



LUNAGOLD

# Relaunching Aurizona

September 201

# Cautionary Statements



Information does not constitute an offering of securities and the information contained herein is subject to the information contained in the Company's continuous disclosure documents at [www.sedar.com](http://www.sedar.com).

## Forward-Looking Statements

This presentation includes certain statements that constitute "forward-looking statements", and "forward-looking information" within the meaning of applicable securities laws ("forward-looking statements" and "forward-looking information" are collectively referred to as "forward-looking statements", unless otherwise stated). These statements appear in a number of places in this presentation and include statements regarding our intent, or the beliefs or current expectations of our officers and directors. Such forward-looking statements are subject to various risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements often use words such as "believe", "anticipate", "estimate", "project", "intend", "expect", "may", "will", "plan", "should", "would", "contemplate", "possible", "attempts", "seeks", "continue" and similar expressions are intended to identify these forward-looking statements. Forward-looking statements made herein include statements derived from the pre-feasibility study on the Aurizona Project, including, without limitation: estimated construction costs, operating cost, cash costs, all-in sustaining cost ("AISC") per ounce of gold, and other costs, estimated net present value ("NPV"), initial rate of return ("IRR"), anticipated construction period, expected life of mine ("LOM"), estimated reserves and resources, expected sensitivity to gold prices, expected production rates, and other operational parameters inherent to a pre-feasibility study for a mineral project; statements with respect to targeted milestones going forward, including, without limitation, the expected timing for a definitive feasibility study, commencement of operations, and the timing of commencement of exploration activities at Piaba West, Tatajuba and Piaba North. In addition, this presentation may include forward-looking statements relating to the Company's future outlook, financial performance or results and may include statements regarding the Company's future financial position, future exploration and development of mineral properties, business strategy, budgets, litigation, projected costs, financial results, taxes, plans and other components of the Company's strategic plan outlined in this presentation. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial performance of the Company. These forward-looking statements were derived utilizing numerous assumptions regarding expected project parameters, the Company's growth, results of operations, performance and business prospects and opportunities that could cause our actual results to differ materially from those in the forward-looking statements. While the Company considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Accordingly, you are cautioned not to put undue reliance on forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to known and unknown risks and uncertainties, including, without limitation: the risks and uncertainties inherent to an economic study such as the pre-feasibility study, fluctuations in gold prices, variations in costs of supplies and labour, the availability of financing on acceptable terms, the risks of operating in a foreign country such as Brazil, the risks inherent to the restart of mining operations, the effect of any non-compliance with its debt covenants and other financing arrangements, uncertainties with respect to servicing its debt and those risks and uncertainties outlined in our most recent AIF and other documents filed on [www.sedar.com](http://www.sedar.com), that could cause actual performance to differ materially from those expressed in or suggested by the forward-looking statements. To the extent any forward-looking statements constitute future-oriented financial information or financial outlooks, as those terms are defined under applicable securities laws, such statements are being provided to describe the current anticipated potential of the Company and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions. Forward-looking statements are made as of the date those statements are made. Except as required by applicable law, we assume no obligation to update or to publicly announce the results of any change to any forward-looking statement contained herein to reflect actual results, future changes in assumptions or changes in other factors affecting the forward-looking statements. If we update any one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to other forward-looking statements. You should not place undue importance on forward-looking statements and should not rely upon these statements as of any other date. All forward-looking statements contained in this presentation are expressly qualified in this manner.

## Qualified Person

Mr. [Name] is the Qualified Person as defined under National Instrument 43-101 responsible for the scientific and technical work on the development programs and has reviewed and approved the corresponding scientific and technical information presented in this presentation. See the Company's press release dated September [12], 2016 and the Company's latest technical report relating to the Aurizona Gold Project for additional information with respect to the key assumptions, parameters and risks related to the resource and reserves estimates and other technical and scientific information presented herein.

Mr. [Name] and Scott Heffernan, EVP Exploration are the Qualified Persons under NI 43-101 who is responsible for the resource estimates contained in this presentation. Mineral resources that are not mineral reserves do not have demonstrated economic viability and mineral reserve estimates contained herein may be subject to legal, political, environmental or other risks that could materially affect the potential development of such mineral resources.

**Caution to U.S. Investors concerning estimates of mineral resources.** These estimates have been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of U.S. securities laws. The terms "mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in NI 43-101 and recognized by Canadian securities laws but are not defined terms under the U.S. Securities and Exchange Commission ("SEC") Guide 7 (U.S. Securities and Exchange Commission's "Guide 7") under U.S. securities laws. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be upgraded to mineral reserves. "Inferred mineral resources" have a great amount of uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. Under Canadian securities laws, estimates of "inferred mineral resources" are based on feasibility or pre-feasibility studies. U.S. investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Accordingly, these mineral resource estimates and related information should be read in conjunction with similar information made public by U.S. companies subject to the reporting and disclosure requirements under the U.S. federal securities laws and the rules and regulations thereunder, including SEC Guide 7.

## Non-GAAP Measures

Information refers to expected AISC and other financial measures which are non-GAAP measures. These measurements have no standardized meaning under IFRS and may not be comparable to similar measures presented by other companies. These measures are provided to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Values are in US Dollars unless otherwise stated

# Luna Gold: Return to Production



A new team with a history of success, a wealth of experience and challenge-tested expertise

Team is aligned with investors holding personal stakes

Significant technical work completed over the last 15 months to remedy historical deficits

Near term producer at 150,000 ozs per year for first five years at AISC of \$708/oz over initial 6.5 year mine life

NPV of \$256M and IRR of 41% at \$1,350 gold price

Low capex project of \$146M (including mine fleet) will leverage existing infrastructure

Excellent growth potential from deposit to district scales



# The Team



## Management

**Christian Milau**, CEO and Director  
*True Gold, Endeavour Mining, New Gold*

**David Laing**, COO and Director  
*True Gold, Quintana Resources, Endeavour Mining*

**Peter Hardie**, CFO  
*True Gold, Nevsun*

**Scott Heffernan**, EVP Exploration  
*True Gold, Wealth Minerals, Equity Exploration*

**Robastian D'Amici**, SVP Finance  
*True Gold, CHC Helicopters, Clarus Securities, PwC*

**2.3 million of equity (~4%) acquired  
by management in August 2016**

## Board of Directors

**Steven Krause**, Chairman  
*Avisar, Bear Creek Mining*

**Felipe Alves**, Director  
*Frontera Minerals Group, Rand Merchant Bank*

**Rob Pease**, Director  
*Sabina Gold & Silver, Terrane Metals, Rico  
Ventures, Placer Dome*

**Federico Schwalb**, Director  
*Amrop Peru, Newmont Mining*

**Greg Smith**, Director  
*Anthem United, Esperanza Resources, Minefin  
Goldcorp, KPMG*

**Dan Wilton**, Director  
*Pacific Road, National Bank Financial, General Elec*

**Mine Builders**

**Mine Financiers**

**Mine Operators**

**Explorers**

# PFS Highlights – Increased Grade and Returns



<b>M&amp;I Resource</b>	1.6Moz/ 29.9Mt @ 1.67g/t
<b>P&amp;P Reserve</b>	969 koz/ 18.6Mt @ 1.62g/t
<b>NPV<sub>5%</sub> (US\$1,250/oz)</b>	\$201M (\$256M at \$1,350)
<b>IRR</b>	34% (41% at \$1,350)
<b>Payback</b>	2.6 years
<b>Initial Capex</b>	\$146M (includes mine fleet)
<b>Sustaining Capex</b>	\$47M
<b>AISC</b>	\$708/oz
<b>Cash Cost</b>	\$606/oz
<b>Mine Life</b>	6.5 years
<b>Construction Period</b>	18 months

Operating Costs	All-In Sustaining Costs (\$/oz)	Cost Per Tonne Processed (\$/t)
Mining	301	14.3
Processing	232	11.0
G&A	60	2.9
Refining & Transport	13	0.6
<b>Sub-total</b>	<b>606</b>	<b>28.8</b>
Royalties	49	2.3
Sustaining Capex	50	2.5
Reclamation & Closure	3	0.2
<b>Total</b>	<b>\$708</b>	<b>\$33.8</b>

All monetary values are in US Dollars unless otherwise specified.

