
DETOUR GOLD

2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017



MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of Detour Gold Corporation ("Detour Gold", "we", "our" or the "Company") provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of the Company. This MD&A should be read in conjunction with Detour Gold's audited consolidated financial statements and related notes for the years ended December 31, 2018 and 2017 which are prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A contains certain forward-looking statements. Refer to the cautionary language at the end of this MD&A. All dollar figures stated herein are expressed in United States dollars, except for: (i) tabular amounts which are in millions of United States dollars; (ii) per share or per ounce amounts; or (iii) unless otherwise specified. This MD&A is dated March 6, 2019. Additional information relating to the Company, including the Company's 2017 Annual Information Form ("AIF") and other public filings, can be viewed on the SEDAR website (www.sedar.com) and on the Company's website (www.detourgold.com).

Certain non-IFRS financial performance measures are included in this MD&A. Detour Gold believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers. The non-IFRS financial performance measures included in this document are: total cash costs, all-in sustaining costs ("AISC"), average realized price, average realized margin, adjusted net earnings, and adjusted basic net earnings per share. Refer to the "Non-IFRS Financial Performance Measures" section for a reconciliation of these measures.

In addition, included in this MD&A is the measure "Earnings from mine operations". Refer to section "Additional IFRS Financial Performance Measures" for additional information on this measure.

The following abbreviations are used throughout this document: USD or U.S. dollar (United States dollar), Cdn or CAD (Canadian dollar), AISC (All-in sustaining costs), Au (gold), oz (ounces), g/t (grams per tonne), Mt (million tonnes), km (kilometres), m (metres), TMA (tailings management area), tpd (tonnes per day), ROM (run-of-mine), and LOM (life of mine).

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BUSINESS OVERVIEW

Detour Gold was incorporated under the laws of Ontario in 2006 and was listed on the Toronto Stock Exchange (TSX:DGC) in January 2007. Detour Gold is a mid-tier Canadian-based gold mining company with a 100% interest in the Detour Lake mine, a long-life, large-scale open pit operation located in northeastern Ontario, approximately 300 km northeast of Timmins and 185 km by road northeast of Cochrane. The Company continues to focus on improving the performance of the Detour Lake mine and on organic growth by exploring and developing its large Detour Lake property, which consists of a contiguous block of mining claims and leases totaling approximately 646 km² in the District of Cochrane.

Our business plan is to be a leading gold producer. The Company's near-term strategy is to continue with operational improvements at the Detour Lake mining operation while applying cost and capital discipline.

2018 YEAR IN REVIEW

In 2018, Detour Gold met its production target with a strong finish to the year. The Company's flagship Detour Lake mine produced 621,128 ounces of gold at AISC of \$1,158 per ounce sold, above the mid-point of our revised production guidance. In the fourth quarter of 2018, gold production of 158,200 ounces represented the best ever quarterly production.

In 2018, the Company generated \$32.2 million of free cash flow before financing activities of which \$20 million was used to repay debt. The Company ended the year in a solid financial position with cash and cash equivalents of \$132 million and approximately \$220 million available from its credit facility ("Credit Facility").

In early 2018, the Company revised its annual gold production guidance to between 595,000 and 635,000 ounces to reflect the anticipated change in mine sequencing in the revised LOM plan ("2018 LOM Plan") and to account for lower annual mill throughput, mainly resulting from the first quarter. In June 2018, the Company reported the details of its 2018 LOM Plan. The Company subsequently filed a National Instrument ("NI") 43-101 Technical Report for the Detour Lake operation. The Technical Report validated the 2018 LOM Plan released in June 2018 and reaffirmed that the 2018 LOM Plan is the right plan to maximize long-term value for shareholders.

On January 3, 2019, the Company announced the appointment of William (Bill) Williams as Interim Chief Executive Officer. The Human Resources & Compensation Committee of the Board is proceeding with an international search for a new Chief Executive Officer.

The Company's guidance for 2019 (released in January 2019) is in line with the 2018 LOM Plan. The Company will continue to execute its operational strategy for 2019 with the goal of stabilizing the operations by year end 2019.

Health and Safety

The Company maintained its focus on its internal Safety Tactical plans and recorded a total recordable injury frequency rate ('TRIFR') of 2.05 in 2018 with only a single lost time injury for the entire year which included both employees and contractors. The Company recorded nearly 4 million hours without a lost time incident in 2018.

Environment and Permitting

In 2018, the Company continued to use the Global Reporting Index as the framework for its sustainability report. In addition to the sustainability report, the Company reported its performance to the Carbon Disclosure Project to further facilitate access to this information by investors and stakeholders. Detour Gold was recognized by Corporate Knights, which identifies Canada's emerging sustainability leaders from small to mid-cap corporations, as one of the Future 40 Most Responsible Corporate Leaders in Canada.

There were no significant environmental incidents reported in 2018. In 2019, the Company will continue to strengthen its environmental management with the objective of improving environmental performance and ensuring that we

continue to meet our legal obligations and other commitments. The Company anticipates that the current closure plan will be amended in 2019 to better align closure objectives with comments received from our Indigenous communities and to address comments received from the Ministry of Energy, Northern Development and Mines. The financial assurance will be reviewed and adjusted, as required, to meet the requirements of the Ontario Mining Act.

The Company initiated the construction of a mine water storage pond in 2018 to facilitate the discharge of treated contact water to East Creek during wet years and to ensure sufficient water for operation of the process plant during dry years. There was no discharge to East Creek in 2018 as total precipitation was slightly below average. The water level in TMA Cell 1 was within the targeted operating range throughout the year. The Company plans to establish an Independent Tailings Review Board in 2019 to ensure best practice in tailings management.

In late January 2017, the Company filed the Draft Environmental Study Report for the West Detour project with the provincial authorities. In September 2017, the Company had been informed that the project would remain under the provincial environmental assessment process following a request by one of its Indigenous communities that the project be subject to a federal assessment process. The Company remains committed to obtaining the support from all its Indigenous communities for the project. It has signed updated agreements with both Taykwa Tagamou Nation and Wahgoshig First Nation, and has renewed its discussions with Moose Cree First Nation.

In 2018, comments on the Draft Environmental Study Report were received from various government agencies and the consultation process with Indigenous communities was initiated. Provincial approval for the West Detour project is targeted for 2019 subject to addressing comments received from government agencies and the completion of the consultation process with Indigenous communities.

FULL YEAR 2018 HIGHLIGHTS

- **Gold production** of 621,128 ounces, above the mid-point of our revised production guidance, compared to 571,463 ounces in 2017
- **AISC⁽¹⁾** of \$1,158 per ounce sold and total cash costs⁽¹⁾ of \$742 per ounce sold compared to \$1,064 and \$716 per ounce sold, respectively, in 2017
- **Revenues** of \$776.0 million on gold sales of 610,672 ounces at an average realized price⁽¹⁾ of \$1,268 per ounce compared to \$707.8 million on gold sales of 561,974 ounces at an average realized price of \$1,256 per ounce in 2017
- **Earnings from mine operations** of \$145.7 million compared to \$161.5 million in 2017
- **Net loss** of \$1.0 million (\$0.01 per basic share) compared to net earnings of \$88.2 million (\$0.50 per basic share) in 2017
- **Adjusted net earnings⁽¹⁾** of \$64.2 million (\$0.37 per basic share) compared to adjusted net earnings⁽¹⁾ of \$75.1 million (\$0.43 per basic share) in 2017
- **Cash and cash equivalents** of \$131.9 million at December 31, 2018 compared to \$134.1 million at December 31, 2017
- **Repaid** \$20.0 million on the revolving credit facility (“Revolving Credit Facility”)
- **Extended Revolving Credit Facility** by one year from July 2021 to July 2022
- **Updated** LOM plan on June 27, 2018 and filed Technical Report on November 26, 2018
- **Initial mineral resource estimate** for Zone 58N

FOURTH QUARTER 2018 HIGHLIGHTS

- **Gold production** of 158,200 ounces, representing best ever quarterly production, compared to 150,046 ounces in Q4 2017
- **AISC⁽¹⁾** of \$1,102 per ounce sold and total cash costs⁽¹⁾ of \$712 per ounce sold compared to \$989 and \$705 per ounce sold, respectively, in Q4 2017
- **Revenues** of \$212.8 million on gold sales of 172,935 ounces at an average realized price⁽¹⁾ of \$1,228 per ounce compared to \$200.0 million on gold sales of 156,293 ounces at an average realized price of \$1,277 per ounce in Q4 2017
- **Earnings from mine operations** of \$33.2 million compared to \$50.0 million in Q4 2017
- **Net loss** of \$32.4 million (\$0.19 per basic share) compared to net earnings of \$16.7 million (\$0.10 per basic share) in Q4 2017
- **Adjusted net earnings⁽¹⁾** of \$17.0 million (\$0.10 per basic share) compared to adjusted net earnings⁽¹⁾ of \$26.8 million (\$0.15 per basic share) in Q4 2017

¹ Refer to the “non-IFRS Financial Performance Measures” section for a reconciliation of this metric.

OUTLOOK

2019 Guidance

Gold production (oz)	570,000-605,000
Total cash costs (\$/oz sold)	\$790-\$840
AISC (\$/oz sold)	\$1,175-\$1,250

Gold production is expected to be between 570,000 and 605,000 ounces for 2019.

The mine plan calls for approximately 115 Mt to be mined from the Detour Lake pit in 2019.

Mill throughput is expected to range between 21.5 and 22.0 Mt for 2019. Head grade is projected to range between 0.90 and 1.00 g/t, with the lowest grade projected during the second quarter. Mill recoveries are expected to range between 90.5% and 91.5%.

2019 AISC are expected to range from \$1,175 to \$1,250 per ounce sold, with total cash costs of \$790 to \$840 per ounce sold. The AISC are forecast to be above the yearly guidance in the second and third quarter of the year, mainly due to the timing of capital expenditures for the TMA.

Capital expenditures are estimated to range between \$190 and \$210 million. Higher sustaining capital is anticipated for accelerating the construction of Cell 2 of the tailings facility mainly due to slower progress than planned in 2018.

