

Independent Auditor's Report

To the Directors of Richmond Mines
and the Minister of Natural Resources Canada

Raymond Chabot Grant Thornton LLP
Suite 2000
National Bank Tower
600 De La Gauchetière Street West
Montréal, Quebec H3B 4L8

Telephone: 514-878-2691
Fax: 514-878-2127
www.rcgt.com

We have audited the accompanying Schedule of Payments by Payee totaling \$1,598,000 and the Schedule of Payments by Project totaling \$571,000 of Richmond Mines Inc. for the year ended December 31, 2016 and notes, comprising a summary of significant accounting policies (together “the schedules”). The schedules have been prepared by management in accordance with the financial reporting provisions in Sections 2, 3, 4 and 9 of the Extractive Sector Transparency Measures Act, Section 2.3 of the Extractive Sector Transparency Measures Act – Technical Reporting Specifications and Sections 3.1 to 3.6 of the Extractive Sector Transparency Measures Act – Guidance (collectively, the “financial reporting framework”).

Management's Responsibility for the Schedules

Management is responsible for the preparation of the schedules in accordance with the financial reporting framework referred to above, and for such internal control as management determines is necessary to enable the preparation of schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these schedules based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedule of Payments by Payee amounting to \$1,598,000 and the Schedule of Payments by Project amounting to \$571,000 of Richmond Mines Inc. for the year ended December 31, 2016 are prepared, in all material respects, in accordance with the financial reporting framework referred to above.

Basis of Accounting and restriction on Use

Without modifying our opinion, we draw attention to Note 1 to the schedules, which describes the basis of accounting. The schedules are prepared to provide information to the Directors of Richmond Mines Inc. and the Minister of Natural Resources Canada to assist in meeting the requirements of the Extractive Sector Transparency Measures Act. As a result, the schedules may not be suitable for another purpose.

Our report is intended solely for the Directors of Richmond Mines Inc. and the Minister of Natural Resources Canada and should not be used by parties other than the Directors of Richmond Mines Inc. and the Minister of Natural Resources Canada.

Raymond Chabot Grant Thornton LLP¹

Montréal, Canada
May 25, 2017

¹ CPA auditor, CA public accountancy permit no. A121855

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year **From:** 2016-01-01 **To:** 2016-12-31
Reporting Entity Name Richmont Mines Inc.

Reporting Entity ESTMA Identification Number E538246

Subsidiary Reporting Entities (if necessary) *Enter names & ESTMA Identification Numbers here separated by comas (e.g. Sub Reporting Entity 1, Sub Reporting Entity 2, Sub Reporting Entity 3, etc.)*

Payments by Payee										
Country	Payee Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes
Canada	Government of Quebec	\$550 000,00		\$128 000,00					\$678 000,00	
Canada	Gouvernement of Canada	\$920 000,00							\$920 000,00	
TOTAL		\$1 470 000,00		\$128 000,00					\$1 598 000,00	

Note 1 – Financial Reporting Framework

(a) Basis of accounting:

The Schedule of Payments by Payee and the Schedule of Payments by Project of Richmont Mines Inc. for the year ended December 31, 2016 (together "the schedules") have been prepared in accordance with the financial reporting provisions in Sections 2, 3, 4 and 9 of the Extractive Sector Transparency Measures Act, Section 2.3 of the Extractive Sector Transparency Measures Act – Technical Reporting Specifications and Sections 3.1 to 3.6 of the Extractive Sector Transparency Measures Act – Guidance (collectively the "financial reporting framework").

The schedules are prepared to provide information to the Directors of Richmont Mines Inc. and the Minister of Natural Resources Canada to assist in meeting the requirements of the Extractive Sector Transparency Measures Act. As a result, the schedules may not be suitable for another purpose.

Significant interpretations of the financial reporting framework referred to above include:

- Transactions are prepared on a cash accounting basis;
- Exclusion of payees for which payments amount to less than \$100,000 to the same payee in one category;
- The reporting of payments to Aboriginal government of Canada begins on June 1, 2017;
- Payments that fall outside the seven categories presented in the schedules are not included.

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year
Reporting Entity Name
Reporting Entity ESTMA Identification Number

From: 2016-01-01 **To:** 2016-12-31
 Richmond Mines Inc.
 E538246

Subsidiary Reporting Entities (if necessary)

*Enter names & ESTMA Identification Numbers here separated by commas
 (e.g. Sub Reporting Entity 1, Sub Reporting Entity 2, Sub Reporting Entity 3, etc.)*

Payments by Project

Country	Project Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes
Canada	Camflo Mill			\$37 000,00					\$37 000,00	
Canada	Beaufor Mine	\$340 000,00		\$49 000,00					\$389 000,00	
Canada	Mionique Mine	\$133 000,00		\$12 000,00					\$145 000,00	
									\$0,00	
									\$0,00	
TOTAL		\$473 000,00		\$98 000,00					\$571 000,00	

Note 1 – Financial Reporting Framework

(a) Basis of accounting:

The Schedule of Payments by Payee and the Schedule of Payments by Project of Richmond Mines Inc. for the year ended December 31, 2016 (together “the schedules”) have been prepared in accordance with the financial reporting provisions in Sections 2, 3, 4 and 9 of the Extractive Sector Transparency Measures Act, Section 2.3 of the Extractive Sector Transparency Measures Act – Technical Reporting Specifications and Sections 3.1 to 3.6 of the Extractive Sector Transparency Measures Act – Guidance (collectively the “financial reporting framework”).

The schedules are prepared to provide information to the Directors of Richmond Mines Inc. and the Minister of Natural Resources Canada to assist in meeting the requirements of the Extractive Sector Transparency Measures Act. As a result, the schedules may not be suitable for another purpose.

Significant interpretations of the financial reporting framework referred to above include:

- Transactions are prepared on a cash accounting basis;
- Exclusion of payees for which payments amount to less than \$100,000 to the same payee in one category;
- The reporting of payments to Aboriginal government of Canada begins on June 1, 2017;
- Payments that fall outside the seven categories presented in the schedules are not included.