# Strengthening the Technical Foundation



## Background

Original process plant was based on ore types with significant soft saprolite

Designed to generate cash flow to fund exploration and grind circuit

Re-logging determined that the ore types were misclassified and tonnage of soft saprolite was materially reduced

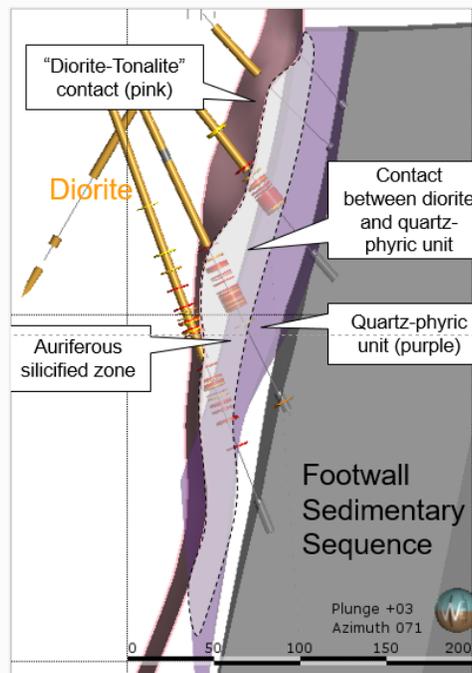
Drilling activities ceased Summer 2015

Processing plant placed on care & maintenance in March 2016



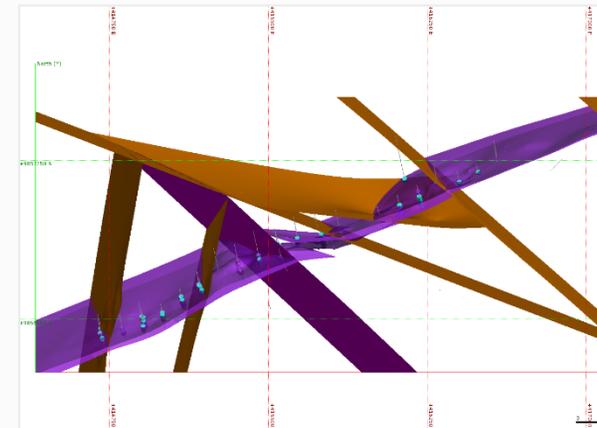
## Recent Technical Work

- 15,000m oriented core drilling completed in 2015
- Detailed core logging strengthened understanding of weathered profile and focused on alteration mineralization and structural controls



## Current Situation

- Pre-feasibility study prepared on new drilling and processing ore types
- Refined understanding of weathering, alteration and mineralization
- New 4D structural geology model
- Ore reserves restatement with 969,000 ounces and 20% increase in grade to 1.62 g/t



# The New Plan



## Feasibility Study and Construction

Up to 6 months to complete study

18 months for construction

Gold pour in 2018

## Production

6.5 year mine life at improved grade

Average 150,000 oz first 5 years

AISC of \$708/oz

## Exploration

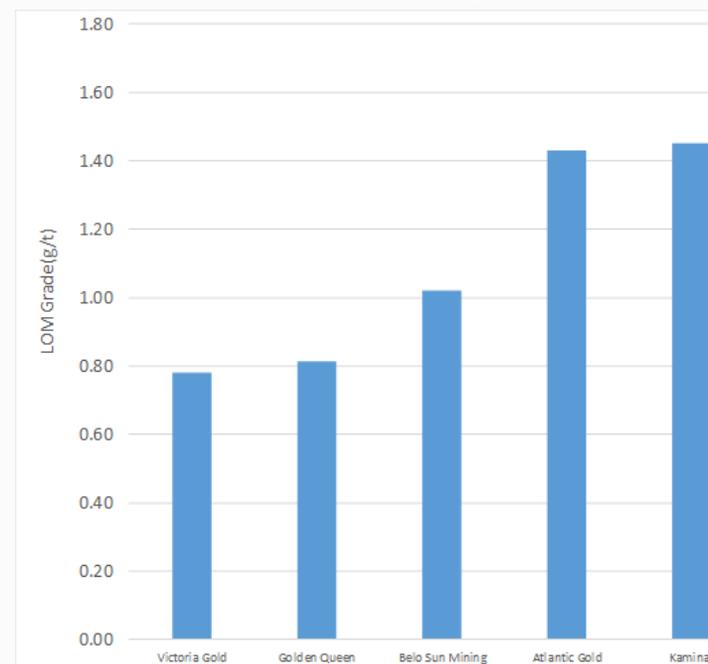
Near mine potential – Piaba West, Tatajuba

AngloGold joint venture

Goal to more than double reserves

**969,000 oz  
P&P Reserves**  
(18.6 Mt @ 1.62 g/t gold)

**1.60 million oz  
M&I Resource\***  
(29.9 Mt @ 1.67 g/t gold)



\*Reserves are inclusive of Mineral Reserves. See slide 29 of this presentation and the Company's press release dated September 12, 2016 and the Company's latest technical report relating to the Aurizona project. For additional information with respect to the key assumptions, parameters and risks relating to the mineral resource and reserves estimates and other technical and scientific information presented herein, please refer to the relevant documents.

# Aurizona Mine Overview



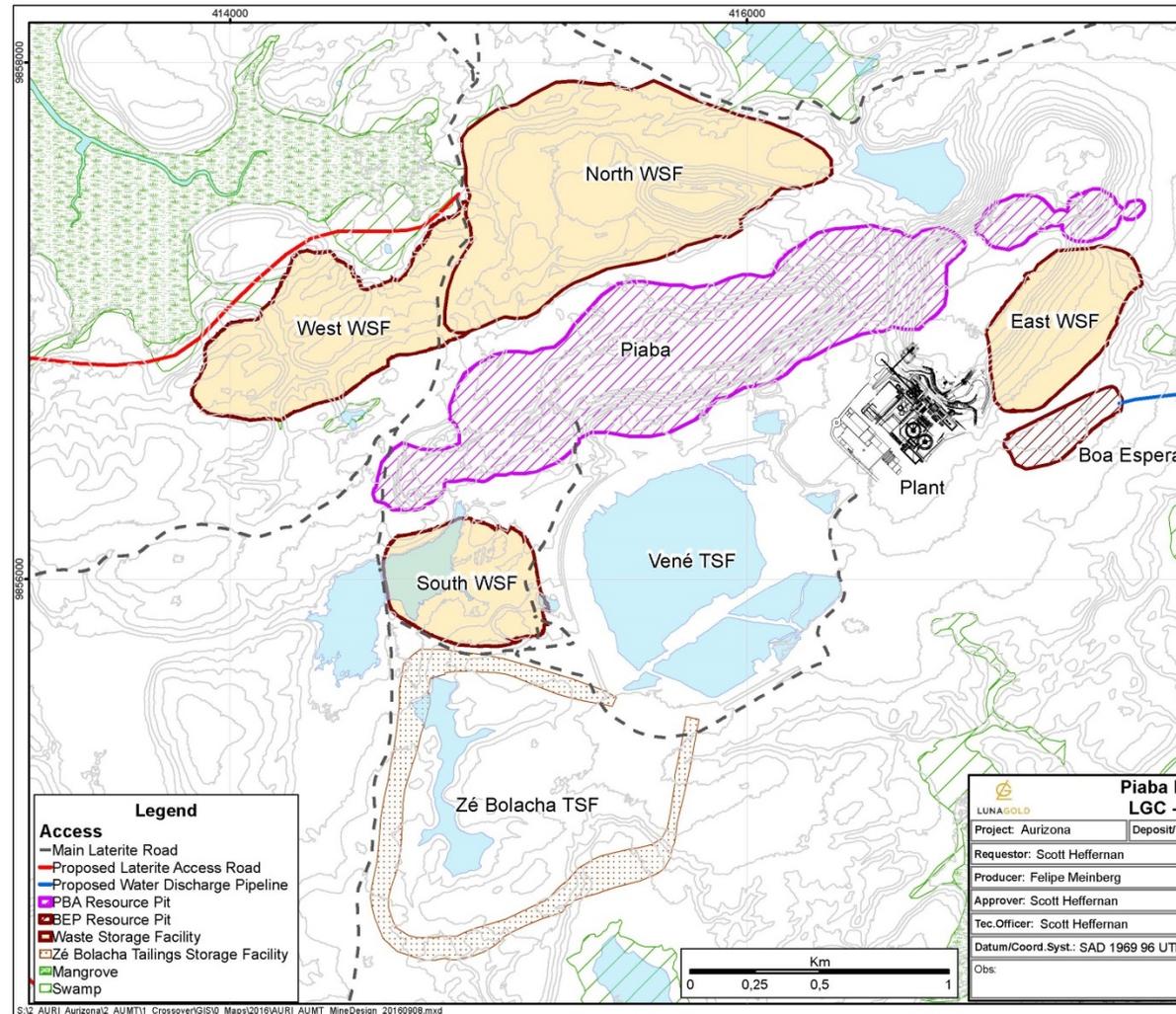
Former producing open pit mine

All major mine elements already in place

Permitting in place; being updated for  
3,000tpd processing plant

Excellent infrastructure:

- Plant – replacing front end
- Primary crusher/related facilities
- Surge bin with temporary stockpile
- SAG mill, ball mill, pebble crusher
- Fleet – to be partially replaced
- Grid power to site – will be upgraded
- Road accessible
- Experienced local workforce
- Offices and camp
- Water
- Communications



# Mine Plan Highlights

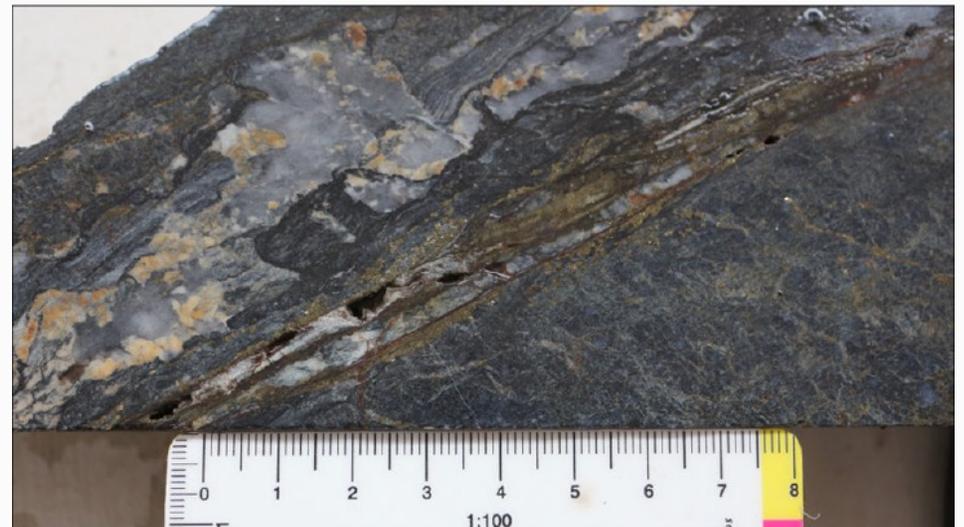
Conventional open pit mine

Mine will deliver all ore types to the mill – saprolite (14%), hard saprolite + transition (29%) and fresh rock (57%)

Utilization of large Run-of-Mine pad to improve early feed grade

Use of 63t mine trucks, 6.5 m<sup>3</sup> wheel loaders and excavators

Improved water management plan including early mining of the Boa Esperança pit for commissioning ore and use as a water storage facility



# New Front End of the Processing Plant



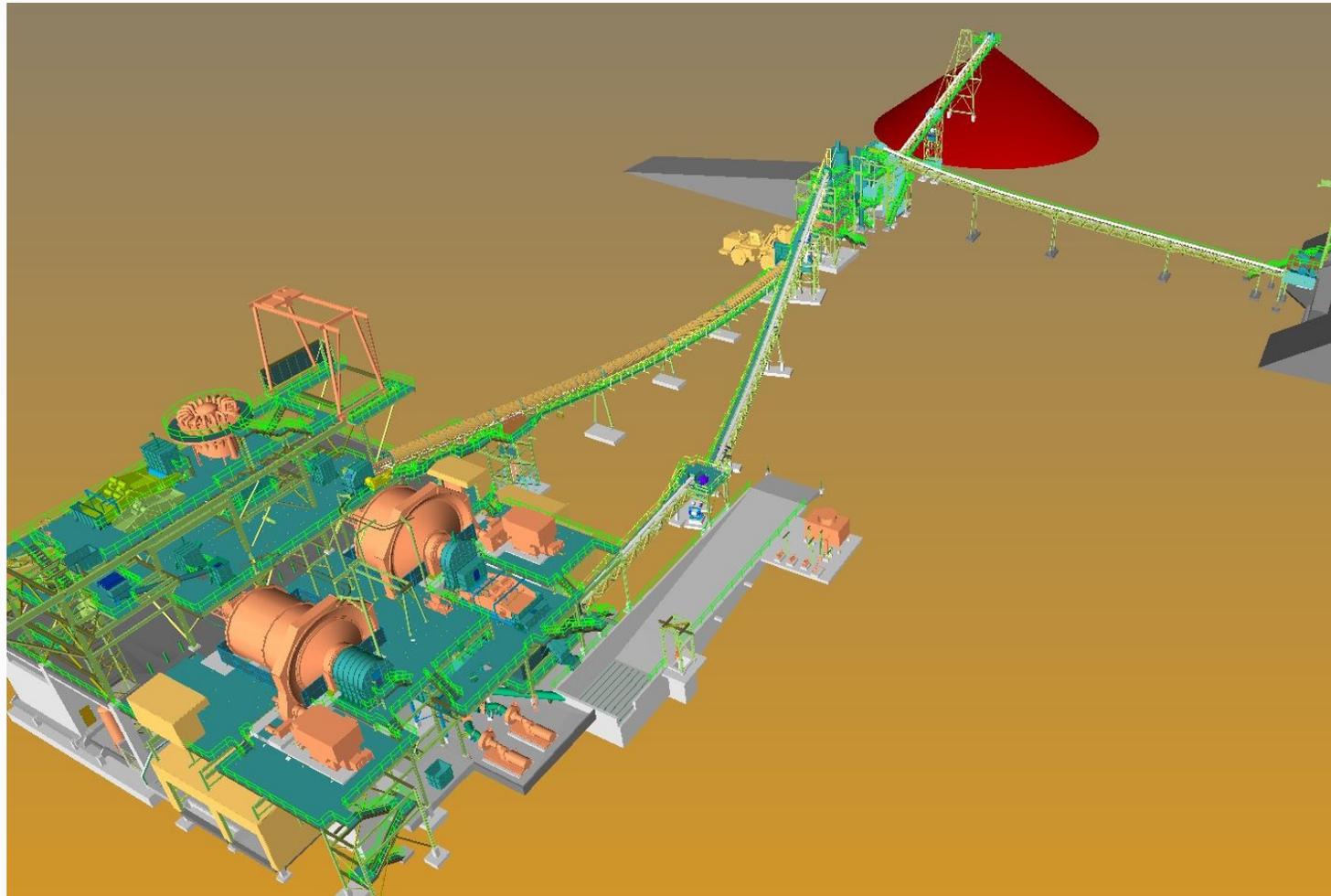
Increase processing capacity  
to 8,000tpd for all rock types

Installation of primary crusher

Significantly increased  
grinding power from 1.4MW  
to 9.1MW – SAG and ball mills  
to be installed

Improved gold recovery  
system – increased capacity  
with 3 additional leach tanks

Better carbon recovery and  
treatment process – intensive  
leach reactor, pressure elution  
vessel, carbon regeneration  
system. In, improved electrical  
system and automation