Capital Expenditures (\$ millions)

Sustaining expenditures	
Mining	\$ 55
Processing	12
TMA	80-90
Site infrastructure, G&A & other	8
Total sustaining expenditures	155-165
Capitalized stripping	35-40
Non-sustaining expenditures	3
Total capital expenditures	\$ 190-210

Key assumptions used for the 2019 guidance include: gold price of \$1,250 per ounce, exchange rate of 1.00US:1.28CAD, diesel fuel price of Cdn\$0.95 per litre and power cost of Cdn\$35 per megawatt hour.

A sensitivity analysis before hedging for changes affecting full year shows:

- A \$50 per ounce change in the gold price impacts closing cash by approximately \$30 million.
- A \$0.05 change in the CAD vs U.S. exchange rate impacts closing cash by approximately \$20 million.

2019 Exploration

The exploration budget of approximately \$5 million will focus mainly on drilling and geophysical surveys at a number of key targets on the Detour Lake property. The Company plans to complete approximately 2,500 metres of drilling to better define the northeast and western potential extensions of Zone 58N. In addition, the Company plans to progress an internal scoping study this year to assess the viability of pursuing an underground exploration and bulk sampling program.

2019 Corporate and Interest Expenses

Corporate general and administrative expense is estimated at \$21 million and excludes share-based compensation.

Interest expense is estimated at approximately \$15 million.

Depreciation expense is expected to be approximately \$300 per ounce sold, subject to the Company completing its analysis of the 2018 year-end mineral reserve and resource estimates.

2019 Operational Focus and Initiatives

The Company expects to further critical initiatives commenced in 2018 such as to progress process plant capital projects and to introduce value-added business improvement plans. The focus will remain on increasing production efficiencies while targeting the LOM plan's future benchmark production and cost metrics. Top focus areas for 2019 include:

- Employee recruitment, retention and performance management, including supervisory leadership training
- Execution of tailings dam earthworks construction for Cell 2, including improved project management
- Focusing on drill and blast as well as truck cycle efficiencies, including fleet management
- Further embedding condition-based maintenance processes for mine and plant
- Continuing progress on all key operational permits
- Enhancing relationships with our Indigenous partners, pertaining to employment, contracting, and permitting
- Enhancing Management Operating Systems to support various support functions
- Improving Business mine planning cycles together with data analytics and short interval controls
- Introducing further cost controls, notably around contractor management
- Initiating critical safety risk awareness and their respective mitigation controls

2019 Financial Risk Management

The Company has established financial risk management programs for its 2019 gold sales, Canadian dollar expenditures, and diesel fuel requirements. These programs are in place to reduce a portion of the Company's exposure to volatile markets and to lock-in known rates for budgeting purposes.

As of February 28, 2019, the Company had the following positions:

- 222,000 gold ounces of collars on approximately 45% of the Company's remaining 2019 gold sales at an average floor price of \$1,250 per ounce and participation up to an average ceiling price of \$1,423 per ounce. These collars mature evenly over 2019.
- \$300.0 million of collars are in place that allow the Company to sell U.S. dollars at no worse than 1.27 and have upside to 1.35. These collars mature relatively evenly over 2019. These contracts along with other spot transactions completed to date in January and February have secured prices for approximately 60% of the Company's estimated 2019 Canadian dollar requirements.
- 28.3 million litres of diesel fuel contracts at an average rate of C\$0.85 per litre, which settle on a net basis. These contracts are predominantly weighted in the first nine months of 2019 and represent approximately 45% of the Company's diesel fuel requirements for the remainder of 2019.

CORPORATE DEVELOPMENTS

Revised LOM Plan

On April 26, 2018, the Company provided the results of its assessment to improve the near-term gold production and cash flow profile of the Detour Lake operation by accelerating access to the higher grades scheduled to be processed in 2021 and 2022 under the previous LOM plan issued in March 2017 ("2017 LOM Plan"). The revised mine plan ("2018 LOM Plan") successfully increased gold production in 2019 and 2020 by approximately 50,000 ounces each year, thereby smoothing the projected gold production over the 2019-23 period to an average of approximately 600,000 ounces per year and substantially reduced the large variation in production under the 2017 LOM Plan. Despite this improvement, the benefits were diminished as a result of two factors:

- During the review of the cost model from the 2017 LOM Plan, management determined that the future expected declining rate of some of the operating cost and capital expenditure reduction assumptions would not be achieved as scheduled. The past LOM projected improvements needed to be tempered somewhat to

better reflect expected LOM operating and capital costs given the current state of the operation and the assessment of the new Chief Operating Officer coupled with external 2018 operational audits. These changes also reflected new insights derived from prior operational experience, some ongoing relevant benchmark comparisons and the Company not achieving its unit cost objectives for 2017; and

- As one of the Company's Indigenous communities had not yet expressed its full support of the Draft Environmental Study Report filed in January 2017 for the West Detour project, management determined that greater permitting flexibility was appropriate and therefore rescheduled the North pit development and any impact on Walter Lake to 2028. This delay resulted in the deferral of approximately 150,000 ounces to beyond the 2019-23 period. The planned commencement of the development of the West Detour pit remains in 2025.

As a result of these changes, the Company proceeded with the 2018 LOM Plan and updated its 2018 guidance, which was disclosed on January 16, 2018. The annual gold production guidance was revised to between 595,000 and 635,000 ounces to reflect the anticipated change in mine sequencing planned in the 2018 LOM Plan and to account for lower annual mill throughput tonnage (mainly resulting from the first quarter of 2018).

AISC for 2018 were revised to between \$1,200 and \$1,280 per ounce sold with the increase being approximately equally attributable to:

- Lower gold production;
- Lower ore tonnes mined resulting in the use of ROM stockpiles;
- Increased operating costs related to higher consumption of mill consumables, higher price assumptions for diesel (Cdn\$0.75 per litre to Cdn\$0.80 per litre) and electricity (Cdn\$25 per megawatt hour to Cdn\$30 per megawatt hour), increased contractor crushing (until the new primary crusher mantle was installed in June), and mobile fleet and fixed plant asset repairs; and
- A \$16 million increase in essential capital expenditures (\$6 million for processing plant equipment, \$5 million for the mobile fleet, \$3 million for the tailings facility and \$2 million for other).

2018 Guidance	Revised	Previous
Gold production (oz)	595,000-635,000	600,000-650,000
Total cash costs (\$/oz sold)	\$700-\$750	\$670-\$730
AISC (\$/oz sold)	\$1,200-\$1,280	\$1,050-\$1,150

The Company reported the details of its 2018 LOM Plan on June 27, 2018 (based on a long-term gold price of \$1,300 per ounce and an exchange rate of 1.00U.S.:1.25CAD). The key highlights of the 2018 LOM Plan include:

- Proven and probable reserves of 16.0 million ounces of gold contained in 517 Mt grading 0.97 g/t over a mine life of approximately 23 years (as at December 31, 2017)
- Average annual gold production of approximately 659,000 ounces over LOM at average total site costs⁽¹⁾ of \$843 per ounce sold
- For the 2019-2023 period, average annual gold production of approximately 608,000 ounces at average total site costs⁽¹⁾ of \$983 per ounce sold
- Annual total material mined ramping up to 129 Mt by 2024 and 131 Mt by 2027 and 2028, and declining thereafter
- Annual plant throughput maintained at 23.0 Mt starting in 2021
- Estimated LOM capital costs of Cdn\$2.5 billion (excluding deferred stripping)
- Estimated LOM pre-tax cash flows of Cdn\$8.4 billion
- After-tax NPV_{5%} of Cdn\$3.45 billion as at January 1, 2018

The 2018 LOM Plan added permitting flexibility by providing the Company with additional time to progress the permits required for the West Detour project, specifically revolving around the impacts to Walter Lake in the western end of the

¹ Refer to the "non-IFRS Financial Performance Measures" section for additional details

Detour Lake pit (2028). The permitting time for the West Detour pit remained the same as the previous LOM plan at 2025.

During 2018, the Company has obtained support from three of its four Indigenous communities for the West Detour project.

The Company intends to submit the Final Draft Environmental Study Report for the West Detour project with the Ministry of Natural Resources and Forestry ("MNRF") by mid-2019. Once approval is received from MNRF, the Company will proceed with the required permit applications associated with the West Detour project.

On November 26, 2018, the Company filed a NI 43-101 Technical Report for the Detour Lake operation. The Technical Report validated the 2018 LOM Plan.

Initial Mineral Resource for Zone 58N

On July 25, 2018, the Company reported a NI 43-101 compliant initial independent mineral resource estimate for the Zone 58N gold deposit located 6 km south of its 100% owned Detour Lake gold mine. The mineral resource estimate is comprised of an Indicated resource of 2.87 Mt grading 5.80 g/t for 534,300 ounces of gold and an Inferred resource of 0.97 Mt grading 4.35 g/t for 136,100 ounces of gold.

Revolver Extension

On September 5, 2018, the Company amended its \$300.0 million Revolving Credit Facility to extend the maturity date by one year from July 2021 to July 2022. Refer to the "Liquidity and Capital Resources" section for additional details.

Management and Director Changes & Special Meeting of shareholders

On January 2, 2018, Frazer Bouchier joined the Company as Chief Operating Officer.

On May 18, 2018, the Company announced that Paul Martin was retiring as President, Chief Executive Officer and as a member of the Board effective June 1, 2018. Michael Kenyon, Chairman of the Board, assumed the role of Interim Chief Executive Officer and Alex Morrison, Director, assumed the role of Board Chairman effective June 1, 2018.

On July 26, 2018, Paulson & Co. Inc. ("Paulson"), a shareholder exercising control or direction of 5.4% of Detour Gold's shares, requisitioned a Special Meeting of shareholders and nominated eight directors. On August 27, 2018, the Company announced that the Special Meeting of shareholders was to be held in Toronto on December 11, 2018.

