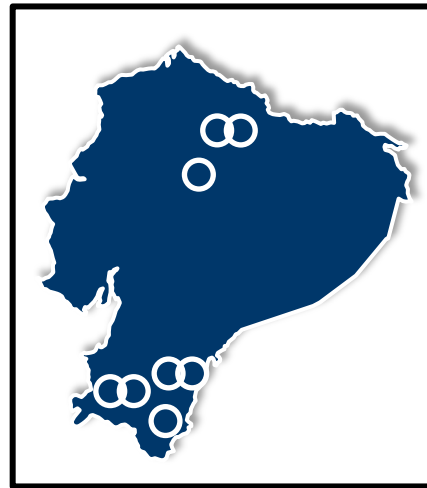
- According to the Fraser Institute, Ecuador's geopolitical risk has decrease significantly; going from position 105 to 70 in only 5 years
- In 2012, Ecuador scored 40 in Fraser Institute's annual report, it's score increase to 52 by 2017



ECUADOR – THE NEXT MINING FRONTIER

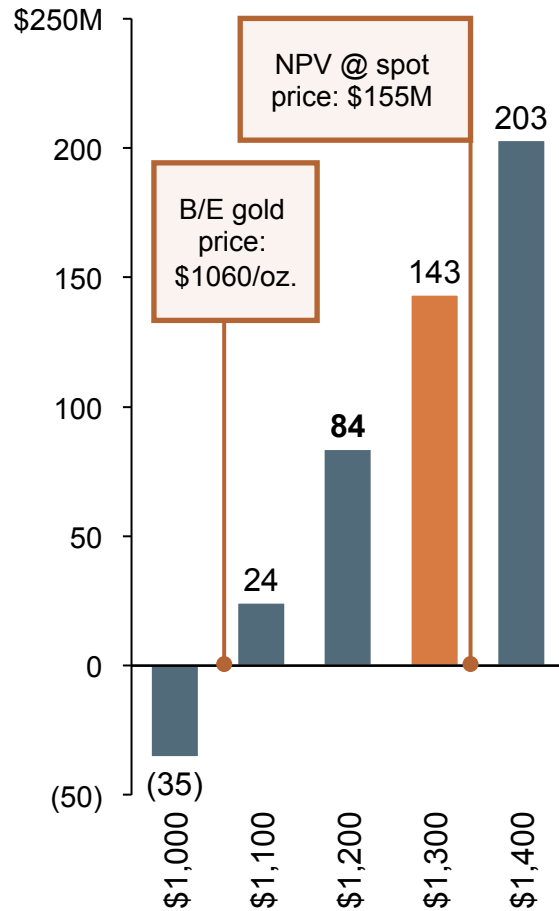
BLOSSOMING MINING INDUSTRY

- Over the past two years the mining industry has grown from 0.8% to 1.55% of GDP, Ecuador has plans to goal is to grow that to 4% GDP by 2021
- Ecuador released a formal Government policy to make the mining industry a long-term key economic driver
- In 2017, mining majors such as BHP Billiton, Newcrest and Hancock open offices in Ecuador