# W. Africa/S. America: World Class Deposits



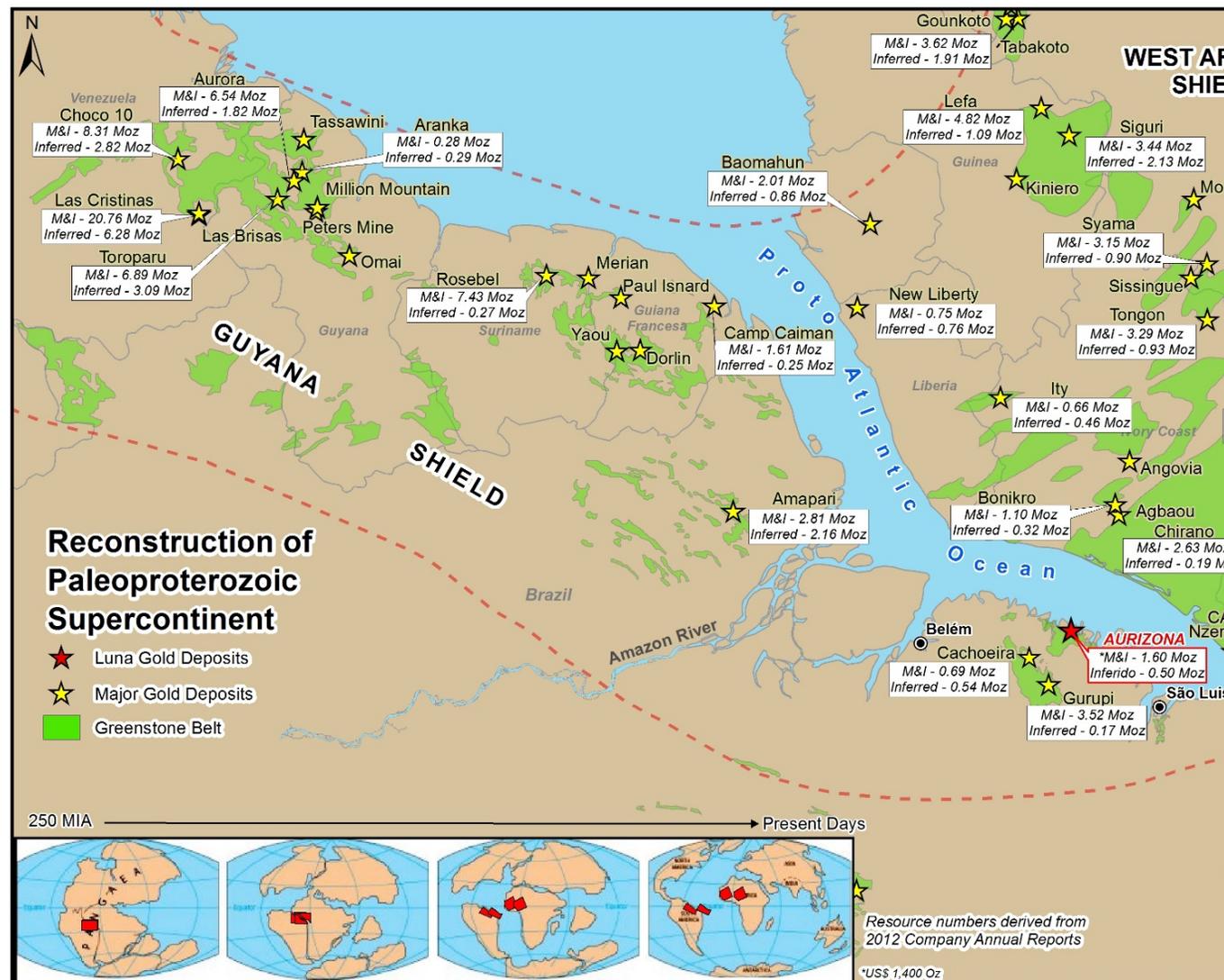
South American deposits analogous to the prolific West African gold belts

Underexplored greenstone belts hosting orogenic gold systems

Aurizona is situated in a highly prospective emerging district

Brazil has long mining history and strong mining culture (iron ore)

Skilled workforce available in Brazil



# Project Location



Good paved road access to site from São Luis, capital of Maranhão state (370 km) or Belém, capital of Pará state (440 km)

International flights to Belém

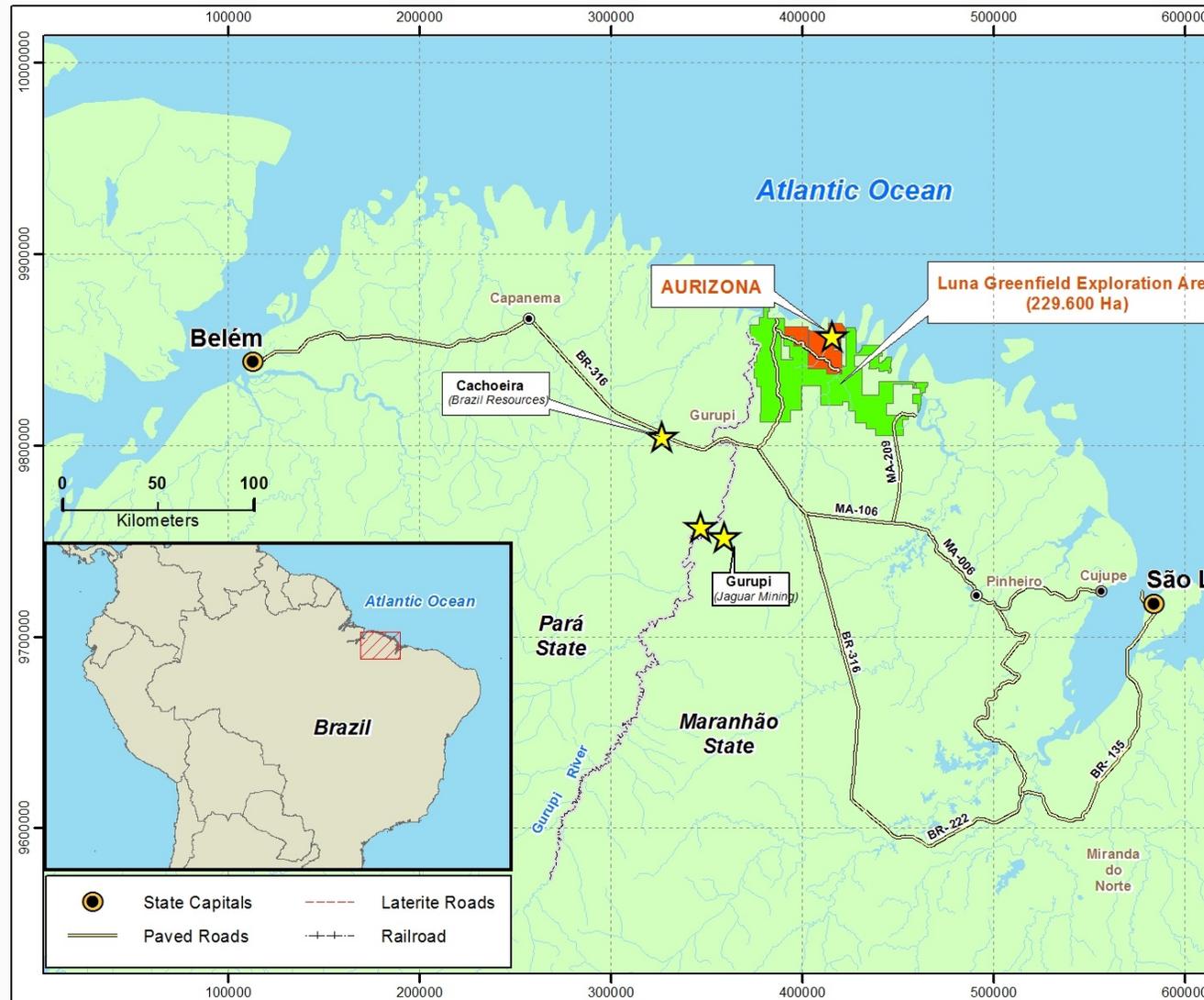
Local airstrip in nearby Godofredo de Faria (18 km)

Water access in nearby communities – barges used for heavy equipment previously

Reliable grid power to site with capacity to upgrade

Majority of employees from local communities

Mine currently permitted for operations – permit for increased throughput is in process