On August 29, 2018, the Company announced that Alan Edwards, James Gowans and Judy Kirk joined the Board of Directors. To accommodate these additions, Ingrid Hibbard and Robert Doyle resigned from the Board. In addition, Dale Ekmark joined the Company as Vice President, Mine General Manager.

On December 10, 2018, the Company postponed the Special Meeting of shareholders to December 13, 2018.

On December 12, 2018, James Gowans was appointed Chairman of the Board and Michael Kenyon was appointed President of the Company.

On December 13, 2018, the Company announced the voting results on the matters submitted to shareholders at the Special Meeting. Shareholders voted to keep the size of the Company's Board at nine Directors and for a reconstituted Board including: Alan Edwards, Andre Falzon, Steven Feldman, James Gowans, Judy Kirk, Christopher Robison, Ronald Simkus, Dawn Whittaker and Bill Williams.

In 2018, the Company underwent a restructuring at the Senior Vice President level. In June 2018, Derek Teevan, Senior Vice President, Corporate and Indigenous Affairs, left the Company. In December 2018, Drew Anwyll, Senior Vice President, Technical Services, left the Company.

On January 3, 2019, the Company announced the appointment of Bill Williams as Interim Chief Executive Officer, replacing Michael Kenyon. The Board had previously accepted Mr. Kenyon's notice of resignation on December 13,

2018. The Human Resources & Compensation Committee of the Board is proceeding with an international search for a new Chief Executive Officer.

In January 2019, Julie Galloway, General Counsel and Corporate Secretary, resigned effective February 20, 2019.

On February 19, 2019, James Mavor, Chief Financial Officer, resigned effective April 15, 2019.

On March 6, 2019, James Gowans resigned as a Director and Board Chair, effective immediately. The Board has appointed Dawn Whittaker, a current Director of the Company, as Interim Chair of the Board, to hold office until the Annual General Meeting of Shareholders on June 5, 2019.

Proxy Contest Costs and Deemed Change of Control

On July 26, 2018, Paulson requisitioned a Special Meeting of shareholders and nominated eight Directors. The Special Meeting was held on December 13, 2018.

At the Special Meeting, five of Paulson's nominees were elected to the nine member Board. These nominees had not been nominated by Management. As the Paulson nominees represented a majority of the Directors on the Board, this resulted in a deemed change of control under the Company's Share Option Plan, Restricted Share Unit Plan (covering both Restricted Share Units ("RSUs") and Performance Restricted Share Units ("PSUs")) and certain employment contracts. All previously granted share options held by the employees and former employees immediately vested and all previously granted RSUs and PSUs under the Restricted Share Unit Plan immediately vested resulting in a compensation expense in the period totaling \$8.8 million. These awards were settled in cash resulting in payments totaling \$12.3 million to certain employees and former employees of the Company in December 2018.

In addition, the Company incurred \$4.9 million of costs associated with the proxy contest in relation to the engagement of third party advisors.

On February 11, 2019, the Company and Paulson announced that both parties had agreed to a dismissal of the Court Action that Detour Gold issued on July 24, 2018. As part of the agreement, both parties agreed to provide releases of certain claims in respect of the proxy contest, complaints made by the Company to Staff of the Ontario Securities Commission, the Court Action and reimbursement of certain costs claimed by Paulson of \$2.6 million.

A breakdown of the expenses and cash outlays is as follows:

<i>In \$ millions</i>	2018 Expense	Cash Outlay
Stock options, RSUs and PSUs	\$8.8	\$12.3
Detour Gold proxy contest costs	4.9	4.9
Reimbursement of Paulson costs	2.6	2.6
Total proxy contest costs	\$16.3	\$19.8

Notes:

1. Stock option, RSUs and PSUs expense booked: \$7.9 in Corporate administration and \$0.9 in production costs.
2. Proxy contest costs booked in Corporate administration.
3. Reimbursement of Paulson costs recorded in Corporate administration. Payment occurred in February 2019.

Management has excluded \$16.3 million of proxy contest costs ("proxy contest costs") from its AISC and Adjusted Net Earnings on the basis that these costs are non-recurring and exceptional to the business. Refer to the "Non-IFRS Financial Performance Measures" section later in this MD&A.

MINERAL RESERVES AND RESOURCES

Mineral Reserves and Resources^{1, 8, 9} (Effective December 31, 2018)

Proven and Probable Mineral Reserves

Deposit	Proven			Probable			Proven and Probable		
	Tonnes	Grade	Contained Ounces	Tonnes	Grade	Contained Ounces	Tonnes	Grade	Contained Ounces
	(Mt)	(g/t Au)	(K oz)	(Mt)	(g/t Au)	(K oz)	(Mt)	(g/t Au)	(K oz)
Detour Lake (open pit) ^{2, 3}	83.3	1.24	3,324	331.6	0.92	9,846	414.9	0.99	13,170
West Detour (open pit) ^{2, 3}	1.9	0.96	60	59.0	0.94	1,783	60.9	0.94	1,843
West Detour pit	1.9	0.96	60	53.0	0.94	1,596	54.9	0.94	1,656
North pit	-	-	-	6.0	0.98	187	6.0	0.98	187
LG Fines ⁴	-	-	-	22.6	0.59	431	22.6	0.59	431
Total P&P	85.2	1.24	3,384	413.2	0.91	12,060	498.4	0.96	15,444

Measured and Indicated Mineral Resources

Deposit	Measured			Indicated			Measured and Indicated		
	Tonnes	Grade	Contained Ounces	Tonnes	Grade	Contained Ounces	Tonnes	Grade	Contained Ounces
	(Mt)	(g/t Au)	(K oz)	(Mt)	(g/t Au)	(K oz)	(Mt)	(g/t Au)	(K oz)
Detour Lake (open pit) ^{2, 3}	16.4	1.35	713	65.0	1.10	2,290	81.4	1.15	3,003
West Detour (open pit) ^{2, 3}	0.3	0.93	9	30.6	0.88	870	31.0	0.88	878
West Detour pit	0.3	0.93	9	28.5	0.88	806	28.8	0.88	815
North pit	-	-	-	2.1	0.93	64	2.1	0.93	64
Zone 58N ^{5, 6, 7}	-	-	-	2.9	5.80	534	2.9	5.80	534
Total M+I	16.7	1.34	722	98.5	1.17	3,694	115.3	1.19	4,415

Inferred Mineral Resources

Deposit	Inferred		
	Tonnes	Grade	Contained Ounces
	(Mt)	(g/t Au)	(K oz)
Detour Lake (open pit) ^{2, 3}	33.6	0.79	855
West Detour (open pit) ^{2, 3}	9.3	0.95	282
West Detour pit	9.2	0.95	280
North pit	0.1	0.85	2
Zone 58N ^{5, 6, 7}	1.0	4.35	136
Total Inferred	43.9	0.90	1,273

Notes:

1. The Company's mineral reserve and mineral resource statement is classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") "CIM Definition Standards - For Mineral Resources and Mineral Reserves" adopted by the CIM Council (as amended, the "CIM Definition Standards") in accordance with the requirements of National Instrument 43-101 "Standards of Disclosure for Mineral Projects" ("NI 43-101"). Mineral reserve and mineral resource estimates reflect the Company's reasonable expectation that all necessary permits and approvals will be obtained and maintained.
2. Mineral reserves were estimated using a gold price of \$1,000/oz and mineral resources were estimated using a gold price of \$1,200/oz at a \$US/\$CDN exchange rate of 1.10.
3. Mineral reserves and resources were based on a cut-off grade of 0.50 g/t Au.
4. LG Fines (sourced from material grading 0.40-0.50 g/t Au) classified as Measured and Indicated were reported as Probable mineral reserves and included in the mine plan. LG Fines, reported above, also included 1.7 Mt averaging 0.45 g/t Au.

5. Mineral resources for Zone 58N reported at a cut-off grade of 2.2 g/t Au, using a gold price of \$1,300 per ounce and a \$US/\$CDN exchange rate of 1.25 with an assumed mining dilution of 12%.
6. High grade gold assays were capped at values ranging from 20 to 120 g/t Au depending on the domain.
7. Interpolation completed using 2 metre composites. The block grade estimate used 1-pass nearest neighbor (NN) and 4-pass Inverse Distance Cubed (ID3) interpolation method. Block model uses block sizes of 5 x 3 x 5 metres.
8. Mineral resources are reported exclusive of mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resources are constrained within an economic pit shell.
9. Totals may not add due to rounding.

Qualified Persons

The Qualified Persons as defined by Canadian Securities Administrators National Instrument 43-101 “Standards of Disclosure for Mineral Projects” responsible for the mineral reserve and resource estimates are detailed in the table below.

Mineral Resources		
Mauro Bassotti, P.Geo	Director, Reserves and Resources	Detour Lake operation
Réjean Sirois, Eng.	Vice President Geology and Resources for G Mining Services Inc.	Zone 58N
Mineral Reserves		
David Londono	Operations Manager	Detour Lake operation

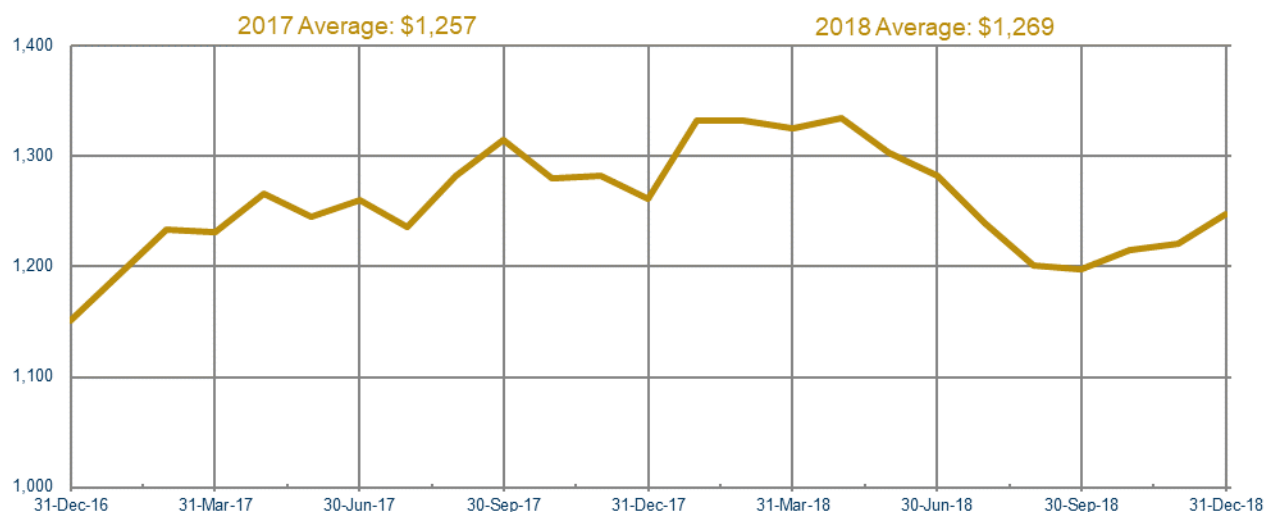
PERFORMANCE DRIVERS

The Company’s key internal performance drivers are production volumes and costs which are disclosed in the sections “Operating Results” and “Fourth Quarter 2018 Financial Results”, and “Full Year 2018 Financial Results”. The key external performance drivers are the price of gold and foreign exchange rates.