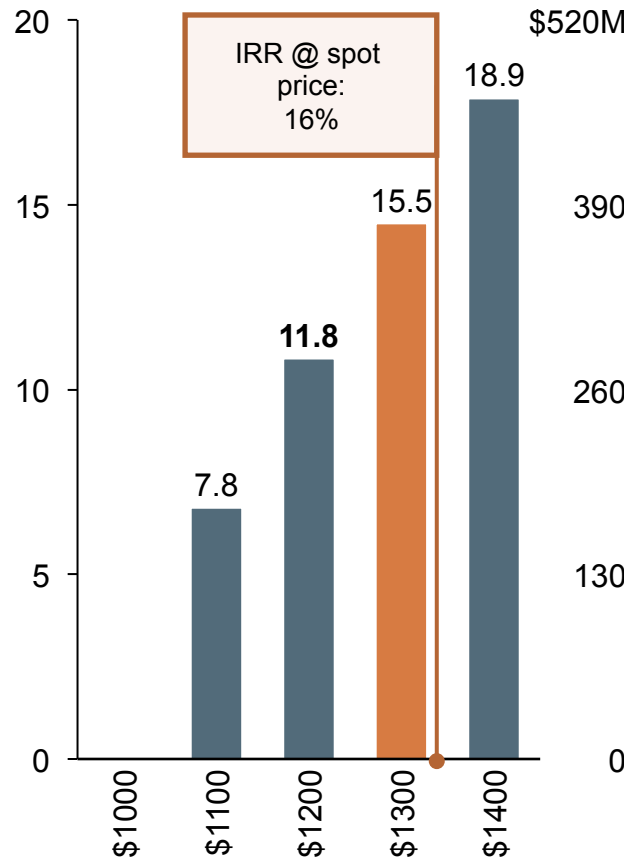


NPV AND IRR SENSITIVITIES

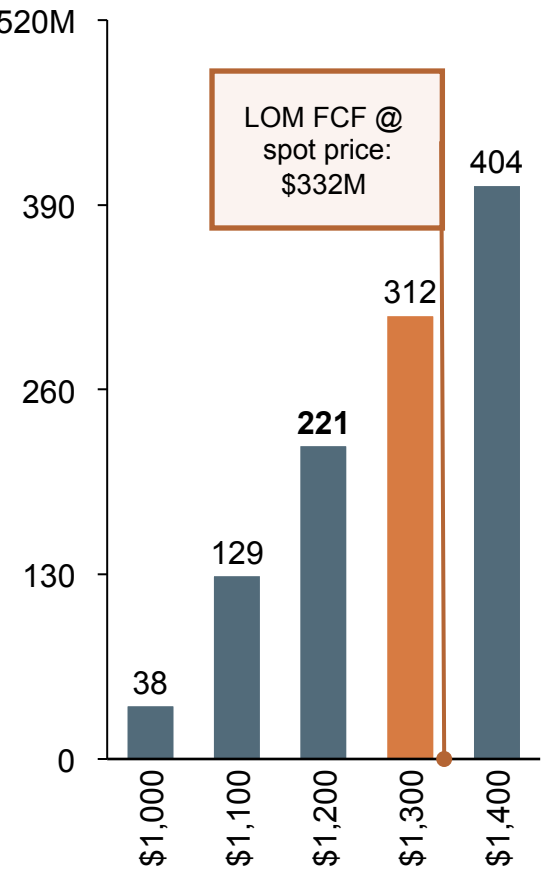
NPV (\$M, 5%, CAD)



IRR (%)



LOM FCF (\$M, CAD)



AGENDA

Evaluation Method

Gold Market

Evaluation: Wallbridge Mining Co Ltd.

Evaluation: Reunion Gold Corp.

Evaluation: INV Metals Inc.

Investment Valuation

Risk Analysis

Conclusion



CONCLUSION: BUY INV METALS



Strength of Asset

- Post-tax NPV of \$143M in low case scenario using reduced Au/Cu concentrate production, and high tax
- High grade deposit with low AISC



Improving Jurisdiction

- Elimination of windfall tax, import tariffs
- Ecuador aims to attract US\$4.6B mining investment by 2021
- Major companies are already investing



Experienced Management Team

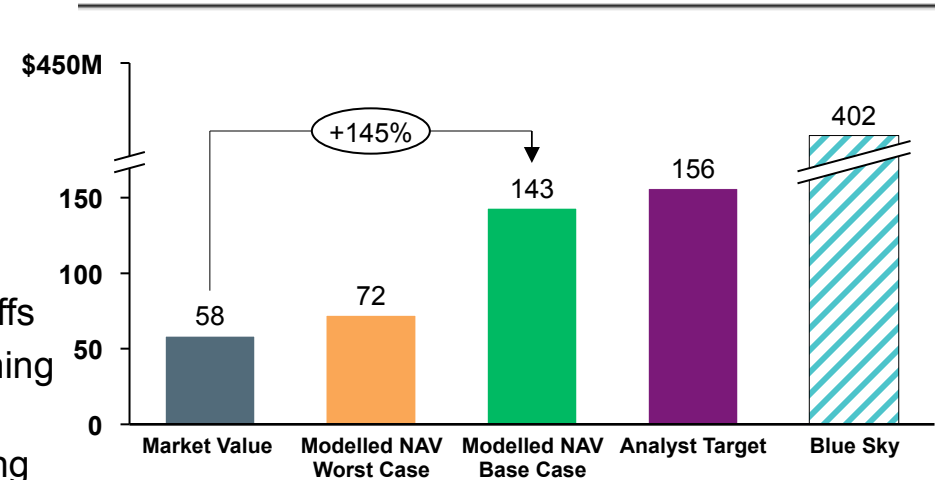
- Success in growing value of asset
- Ability to raise capital with limited options and warrants



Exploration Upside

- Geology indicate potential to grow Resources & Reserves portfolio
- Changing mining laws offers opportunities for regional exploration

INV METALS INC. VALUATION



BHP

NEWCREST
MINING LIMITED

NEWMONT

HANCOCK
PROSPECTING

FIRST QUANTUM
MINERALS LTD.

AngloAmerican





UNIVERSITY OF
TORONTO

**Lassonde Mineral
Engineering Program**