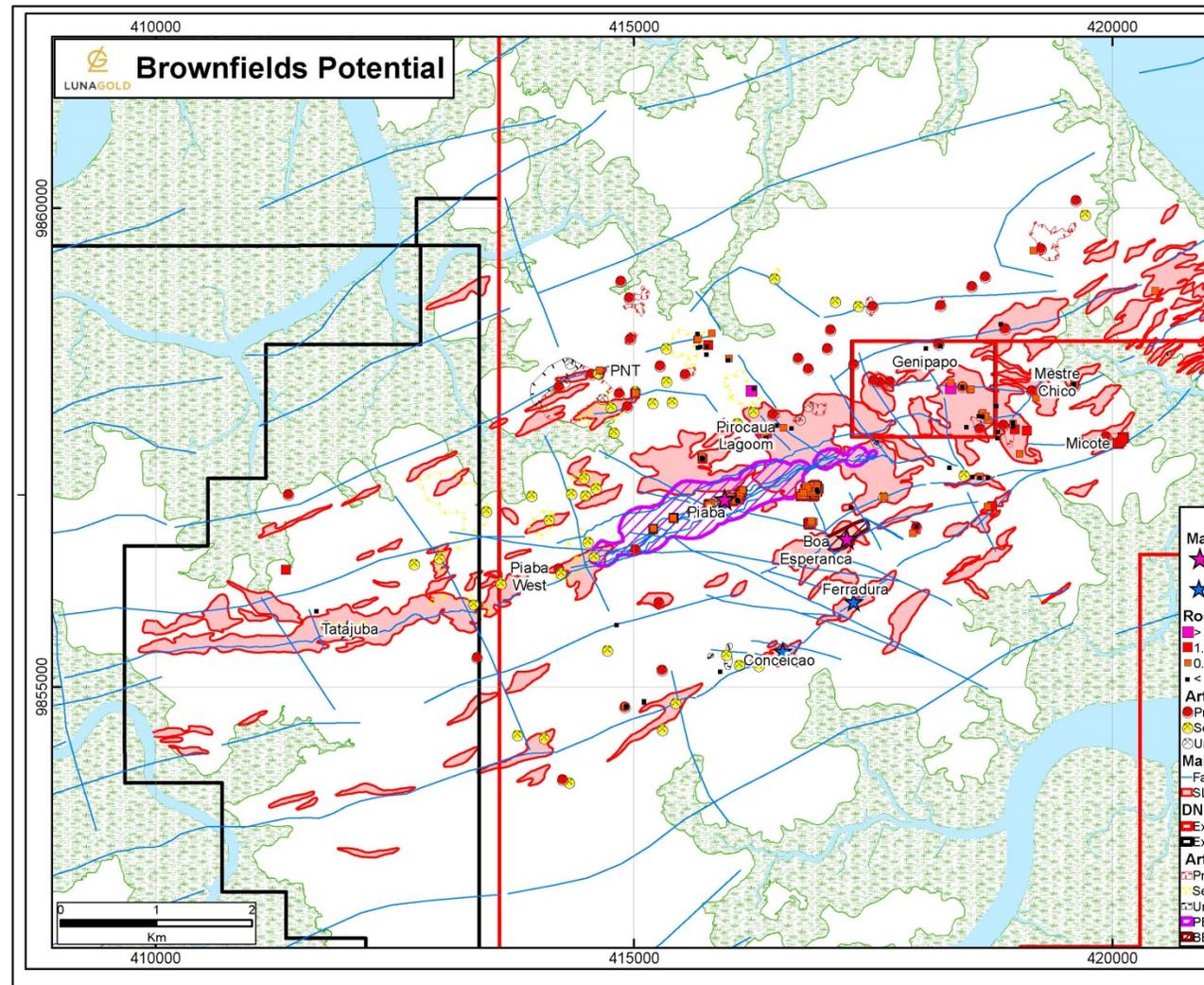
# Brownfields Exploration Potential



Piaba and Boa Esperanca deposits remain open along strike and to depth, e.g. Piaba West with potential to extend the deposit over 400 m

>10 drill ready targets in immediate vicinity of Aurizona

>50 km cumulative strike with anomalous to high-grade soil and rock geochemistry



# District Scale Potential

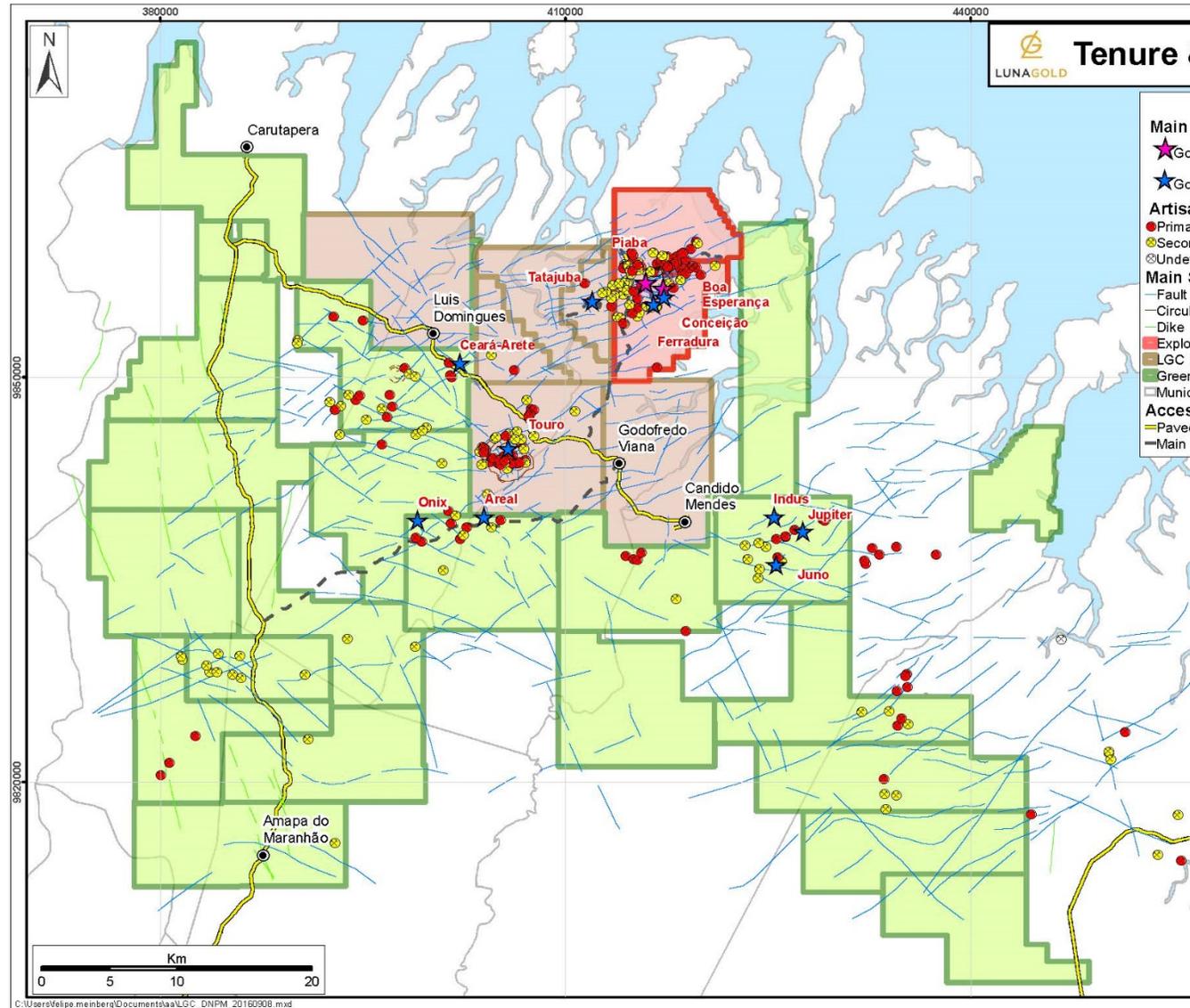


AngloGold Ashanti to spend \$14M over 4 years to earn 70% interest on greenfields properties (>2,000 km<sup>2</sup>)

On track to exceed \$2M commitment in year 1

Marizona Mine area including Piaba West and Tatajuba, greenfields project areas such as Touro are excluded from the JV (~450 km<sup>2</sup>)

Luna has the right to fund JV on pro-rata basis once it has been formed



# PFS Highlights – Low Initial Capital



Initial Capital	\$M
Transmission Circuit	41
Plant Upgrade/Repairs	24
O&M Costs	7
Operating Costs	41
Operating Dam Costs	3
Owner's Costs	17
Permit Care & Maintenance	13
<b>Total Initial Capital</b>	<b>146</b>

Sustaining Capital	
TMF Raises	
Mining	
Owner's Costs	
Closure Costs	
Mining Salvage	
<b>Total Sustaining Capital</b>	