Gold price

The price of gold is the most significant external financial factor affecting the Company’s profitability and cash flow from operations. Therefore, the financial performance of the Company is expected to be closely linked to the price of gold. The price of gold is subject to volatile fluctuations over short periods of time and is affected by numerous industry and macroeconomic factors.

Average Monthly Gold Price \$ per gold ounce



During 2018, the gold price traded in a range of \$1,178 to \$1,355 per ounce (based on the London Bullion Market Association PM Auction). The average market price for the year was \$1,269 per ounce, a 1% increase compared to the average market price of \$1,257 per ounce for 2017.

The gold price increased during the first quarter of 2018 and fell between mid-year and third quarter before rising again in the fourth quarter. The fall in gold price was negatively impacted by strengthening of the U.S. dollar, rising U.S. interest rates, strong equity markets, and weakening Chinese and Indian currencies. In the fourth quarter, the U.S. Federal Reserve signaled a slowing pace of interest rate hikes in response to softer domestic economic indicators. Further, geopolitical risks, trade war tensions, volatile equity markets and tenuous growth in other G10 economies have provided good reasons for the market to turn to gold as a safe-haven asset.

The Company periodically uses forward and option contracts as part of its gold sales risk management program. During 2018, the Company had no contracts in place and therefore had full exposure to the gold price.

As at February 28, 2019, the Company had 222,000 gold ounces of collars on approximately 45% of the Company's remaining 2019 gold sales at an average floor price of \$1,250 per ounce and participation up to an average ceiling price of \$1,423 per ounce. These collars mature evenly over 2019.

Foreign exchange rates

The Company's functional and reporting currency is the U.S. dollar. A significant portion of the operating and capital costs at the Detour Lake mine, as well as the corporate administration, taxes, and exploration and evaluation costs, are denominated in Canadian dollars. Consequently, the Company's operating results and cash flows are influenced by changes in the Canadian dollar against the U.S. dollar exchange rate.

Average Monthly Exchange Rate USD to CDN



During 2018, the U.S. dollar traded against the Canadian dollar in a range of 1.22 to 1.37. The Canadian dollar strength in early 2018 was the result of broader USD weakness rather than any Canadian specific catalyst. When the Canadian dollar touched its strongest levels in early 2018 the USD was also at its weakest levels for the year. The differential between U.S. and Canadian 2-year rates widened throughout 2018 as the Federal Reserve outpaced the Bank of Canada raising key rates four times during the year compared to three times for Bank of Canada. The Canadian dollar was also negatively impacted by trade concerns throughout 2018. While a new North American trade deal was finally drafted in the later parts of 2018, the prolonged period of negotiations leading up to this agreement saw additional uncertainty regarding domestic trade and capital spending, which was also a drag on the Canadian dollar. Finally, although broader USD strength remained a feature in Q4 2018, the Canadian dollar was a relative underperformer compared to other G10 currency peers as a precipitous decline in energy prices took place.

A stronger Canadian dollar increases costs in U.S. dollar terms as the Company estimates that approximately 75% of its operating and capital expenditures in 2018 were denominated in Canadian dollars.

The Company has a foreign exchange risk management program whereby it can use derivative instruments to hedge a portion of its Canadian dollar expenditures to reduce exchange rate risk. During 2018, the Company realized a loss of \$0.1 million on its foreign exchange risk management program.

As at February 28, 2019, the Company had \$300.0 million of zero-cost collars to hedge its 2019 Canadian denominated costs whereby it can sell U.S. dollars at an average rate of 1.27 and can participate up to an average rate of 1.35. This represents approximately 60% hedge coverage of the Company's 2019 Canadian dollar requirements.

Refer to section "Liquidity and Capital Resources – Derivative Instruments" for details on the foreign exchange derivatives settled during 2018 and outstanding at December 31, 2018.

KEY OPERATING AND FINANCIAL STATISTICS

The key operating and financial data for the periods are as follows:

In millions of U.S. dollars, except where noted		Three months ended December 31		Year ended December 31		
		2018	2017	2018	2017	2016
Operating data						
Ore mined	Mt	5.3	4.6	20.1	19.7	22.3
Waste mined	Mt	22.7	22.4	84.7	80.4	65.1
Total mined	Mt	28.0	27.0	104.8	100.1	87.4
Strip ratio	waste:ore	4.3	4.8	4.2	4.1	2.9
Mining rate	'000s tpd	305	294	287	274	239
Ore milled	Mt	5.6	5.0	20.7	21.4	20.8
Head grade	g/t Au	0.98	1.04	1.04	0.93	0.90
Recovery	%	90.9	90.3	90.1	89.6	89
Mill throughput	tpd	60,300	54,144	56,600	58,508	56,792
Gold ounces produced	oz	158,200	150,046	621,128	571,463	537,765
Gold ounces sold ¹	oz	172,935	156,293	610,672	561,974	527,727
Financial data						
Metal sales	\$	212.8	200.0	776.0	707.8	658.3
Earnings from mine operations	\$	33.2	50.0	145.7	161.5	94.9
Net earnings (loss)	\$	(32.4)	16.7	(1.0)	88.2	(6.9)
Per share - basic	\$/share	(0.19)	0.10	(0.01)	0.50	(0.04)
- diluted	\$/share	(0.19)	0.10	(0.01)	0.50	(0.04)
Adjusted net earnings ²	\$	17.0	26.8	64.2	75.1	9.7
Per share – basic ²	\$/share	0.10	0.15	0.37	0.43	0.05
Total assets	\$	2,468.0	2,417.5	2,468.0	2,417.5	2,370.1
Long-term debt ³	\$	248.8	267.7	248.8	267.7	328.6
Average realized price ²	\$/oz	1,228	1,277	1,268	1,256	1,221
Total cash costs ²	\$/oz	712	705	742	716	746
Average realized margin ²	\$/oz	516	572	526	540	475
AISC ²	\$/oz	1,102	989	1,158	1,064	1,007

¹ Gold ounces sold are net of 2% royalty ounces payable in-kind.

² Refer to the "non-IFRS Financial Performance Measures" section for a reconciliation of these amounts.

³ Long-term debt at December 31, 2018 and December 31, 2017 represents the Credit Facility with a face value of \$250.0 million and \$270.0 million, respectively; at December 31, 2016 represents the Convertible Notes with a face value of \$358.0 million.

OPERATING RESULTS

Gold production

The Detour Lake mine produced 158,200 ounces of gold in the fourth quarter of 2018, an increase of 5% compared to 150,046 ounces of gold in the prior year period. The increase in gold production reflected higher mill throughput partially offset by lower head grade. Gold production for the year represented a 9% increase over 2017, reflecting higher average head grade and recovery.

Mining

The Company mined a total of 28.0 Mt of ore and waste (equivalent to approximately 305,000 tpd) in the fourth quarter of 2018, an increase of 4% from the prior year period. The progress during the quarter highlights improving maintenance and operating practices and new additions to the mining fleet in 2017 and 2018. For the full year, the Company mined 104.8 Mt (equivalent to 287,000 tpd), which was in-line with plan and 5% above 2017.

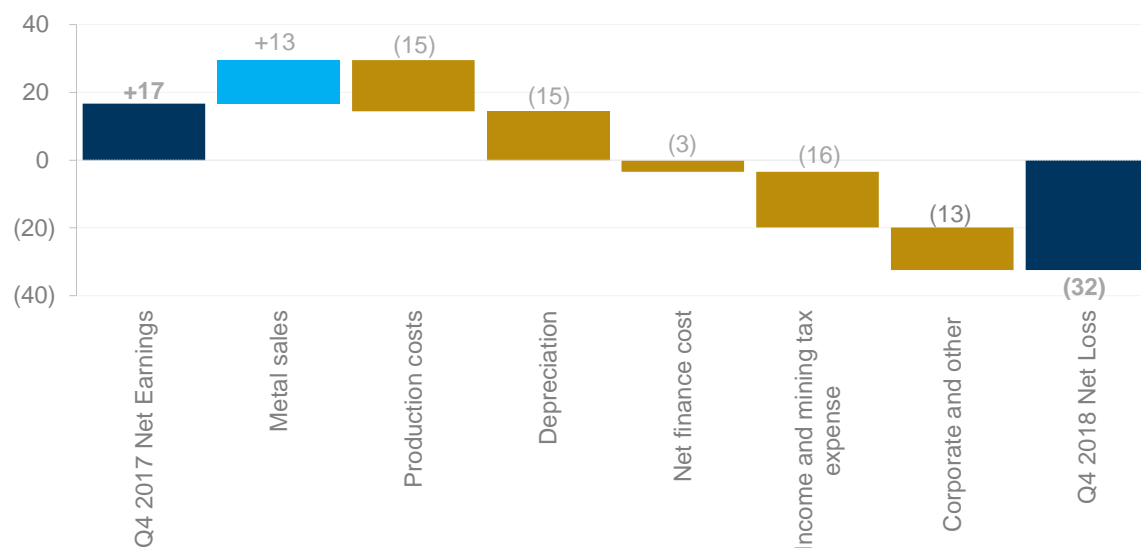
Milling

During the fourth quarter of 2018, the mill processed 5.6 Mt of ore (equivalent to 60,300 tpd), an increase of 11% compared to the fourth quarter of 2017 (5.0 Mt of ore processed or 54,144 tpd). Head grade averaged 0.98 g/t for the fourth quarter of 2018 compared to 1.04 g/t in the fourth quarter of 2017. Mill recoveries averaged 90.9% for the fourth quarter of 2018, compared to 90.3% the fourth quarter of 2017. Improvements to plant reliability and operating time are being addressed by the ongoing capital projects and by modifications to maintenance and operating practices. For the full year, the mill processed 20.7 Mt of ore (equivalent to 56,600 tpd), a decrease of 3% compared to 2017 (21.4 Mt of ore processed or 58,500 tpd) mainly as a result of repairs to the primary crusher. Head grade averaged 1.04 g/t for the year compared to 0.93 g/t for 2017. Mill recoveries averaged 90.1% for 2018 compared to 89.6% in 2017.

		Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018	2017
Ore mined	Mt	5.8	4.9	4.3	5.3	20.1	19.7
Waste mined	Mt	16.7	21.4	23.7	22.7	84.7	80.4
Total mined	Mt	22.5	26.3	28.0	28.0	104.8	100.1
Strip ratio	waste:ore	2.9	4.4	5.6	4.3	4.2	4.1
Mining rate	k tpd	250	289	304	305	287	274
Ore milled	Mt	4.6	5.1	5.4	5.6	20.7	21.4
Head grade	g/t Au	1.17	1.06	0.97	0.98	1.04	0.93
Recovery	%	91.1	88.9	89.3	90.9	90.1	89.6
Mill throughput	tpd	50,860	55,825	59,219	60,300	56,600	58,500
Ounces produced	oz	157,141	154,385	151,402	158,200	621,128	571,463
Ounces sold	oz	151,060	146,856	139,821	172,935	610,672	561,974

FOURTH QUARTER 2018 FINANCIAL RESULTS

Factors Affecting Fourth Quarter Net Earnings (Loss)
Millions of U.S. dollars



Metal sales

Metal sales for the fourth quarter of 2018 were \$212.8 million compared to \$200.0 million in the prior year period, reflecting a higher volume of gold sales partially offset by a lower average realized price.

Gold sales during the fourth quarter of 2018 amounted to 172,935 ounces, an increase of 11% compared to 156,293 ounces in the prior year period and is attributable to higher gold production (as described in the previous section) and the drawdown of the gold in-circuit inventory from September 30, 2018 to normal levels.

The average realized price for the fourth quarter of 2018 was \$1,228 per ounce, a decrease of \$49 per ounce relative to the prior year period, reflecting a lower average market price for gold.

Cost of sales

Cost of sales for the fourth quarter of 2018 was \$179.6 million compared to \$150.0 million in the fourth quarter of 2017. This balance is comprised of production costs and depreciation.

Production costs include costs associated with mining, processing, refining, site administration, and agreements with Indigenous communities. Production costs during the fourth quarter of 2018 were \$125.9 million compared to \$110.9 million in the fourth quarter of 2017 due to the higher volume of gold ounces sold and higher diesel fuel costs in the current period.

Depreciation during the fourth quarter of 2018 was \$53.7 million compared to \$39.1 million in the fourth quarter of 2017. The higher depreciation charge for the quarter is due to a revision of the estimated useful life of certain of the Company's assets reflected in 2018 LOM Plan and the higher volume of gold ounces sold in the current period.

Total cash costs for the fourth quarter of 2018 were \$712 per ounce sold compared to \$705 per ounce sold for the prior year period.

Sustaining capital expenditures in the fourth quarter of 2018 amounted to \$62.5 million or \$361 per ounce sold (including \$11.0 million of deferred stripping) compared to \$40.6 million or \$260 per ounce sold (including \$16.1 million

of deferred stripping) in the prior year period. Sustaining capital expenditures in the fourth quarter of 2018 included \$22.9 million for mining (mainly for major component replacements for the mobile fleet and two excavators), \$18.5 million for the ongoing construction of the tailings facility, \$6.6 million for the processing plant, and \$2.2 million for site infrastructure, mainly for the new accommodation camp.

AISC for the fourth quarter of 2018 totaled \$1,102 per ounce sold compared to \$989 per ounce sold in the fourth quarter of 2017. The increase of \$113 per ounce sold is primarily attributable to higher sustaining capital expenditures, including deferred stripping costs incurred in the fourth quarter of 2018. Sustaining capital expenditures are lower than guidance due to delays in the constructions of Cell 2 of the tailing facility, deferral of other discretionary capital, and a weaker Canadian dollar than budgeted.

Corporate administration expense

Corporate administration expense was \$17.5 million in the fourth quarter of 2018 compared to \$4.8 million in the prior year period. The increase reflects the impact of the deemed change of control that occurred on December 13, 2018 (“Change of Control”) as a result of the voting results at the Special Meeting of shareholders. The Company’s Share Option Plan and Restricted Share Unit Plan provide that, upon the happening of a Change of Control, all options, RSUs and PSUs previously granted that have not yet vested “will be deemed to have immediately vested and become exercisable immediately before the occurrence of the Change of Control”. As a result, the Company recognized an expense of \$7.9 million. In addition, the Company incurred \$3.8 million of costs in relation to the proxy contest and \$2.6 million of costs to reimburse Paulson in relation to certain claims in respect of the proxy contest.

Exploration and evaluation expense

Exploration and evaluation expense was \$1.3 million in the fourth quarter of 2018 compared to \$2.3 million for the prior year period. Refer to section “Exploration Program” for additional details.

Net finance cost

Interest expense and bank charges

During the fourth quarter of 2018, the Company recorded interest expense and bank charges of \$3.3 million compared to \$6.0 million in the prior year period. The decrease is due to lower levels of debt outstanding at a lower interest rate.

Unrealized and realized gain/loss on derivative instruments

During the fourth quarter of 2018, the Company did not realize a gain or loss on its financial risk management program (fourth quarter 2017 - \$1.7 million net gain) and recorded an unrealized net loss of \$11.4 million on its derivative positions at December 31, 2018 (fourth quarter 2017- \$1.0 million net loss). Details on the Company’s derivative positions at December 31, 2018 are included in the “Liquidity and Capital Resources – Derivative Instruments” section.

Income and mining tax

During the fourth quarter of 2018, an income and mining tax expense of \$32.2 million was recognized (fourth quarter of 2017 - \$15.8 million). The non-cash deferred tax expense recognized is primarily due to the foreign exchange translation of non-monetary assets resulting from a significantly weakened Canadian dollar since the prior quarter. The Company’s functional currency for financial reporting purposes differs from its tax filing currency. As a result, the tax basis of non-monetary assets and liabilities that are denominated in a currency other than the U.S. dollar are subject to re-measurement for changes in currency exchange rates at each reporting period.

Net earnings (loss)

Net loss for the fourth quarter of 2018 was \$32.4 million, or \$0.19 per basic share, compared to net earnings of \$16.7 million, or \$0.10 per basic share in the fourth quarter of 2017. The decrease primarily reflects lower earnings from mine

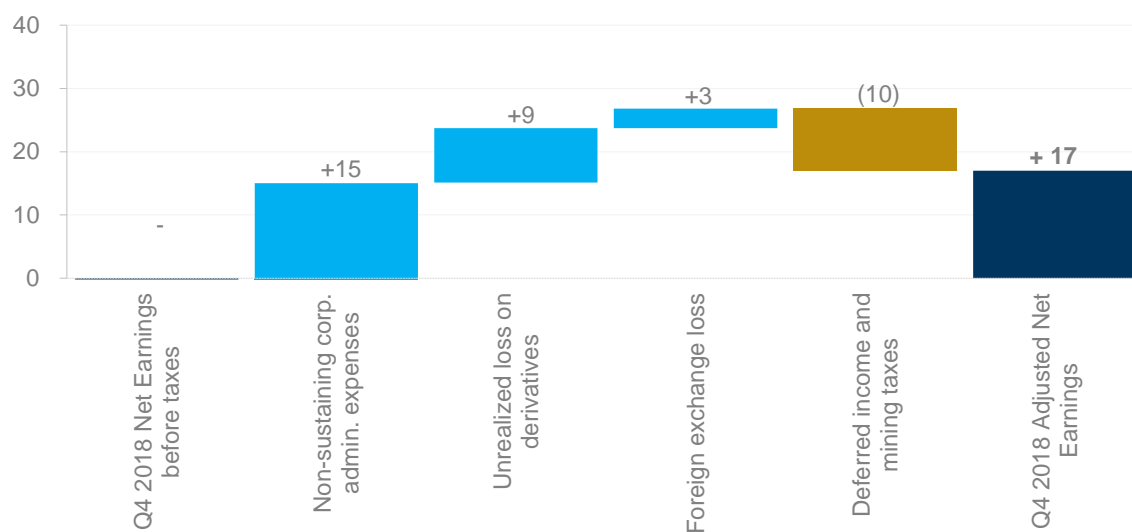
operations of \$16.8 million and higher income and mining tax expense of \$16.4 million compared to the prior year period, as well as additional corporate administration expenses in the current period due to the proxy contest.

Adjusted net earnings

Adjusted net earnings for the fourth quarter of 2018 amounted to \$17.0 million, or \$0.10 per basic share, a decrease from adjusted net earnings of \$26.8 million or \$0.15 per basic share from the prior year period, primarily due to the decrease in earnings from mine operations.