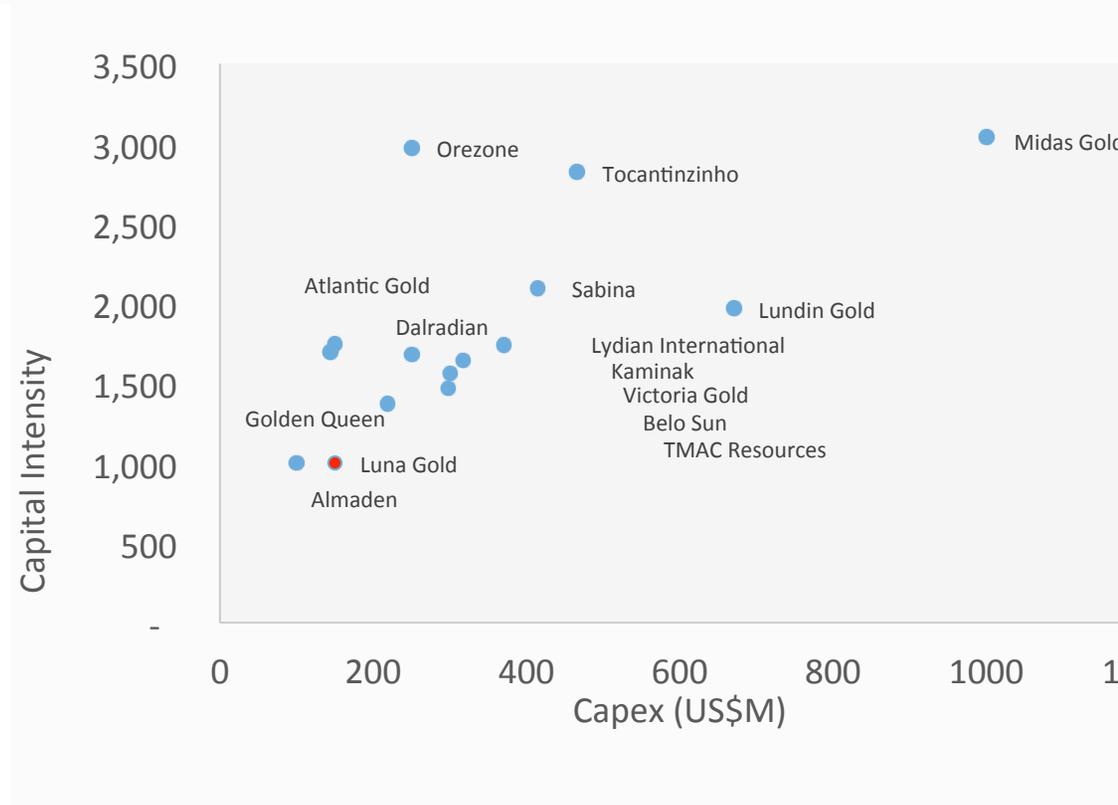
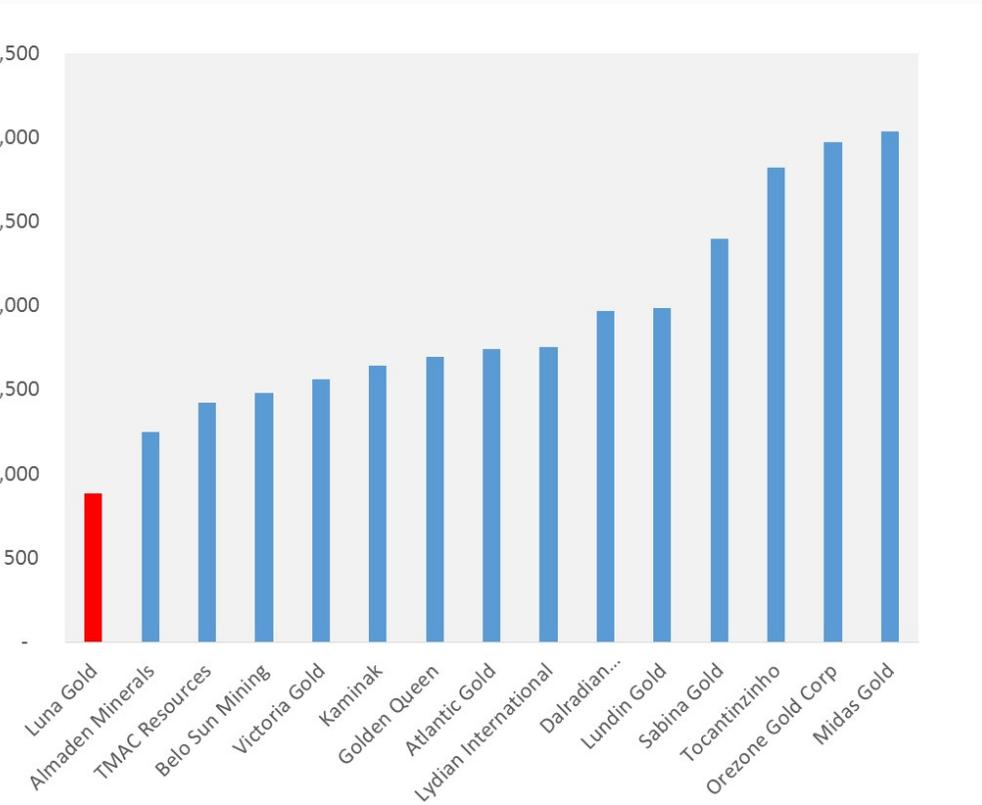
Low total initial capital of \$146 million

All monetary values are in US Dollars unless otherwise stated

# PFS Highlights – Low Capital Intensity



Low initial capex for 3 million tonnes per annum processing plant and mining fleet  
Low capital intensity at around \$1,000 per ounce of average annual production  
Excellent exploration potential to extend mine life and become a mining district  
Well positioned to attract capital and restart production



# Share Performance



lagging performance since early 2015 and care & maintenance period commenced

potential re-rating as milestones are achieved



LGC Share Price vs GDJX Junior Gold ETF

# Core Supportive Shareholders



## Capital Structure

Current Price (September 8, 2016)	Cdn\$0.28	Pacific Road Ownership (shares)	12
Shares Outstanding (basic)	326.8 M	Pacific Road Ownership (fully diluted)	6
Shares Outstanding (fully diluted)	703.8 M	Sandstorm Ownership (shares)	5
Market Capitalization	Cdn\$91.5 M	Sandstorm Ownership (fully diluted)	2
Debt at June 30, 2016, plus August 2016 financing	Cdn\$10 M	Management	



# Path Forward



Targeting  
annual average  
150,000 oz  
in years 1 to

## 2016

- JV with AngloGold Ashanti
- New management
- Financing with management participation
- Aurizona pre-feasibility study issued
- Review balance sheet and financing for construction
- Prepare feasibility study
- Plan exploration

## 2017

- Issue Aurizona feasibility study
- Commencement of construction at Aurizona
- Commencement of exploration at Piaba West, Tatajuba, Piaba north structure

## 2018

- Re-start operations
- Growth opportunities – internal/external

# Opportunities to Create Value



Low capex and low capital intensity for a 3 million tpa plant

Leverage existing infrastructure:

- Power to site
- Camp & offices
- Resource base with growth potential
- Base permits & licenses
- Plant infrastructure
- Tailings dam

Attractive time to build a mine in Brazil – labour and services readily available

Mine life extension – prospective region and licenses

Exploration – surrounding tenements and AngloGold joint venture

Balance sheet simplification

Investment community awareness of the new project and story – banks, analysts, investors



# Time for a Fresh Look at Luna Gold



New management is fully invested and supported by core shareholders

Low initial capex project with attractive returns

Exciting near term upside potential from mine life extension

Exceptional potential for additional discoveries through brownfields exploration and the greenfields AngloGold joint venture

Immediate focus to finance and build Aurizona

Longer term goal to grow Luna Gold into multi-asset, mid-tier producer



# Questions?

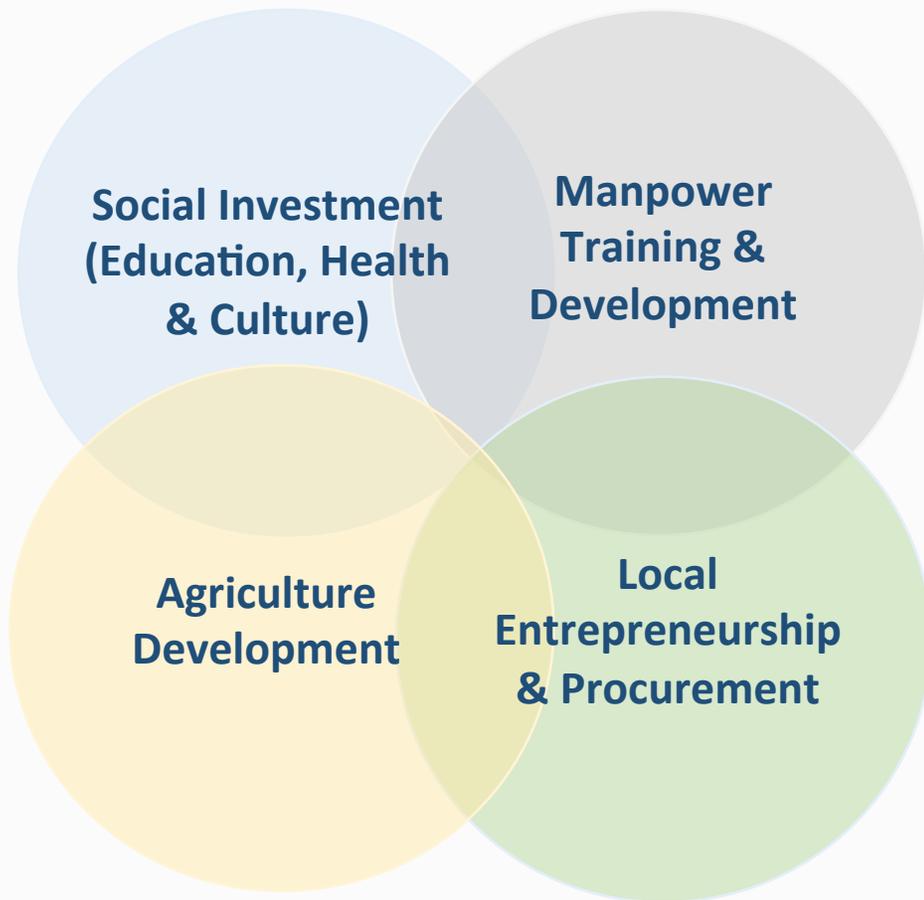


## Contact Info

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TSX: LGC



# Corporate Social Responsibility



# Project Sensitivity – NPV and IRR

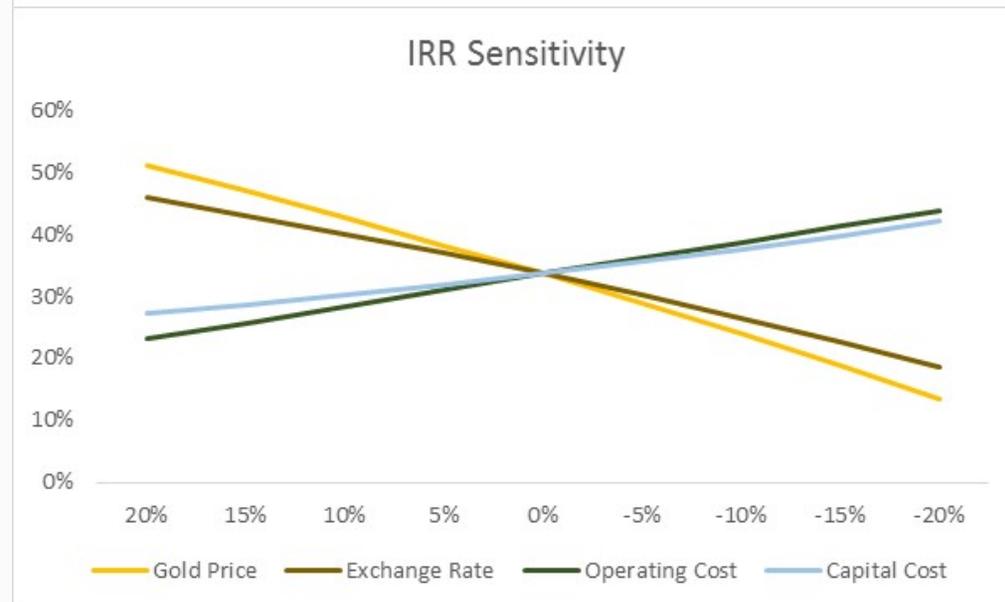
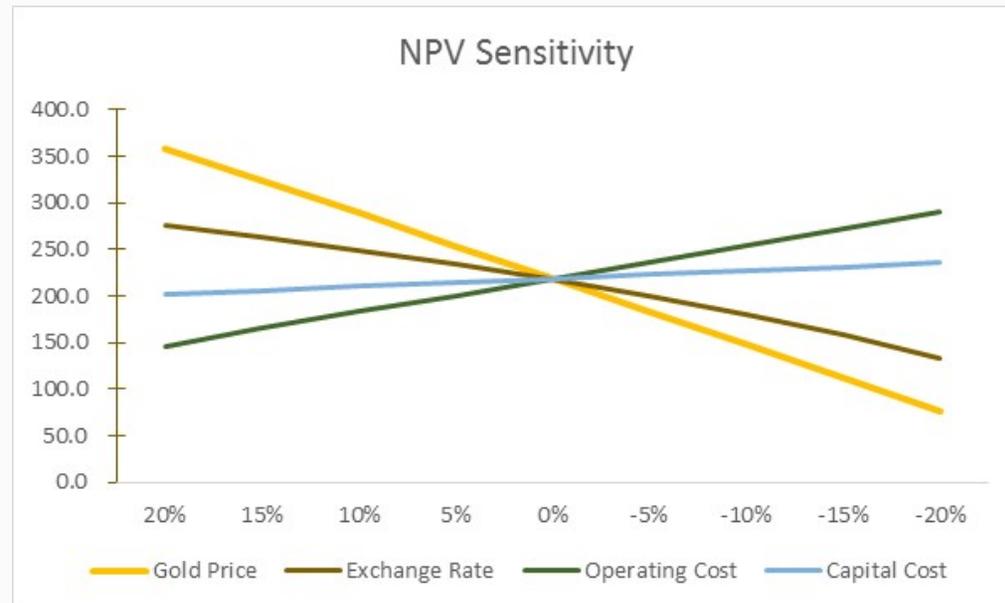
Attractive returns and asset value at \$1,250/oz gold price

- Excellent upside potential from mine life extension

Sensitive to gold price and exchange rate movements

- Correlation between gold price and commodity based currencies such as the BRL

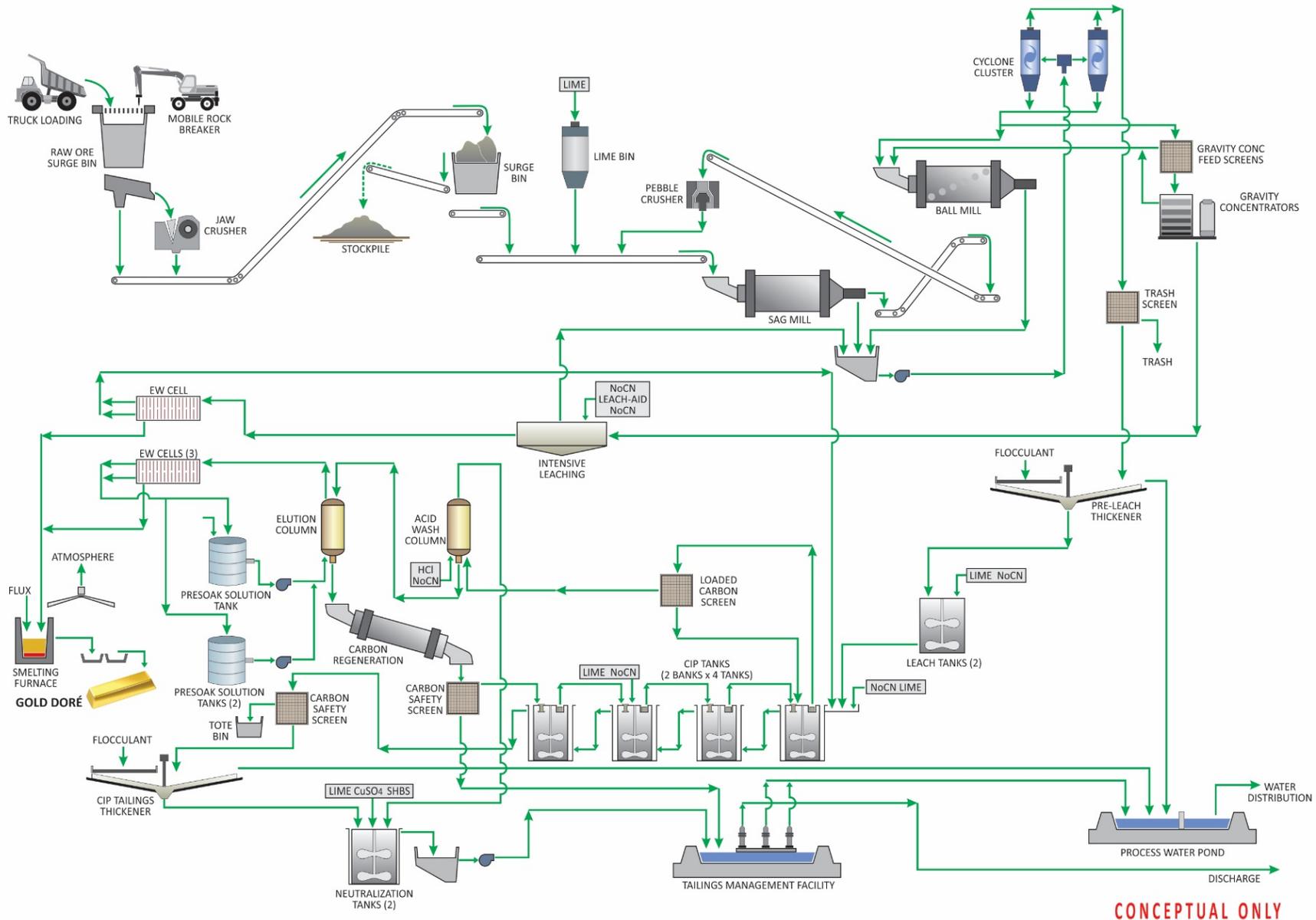
Less sensitive to capex and opex movements