Reconciliation of Fourth Quarter 2018 Adjusted Net Earnings

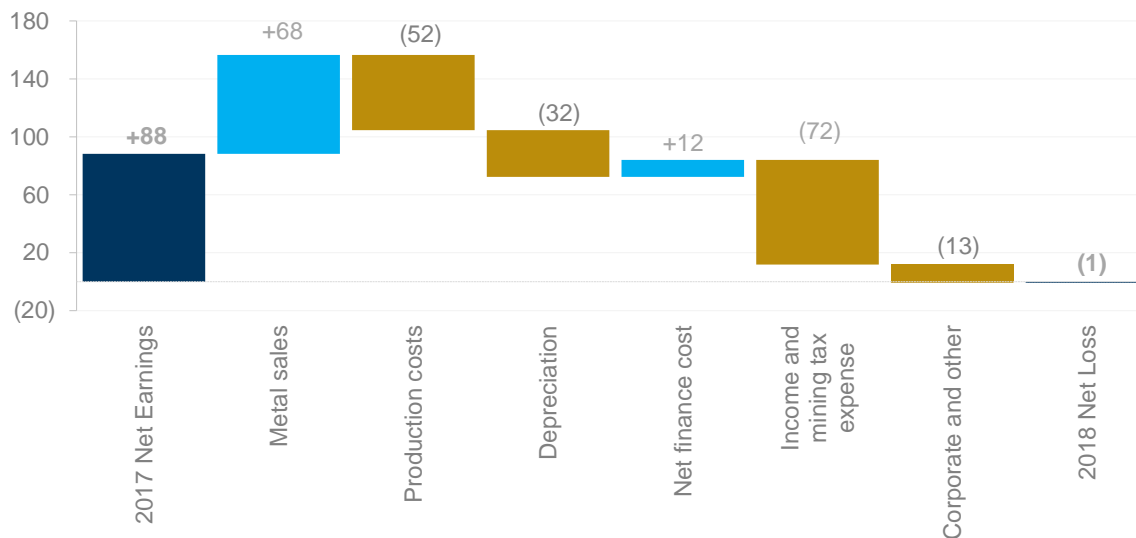
Millions of U.S. dollars



Net earnings were adjusted to exclude specific items that are significant, and not reflective of the underlying operations of the Company, including: the impact of foreign exchange gains and losses, unrealized and non-cash fair value gains and losses of financial instruments, accretion on long-term debt, and other non-recurring items. Non-recurring expenditures included proxy contest costs and vesting of RSUs, PSUs and options as a result of the deemed Change of Control. The tax effect of adjustments, as well as the impact of foreign exchange translation on non-monetary assets related to deferred taxes, is presented in the income and mining tax adjustments line. Adjusting for these items provides an additional measure to evaluate the underlying operating performance of the Company as a whole for the reporting periods presented. The Company revised this measure during the first quarter of 2018 and included a reconciliation of the current and comparative periods in the section “Non-IFRS Financial Performance Measures”. Refer to page 35 of this MD&A for a calculation of the fourth quarter 2018 adjusted net earnings.

FULL YEAR 2018 FINANCIAL RESULTS

Factors Affecting Full Year Net Earnings (Loss) Millions of U.S. dollars



Metal sales

Metal sales for 2018 were \$776.0 million compared to \$707.8 million in 2017, reflecting higher gold sales volumes and a slightly higher average realized gold price.

Gold sales in 2018 amounted to 610,672 ounces, an increase of 9% compared to 561,974 ounces in 2017 and is attributable to higher gold production as described in the “Operating Results” section.

The average realized price for 2018 was \$1,268 per ounce, an increase of \$12 per ounce relative to 2017, reflecting a higher average market price for gold.

Cost of sales

Cost of sales 2018 was \$630.3 million compared to \$546.3 million in 2017. Cost of sales is comprised of production costs and depreciation.

Production costs include costs associated with mining, processing, refining, site administration, and agreements with Indigenous communities. Production costs during 2018 were \$457.7 million compared to \$405.9 million in 2017. The increase is primarily due to higher mining costs associated with higher diesel fuel costs, and rope shovel repairs during the first half of the year. As well, the Company incurred higher milling costs in the first half of the year due to the maintenance and installation of a new mantle which necessitated contractor ore crushing costs to maintain mill throughput. Depreciation during 2018 was \$172.6 million compared to \$140.4 million in 2017 as a result of higher volume of gold sales and updates to the useful life estimates of assets.

Total cash costs for 2018 were \$742 per ounce sold, an increase of 4% or \$26 per ounce sold from 2017 of \$716 per ounce sold. The increase is consistent with the increase in production costs described above.

Sustaining capital expenditures in 2018 amounted to \$228.8 million or \$375 per ounce sold (including \$47.5 million of deferred stripping) compared to \$174.8 million or \$311 per ounce sold (including \$34.4 million of deferred stripping) in 2017. Sustaining capital expenditures 2018 included \$84.5 million for mining (mainly for payments for haul truck and shovel purchases and major component replacements for the mobile fleet), \$65.6 million for the ongoing construction

of the tailings facility, \$16.1 million for the processing plant, and \$13.9 million for site infrastructure, mainly for the new accommodation camp.

AISC for 2018 totaled \$1,158 per ounce sold compared to \$1,064 per ounce sold in of 2017. The increase in 2018 of \$94 per ounce sold is primarily attributable to higher sustaining capital expenditures per ounce and higher total cash costs per ounce sold as described above.

Corporate administration expense

Corporate administration expense was \$37.0 million in 2018 compared to \$22.7 million in 2017. During 2018, the Company incurred severance charges of \$6.8 million related to changes in senior management (2017 - \$2.0 million). The Board is taking the opportunity to renew the leadership team at Detour Gold, as it searches for both a permanent CEO and a new CFO to lead the Company to the next stage of its development.

Included in the corporate administration balance is \$9.2 million of share-based compensation expense compared to \$4.2 million in 2017. The increase reflects the impact of the Change of Control the Company underwent on December 13, 2018. As a result of the Change of Control, the Company recognized an expense of \$7.9 million.

Exploration and evaluation expense

Exploration and evaluation expense was \$5.7 million in 2018 compared to \$7.9 million in 2017, mainly reflecting less drilling activity on the Detour Lake property. Refer to section "Exploration Program" for additional details.

Net finance cost

Interest expense and bank charges

During 2018, the Company recorded interest expense and bank charges of \$12.6 million compared to \$23.4 million in 2017. The decrease is due to lower levels of debt outstanding at a lower interest rate.

Unrealized and realized gain/loss on derivative instruments

During 2018, the Company realized a loss of \$0.1 million on its financial risk management program (2017 - \$6.1 million net gain) and an unrealized net loss of \$10.3 million on its derivative positions at December 31, 2018 (2017- \$0.5 million net gain). Details on the Company's derivative positions at December 31, 2018 are included in the "Liquidity and Capital Resources – Derivative Instruments" section.

Income and mining tax

During 2018, an income and mining tax expense of \$75.8 million was recognized (2017 - \$3.6 million expense). The non-cash deferred tax expense recognized is primarily due to utilization of accelerated discretionary tax deductions and foreign exchange translation of non-monetary assets resulting from a significantly weakened Canadian dollar since the end of 2017. The Company's functional currency for financial reporting purposes differs from its tax filing currency. As a result, the tax basis of non-monetary assets and liabilities that are denominated in a currency other than the U.S. dollar are subject to re-measurement for changes in currency exchange rates at each reporting period.

The Company recognized deferred tax liabilities of \$162.1 million in respect of income and mining taxes, an increase of \$75.8 million from December 31, 2017. The deferred tax expense recognized is primarily due to utilization of accelerated discretionary tax deductions and foreign exchange translation of non-monetary assets from a weakened Canadian dollar since the end of 2017.

Net earnings (loss)

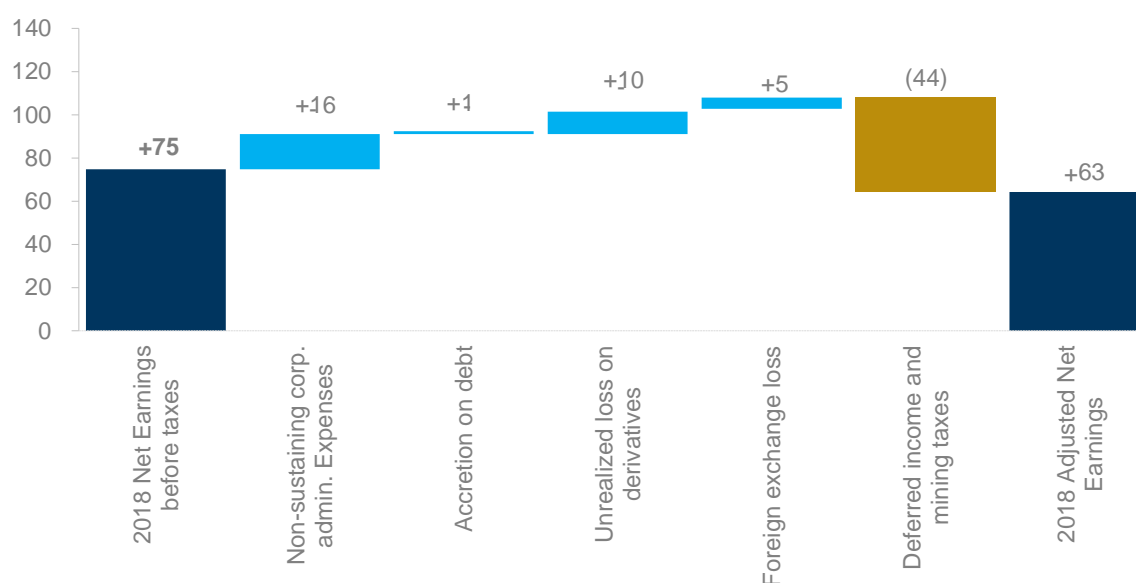
Net loss for 2018 was \$1.0 million, or \$0.01 per basic share, compared to net earnings of \$88.2 million, or \$0.50 per basic share in 2017. The decrease primarily reflects a \$72.2 million increase in deferred taxes and lower earnings from mine operations of \$15.8 million.

Adjusted net earnings

Adjusted net earnings for 2018 amounted to \$64.2 million, or \$0.37 per basic share, nearly the same as 2017 adjusted net earnings of \$75.1 million or \$0.43 per basic share.

Reconciliation of Full Year Adjusted Net Earnings

Millions of U.S. dollars



Net earnings were adjusted to exclude specific items that are significant, and not reflective of the underlying operations of the Company, including: the impact of foreign exchange gains and losses, unrealized and non-cash fair value gains and losses of financial instruments, accretion on long-term debt, and other non-recurring items. Non-recurring expenditures including proxy contest costs and vesting of RSUs, PSUs and options as a result of the deemed Change of Control. The tax effect of adjustments, as well as the impact of foreign exchange translation on non-monetary assets related to deferred taxes, is presented in the income and mining tax adjustments line. Adjusting for these items provides an additional measure to evaluate the underlying operating performance of the Company as a whole for the reporting periods presented. The Company revised this measure during the first quarter of 2018 and included a reconciliation of the current and comparative periods in the section “Non-IFRS Financial Performance Measures”. Refer to page 35 of this MD&A for a calculation of the 2018 adjusted net earnings.

FINANCIAL CONDITION REVIEW

In millions of dollars	December 31 2018	December 31 2017
Cash and cash equivalents	\$ 131.9	\$ 134.1
Receivables and other assets	17.3	6.9
Current and long-term inventories	108.6	114.3
Other	45.1	39.6
Property, plant and equipment	2,165.1	2,122.6
Total assets	\$ 2,468.0	\$ 2,417.5
Trade and other payables	\$ 54.3	\$ 70.6
Long-term debt	248.8	267.7
Other liabilities	40.5	35.8
Deferred tax liability	162.1	86.3
Total liabilities	\$ 505.7	\$ 460.4
Total equity	\$ 1,962.3	\$ 1,957.1

Total assets were \$2.5 billion at December 31, 2018, an increase of \$50.5 million compared to December 31, 2017. The Company's asset base is primarily comprised of non-current assets, property, plant and equipment, reflecting the capital intensive nature of mining. The net increase in total assets primarily reflects an increase in property, plant and equipment.

At December 31, 2018, inventories included \$25.5 million of stockpiled ore (December 31, 2017 - \$36.7 million), \$24.0 million of gold in-circuit (December 31, 2017 - \$27.2 million), \$20.4 million of finished metal inventory (December 31, 2017 - \$12.9 million), and \$38.7 million of materials and supplies (December 31, 2017 - \$37.5 million).

Receivables and other assets were primarily related to Harmonized Sales Tax (HST) refunds. At any period end, the Company expects to have one or two months of HST refunds outstanding. At the end of 2018, two months of HST refunds were outstanding, compared to only one month in 2017. The Company does not carry any trade receivables.

Property, plant and equipment increased by net \$42.5 million during 2018. Additions to property, plant and equipment, including deferred stripping, amounted to \$230.8 million, mainly attributable to major component replacements for the mobile fleet and two excavators and construction costs associated with the tailings facility. This balance was partially offset by \$184.0 million of depreciation and \$41.5 million of net disposals.

The Company's primary contractual obligations consist of debt and trade and other payables.

The Company's debt at December 31, 2018 consists of its Credit Facility, of which \$250.0 million was drawn at December 31, 2018. In addition, the Company has used the Credit Facility to issue \$28.7 million of letters of credit. Refer to section "Liquidity and capital resources" for additional details.

Trade and other payables decreased to \$54.3 million at December 31, 2018 from \$70.6 million at December 31, 2017. As a result of the Change of Control occurring on December 13, 2018, the Company settled all RSUs and PSUs liabilities, reducing the liability balance year-over-year from \$8.7 million to \$3.5 million. In addition, the timing of payments to vendors in December 2018 reduced the balance outstanding at year end.

The Company's decommissioning and restoration provisions are included within Other liabilities in the table above. Significant restoration and rehabilitation activities include land rehabilitation, demolition of buildings and mine facilities, ongoing care and maintenance and other costs. At December 31, 2018, the provision was \$31.1 million compared to

\$35.0 million at December 31, 2017. The decrease was primarily related to the impact of foreign exchange fluctuations in the valuation of the liability.

The Company's derivatives are included in Other assets and Other liabilities in the table above. The movement in these balances is due to the change in value of open contracts and market rates at period end. A summary of the derivative positions and settlements during 2018 and 2017 are included in section "Liquidity and Capital Resources – Derivative Instruments" for details on the Company's derivative activities.

The Company recognized deferred tax liabilities of \$162.1 million in respect of income and mining taxes, an increase of \$75.8 million from December 31, 2017. The deferred tax expense recognized is primarily due to utilization of accelerated discretionary tax deductions and foreign exchange translation of non-monetary assets from a weakened Canadian dollar since prior year-end.

Total shareholders' equity was \$2.0 billion at December 31, 2018, an increase of \$5.2 million compared to December 31, 2017. This increase is due to the issuance of 0.5 million shares under the Share Option plan.

LIQUIDITY AND CAPITAL RESOURCES

The Company manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. Cash flow forecasting is performed regularly. The Company monitors forecasts of the Company's liquidity in the form of cash and cash equivalents and requirements to ensure it has sufficient cash to meet operational needs while maintaining additional liquidity on its Credit Facility. Forecasting takes into consideration the Company's debt servicing requirements, covenant compliance and internal liquidity targets. In addition, factors that can impact the Company's liquidity are monitored regularly and include assumptions of gold market prices, foreign exchange rates, production levels, operating costs and capital costs. Contractual obligations and other commitments that could impact the Company's liquidity are detailed in the "Commitments" section of this document.

Liquidity and capital resources

The Company uses a mix of cash, debt and shareholders' equity to maintain an efficient capital structure and ensure adequate liquidity exists to meet the needs of the operations and the Company.

As at December 31, 2018, the Company had cash and cash equivalents of \$131.9 million compared to \$134.1 million at December 31, 2017. The funds are maintained in interest bearing accounts at select Canadian chartered banks.

The Company has a \$500.0 million Credit Facility that comprises a \$300.0 million Revolving Credit Facility and \$200.0 million Term Loan. The Revolving Credit Facility matures in July 2022 and the Term Loan matures in July 2020. On September 5, 2018, the Company amended its Revolving Credit Facility to extend the maturity date by one year from July 2021 to July 2022.

As at December 31, 2018, the Company had drawn \$200.0 million of the term loan and \$50.0 million of the Revolving Credit Facility. In addition, the Company has used the Revolving Credit Facility to issue \$28.7 million of letters of credit. At December 31, 2018, the Company had undrawn capacity of approximately \$221.3 million on its Revolving Credit Facility.

The Credit Facility bears an interest rate of Libor plus 2.125% to 3.125% on drawn amounts and 0.48% to 0.70% on undrawn amounts, based on the Company's leverage ratio, as defined in the agreement.

The Credit Facility is secured against all assets of the Company and contains covenants customary for a loan facility of this nature, including limits on indebtedness, asset sales and liens. It contains financial covenant tests that include (a) a minimum interest coverage ratio of 3.5:1:0, and (b) a maximum leverage ratio of 3.5:1.0.

The Company is in compliance with all the Credit Facility covenants as at December 31, 2018.

In 2018, the Company made discretionary repayments of \$20.0 million on its Revolving Credit Facility.

The long-term debt repayment profile at December 31, 2018 is as follows:

in millions of dollars	2019	2020	2021	2022	Thereafter
Repayment of term loan	\$ -	\$ 200.0	\$ -	\$ -	\$ -
Repayment of revolving credit facility	-	-	-	50.0	-
Interest on the credit facility	13.4	10.9	3.9	2.4	-
Total	\$ 13.4	\$ 210.9	\$ 3.9	\$ 52.4	\$ -

In the current gold price environment, the Company considers its liquidity and capital resources together with the expected cash flows from operations, as projected in the 2018 LOM Plan, to be sufficient to support the Company's normal operating requirements for the foreseeable future.

Cash flows

In millions of dollars	Three months ended December 31		Year ended December 31	
	2018	2017	2018	2017
Cash flow from operating activities	\$ 42.3	\$ 99.1	\$ 257.9	\$ 290.0
Cash flow used in investing activities	(60.7)	(44.4)	(225.7)	(175.3)
Cash flow used in financing activities	(2.9)	(33.1)	(28.6)	(111.8)
Effect of foreign exchange rates on cash	(3.1)	(1.2)	(5.8)	1.8
Net increase (decrease) in cash	(24.4)	20.4	(2.2)	4.7
Cash and cash equivalents, beginning of period	156.3	113.7	134.1	129.4
Cash and cash equivalents, end of period	\$ 131.9	\$ 134.1	\$ 131.9	\$ 134.1

Cash flow from operating activities

The Company generated \$42.3 million and \$257.9 million of operating cash flow during the three and twelve months ended December 31, 2018 compared to \$99.1 million and \$290.0 million in the prior year respective periods. During the fourth quarter of 2018, operating cash flow decreased primarily as a result of the decrease in trade and other payables, the increase in receivables and other assets and amounts paid in connection with the proxy contest costs.

Cash flow used in investing activities

Cash used in investing activities amounted to \$60.7 million and \$225.7 million for the three and twelve months ended December 31, 2018 compared to \$44.4 million and \$175.3 million in the prior year respective periods. Cash used in investing activities is primarily for sustaining capital expenditures at the Detour Lake mine. The spend in 2018 was primarily related to the remaining payments for mining fleet purchases and major component replacements for the mobile fleet, tailings construction activities, and new camp accommodation.

Included in sustaining capital expenditures is \$11.0 million and \$47.5 million of deferred stripping for the three and twelve months ended December 31, 2018 compared to \$16.1 and \$34.4 million in the prior year respective periods.

Cash flow used in financing activities

Net cash used in financing during the fourth quarter of 2018 amounted to \$2.9 million compared to \$33.1 million in the prior year period. Debt levels remained unchanged during the fourth quarter of 2018 compared to a \$30.0 million reduction of debt in the prior year period.