# Gold Price in US\$ v \$BR



# Process Flow Sheet

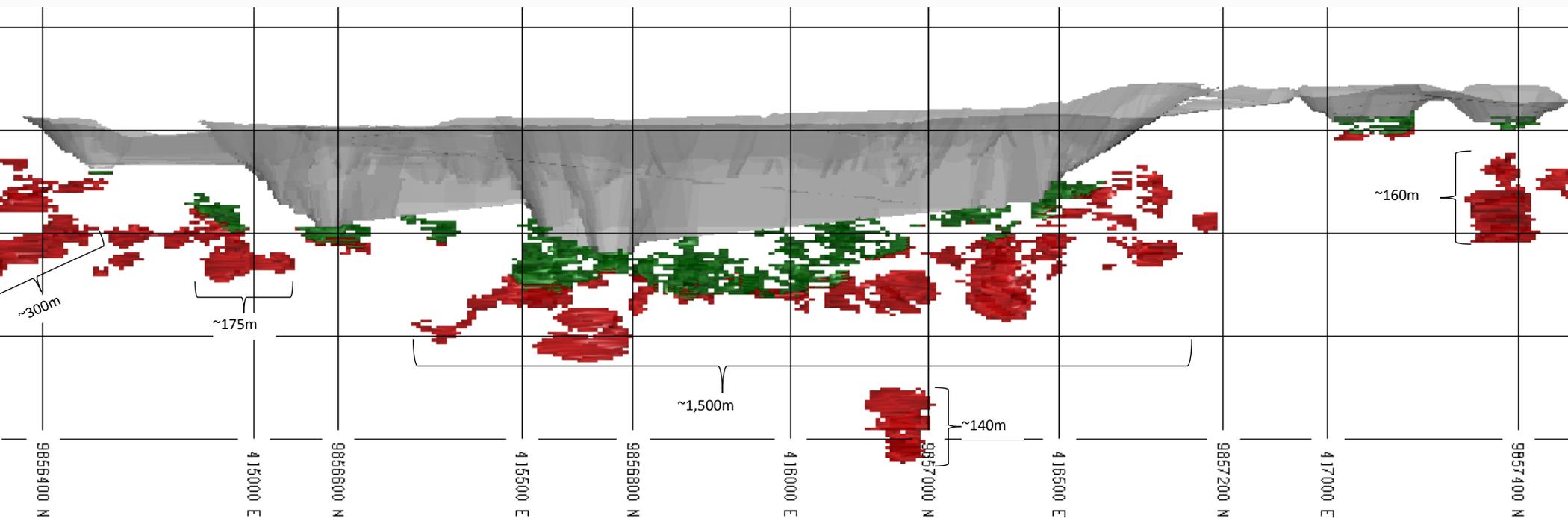


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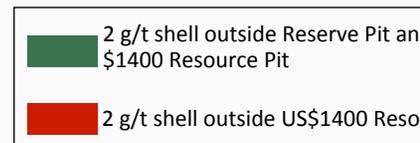
# Underground Potential



Viewing Az 340



	Material	Cutoff Au g/t	Tonnes	Au g/t	Au Oz
and within US\$1400	Measured <sup>1</sup>	2.0	477,000	5.02	77,000
	Indicated <sup>1</sup>	2.0	1,516,000	5.01	244,900
	Inferred <sup>1</sup>	2.0	14,000	3.58	1,600
Resource Pit	Inferred <sup>2</sup>	2.0	3,721,000	3.47	415,300



1 – Included in US\$1400 open pit Mineral Resources  
 2 – Included in Inferred Mineral Resources outside US\$1400 open pit  
 Underground resources were evaluated using a 2 g/t Au shell and edited to account for reasonable mineable geometries  
 Tonnages rounded to the nearest 1,000 and ounces rounded to nearest 100.  
 Differences may be present due to rounding

# Aurizona Reserves



	Proven			Probable			Total	
	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)
/Saprolite	721	1.59	37,000	1,852	1.04	62,000	2,573	1.19
prolite/ on	2,320	1.60	119,000	3,049	1.22	119,000	5,369	1.38
ock	3,328	1.98	212,000	7,372	1.77	420,000	10,700	1.84
	<b>6,369</b>	<b>1.80</b>	<b>368,000</b>	<b>12,273</b>	<b>1.52</b>	<b>601,000</b>	<b>18,642</b>	<b>1.62</b>

Mineral Reserve estimate has an effective date of June 21, 2016 and is based on the Mineral Resource estimate effective on April 30, 2016. The Mineral Reserve calculation was performed under the supervision of Gordon Zurowski, P.Eng of AGP Mining Consultants Inc., who is a Qualified Person as defined under NI 43-101. Mineral Reserves are stated on an open pit basis based on a \$1,104 per ounce gold price pit shell with a \$1,200 per ounce gold price for revenue. The cutoff grade was 0.38 g/t Au for all pit areas. The operating cost was \$2.32 per tonne mined, processing averages \$11.30 per tonne milled and G&A was \$2.84 per tonne milled. The process recovery averaged 90.5%. The exchange rate applied was R\$3.50 equal to \$1.00. The PFS scope only considers the Piaba and Boa Esperança open pit mineralized zones. The Mineral Resource and Mineral Reserves contained herein may be subject to legal, political, environmental or other risks that could materially affect the potential development of such Mineral Resource. For more information, please refer to the press release dated September 12, 2016 and the Company's latest technical report relating to the Aurizona Gold Project for additional information with respect to the assumptions, parameters and risks relating to the mineral resource and reserves estimates and other technical and scientific information presented herein.

# Arizona Resources – Pit & Underground



Area	Type	Class	Tonnes	Gold Grade (g/t)	Gold (oz)
Piaba	Pit Constrained	Measured	8,910,000	1.77	508,000
		Indicated	20,264,000	1.64	1,071,700
		Measured and Indicated	29,174,000	1.68	1,579,700
		Inferred	2,584,000	0.72	60,000
	Outside Pit	Inferred	3,721,000	3.47	415,300
Boa Esperança	Pit Constrained	Indicated	682,000	0.90	19,700
		Inferred	66,000	0.75	1,600
Total	Pit Constrained	<b>Measured</b>	<b>8,910,000</b>	<b>1.77</b>	<b>508,000</b>
		<b>Indicated</b>	<b>20,946,000</b>	<b>1.41</b>	<b>1,091,400</b>
		<b>Measured and Indicated</b>	<b>29,856,000</b>	<b>1.67</b>	<b>1,599,400</b>
		<b>Inferred</b>	<b>2,650,000</b>	<b>0.72</b>	<b>61,600</b>
	<b>Outside Pit</b>	<b>Inferred</b>	<b>3,721,000</b>	<b>3.47</b>	<b>415,300</b>

Notes: This Mineral Resource estimate has an effective date of April 30, 2016 and was prepared by Mr. Brett R. Marsh, C.P.G. of Phoenix Geoscience, LLC, who is a geoscientist registered under NI 43-101. Mineral Resources are inclusive of Mineral Reserves. Mineral Resources that are not included within the Mineral Reserves do not have demonstrated economic viability. Mineral Resources are stated at the following cutoff grades for open pit: Piaba: Laterite and Saprolite at 0.30 g/t Au; Hard Saprolite/Transition/Frustum at 0.40 g/t Au. Piaba: Outside open pit at 2.0 g/t Au. Boa Esperança cutoff grade: 0.44 g/t Au. Piaba topography is current as of February 28, 2015. Tonnes are rounded to the nearest 1,000; ounces are rounded to the nearest 100. Small tonnage and grade differences may be found due to rounding. The Mineral Resource and Mineral Reserve estimates contained herein may be subject to legal, political, environmental or other risks that could materially affect the potential development of such Mineral Resources.