Net cash used in financing in 2018 amounted to \$28.6 million compared to \$111.8 million in 2017. The lower cash outflows reflected lower net debt repayments of \$20.0 million compared to \$88.6 million in 2017.

Derivative instruments

Fair values of derivative instruments

<i>In millions of dollars</i>	Balance sheet classification	December 31	
		2018	2017
Currency contracts	Derivative assets	\$ 0.8	\$ 2.5
Currency contracts	Derivative liabilities	\$ (6.7)	\$ (0.8)
Diesel contracts	Derivative liabilities	\$ (2.7)	\$ -
Total derivative assets		\$ 0.8	\$ 2.5
Total derivative liabilities		\$ (9.4)	\$ (0.8)

All derivatives outstanding as at December 31, 2018 and December 31, 2017 mature or expire within one year from the period end date.

As at December 31, 2018, the Company had \$312.0 million of zero-cost foreign exchange collars to hedge its Canadian dollar denominated costs whereby it can sell U.S. dollars at an average rate of 1.27 and can participate up to an average rate of 1.35.

As at December 31, 2018, the Company had a total of 7.9 million gallons of outstanding diesel forward purchase contracts at an average rate of Cdn\$0.85 (U.S.\$0.54) per litre, which will settle on a net basis.

As at December 31, 2018, the Company had no gold derivative contracts outstanding.

(Gains) losses on derivative instruments

<i>in millions of dollars</i>	Year ended	
	December 31	
	2018	2017
Unrealized (gain) loss		
Gold contracts	\$ -	\$ -
Currency contracts	7.6	(1.5)
Diesel contracts	2.7	1.0
Total	\$ 10.3	\$ (0.5)
Realized (gain) loss		
Gold contracts	\$ -	\$ 0.1
Currency contracts	0.1	(5.2)
Diesel contracts	-	(1.0)
Total	\$ 0.1	\$ (6.1)
Total unrealized and realized (gain) loss on derivative instruments	\$ 10.4	\$ (6.6)

COMMITMENTS

Purchase commitments

As at December 31, 2018, total purchase commitments for capital expenditures for the Detour Lake mine amounted to \$17.5 million (December 31, 2017 - \$30.2 million).

Operating leases

The Company has operating lease agreements involving office space and equipment. Future minimum lease payments required to meet obligations that have initial or remaining non-cancelable lease terms are \$0.6 million each year from 2019 to 2020 and \$0.1 million in 2021.

Detour Lake mine royalty

Production from the Detour Lake mine is subject to a 2% net smelter royalty payable to Franco-Nevada Canada Holdings Corp. ("FN"). FN has the right to elect, on a yearly basis, to have the royalty paid in cash or in-kind. FN has elected to receive the royalty paid in-kind. For the year ended December 31, 2018, the Company accrued or paid in-kind 12,277 ounces of gold (2017 - 11,202 ounces of gold).

Mine site closure obligations

The Company has issued \$14.7 million (Cdn\$20.1 million) of surety bonds, and a letter of credit for \$20.7 million (Cdn\$28.3 million) under the Credit Facility in favour of the Ministry of Northern Development and Mines in support of the closure plan of the Detour Lake mine as at December 31, 2018.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

In millions of dollars, except per share and ounce amounts	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Gold ounces produced	158,200	151,402	154,385	157,141	150,046	139,861	150,138	131,418
Gold ounces sold ¹	172,935	139,821	146,856	151,060	156,293	128,498	142,970	134,213
Metal sales ¹	\$ 212.8	\$ 170.0	\$ 191.8	\$ 201.4	\$ 200.0	\$ 164.0	\$ 180.1	\$ 163.7
Cost of sales								
Production costs	125.9	112.2	106.7	112.9	110.9	86.8	101.8	106.4
Depreciation and depletion	53.7	42.8	38.6	37.5	39.1	30.5	35.7	35.1
Total cost of sales	179.6	155.0	145.3	150.4	150.0	117.3	137.5	141.5
Earnings from mine operations	33.2	15.0	46.5	51.0	50.0	46.7	42.6	22.2
Expenses ²	(19.0)	(8.2)	(10.2)	(5.7)	(6.5)	(7.7)	(10.2)	(6.1)
Net finance cost (income)	(14.4)	(0.8)	(5.9)	(6.7)	(11.0)	(6.5)	(9.4)	(12.3)
Income and mining tax (expense) recovery	(32.2)	6.7	(21.6)	(28.7)	(15.8)	8.6	1.4	2.2
Net earnings (loss)	\$ (32.4)	\$ 12.7	\$ 8.8	\$ 9.9	\$ 16.7	\$ 41.1	\$ 24.4	\$ 6.0
Earnings (loss) per share								
Basic	\$ (0.19)	\$ 0.07	\$ 0.05	\$ 0.06	\$ 0.10	\$ 0.24	\$ 0.14	\$ 0.03
Diluted	\$ (0.19)	\$ 0.07	\$ 0.05	\$ 0.06	\$ 0.10	\$ 0.23	\$ 0.14	\$ 0.03

¹ Gold ounces sold are net of 2% royalty in kind ounces. Refer to section "Commitments – Detour Lake mine royalty".

² Includes corporate administration, exploration and evaluation expenses and other operating (income) expenses.

FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an arm's length transaction between market participants at the measurement date. When appropriate, the Company adjusts the valuation models to incorporate a measure of credit risk.

The carrying values of cash and cash equivalents, receivables and other assets, and trade and other payables approximate their fair values due to the short-term maturity of these financial instruments.

Cash settled share units represent Deferred Share Units ("DSUs"), RSUs and PSUs. These liabilities are included in 'Trade and other payables' on the consolidated statements of financial position.

The fair value of derivative assets and liabilities are based on independently provided inputs and determined using standard valuation techniques. The following table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

There were no transfers among levels during the year ended December 31, 2018 and 2017. The Company does not have any financial assets or liabilities measured at fair value based on unobservable inputs (level 3).

<i>in millions of dollars</i>	Carrying value			Fair value	
	Fair value through profit or loss	Amortized cost	Fair value through OCI	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)
December 31, 2018					
<i>Financial assets</i>					
Cash and cash equivalents	\$ -	\$ 131.9	\$ -	\$ -	\$ -
Receivables and other assets	-	2.6	-	-	-
Derivative assets	0.8	-	-	-	0.8
Total financial assets	\$ 0.8	\$ 134.5	\$ -	\$ -	\$ 0.8
<i>Financial liabilities</i>					
Trade and other payables	\$ -	\$ 50.8	\$ -	\$ -	\$ -
Cash settled share units	3.5	-	-	-	3.5
Long-term debt	-	248.8	-	-	250.0
Derivative liabilities	9.4	-	-	-	9.4
Total financial liabilities	\$ 12.9	\$ 299.6	\$ -	\$ -	\$ 262.9

Comparative information reflects IAS 39 disclosures:

	Carrying value			Fair value	
	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)
December 31, 2017					
<i>Financial assets</i>					
Cash and cash equivalents	\$ -	\$ 134.1	\$ -	\$ -	\$ -
Receivables and other assets	0.2	1.3	-	0.2	-
Derivative assets	2.5	-	-	-	2.5
Total financial assets	\$ 2.7	\$ 135.4	\$ -	\$ 0.2	\$ 2.5
<i>Financial liabilities</i>					
Trade and other payables	\$ -	\$ -	\$ 61.9	\$ -	\$ -
Cash settled share units	8.7	-	-	-	8.7
Long-term debt	-	-	267.7	-	270.0
Derivative liabilities	0.8	-	-	-	0.8
Total financial liabilities	\$ 9.5	\$ -	\$ 329.6	\$ -	\$ 279.5

Credit risk

Credit risk is the risk of financial loss to the Company if a third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's sales of gold bullion to third parties and from its financing activities, including deposits with banks and financial institutions, and derivative contracts. The carrying amount of financial assets represents the maximum credit exposure:

	December 31 2018	December 31 2017
Cash and cash equivalents	\$ 131.9	\$ 134.1
Derivative assets	0.8	2.5
Receivables and other assets	2.6	1.5
Total Financial Instruments exposure to credit risk	\$ 135.3	\$ 138.1

The aging of receivables and other assets is as follows:

				December 31 2018	December 31 2017
	0-30 days	31-60 days	Over 61 days	Total	Total
Other receivables	\$ 2.6	\$ 0.0	\$ 0.0	\$ 2.6	\$ 1.3
Total other receivables	\$ 2.6	\$ 0.0	\$ 0.0	\$ 2.6	\$ 1.3

Included in the tables above is a summary of receivables and other assets balance. This balance excludes sales tax held by the government of Canada as these balances are not considered financial instruments.

Derivatives

The Company is exposed to credit risk related to derivative assets. The credit risk is equal to the carrying value of the asset. The Company manages credit risk related to derivatives by entering into contracts with high credit-quality counterparties, limiting the exposure per counterparty, and monitoring the financial condition of the counterparties. As at December 31, 2018, the Company has entered into derivative contracts with chartered Canadian and Australian banks.

Metal sales

The Company sells its gold to chartered Canadian and Australian banks and Canadian refineries. The Company has not had any defaults from its counterparties. The Company is not economically dependent on a limited number of customers for the sale of its gold because gold can be sold through numerous world-wide commodity markets. At December 31, 2018, the Company had no receivables related to its metal sales.

Cash and cash equivalents

Credit risk associated with cash and cash equivalent is managed in accordance with the Company's policy approved by the Board of Directors. These balances are held with select chartered Canadian banks, Canadian federal and provincial governments and agencies. Management believes the risk of loss related to these deposits to be low. The Company continually evaluates changes in the status of counterparties.

Other receivables

Other receivables consist primarily of credit notes with vendors. At December 31, 2018, all amounts are in good standing. Management believes that the credit risk concentration with respect to these receivables is low.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in capital market conditions generally or as a result of conditions specific to the Company.

The Company manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. Cash flow forecasting is performed regularly. As the Company monitors forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient liquidity on its undrawn Credit Facility.

Forecasting takes into consideration the Company's debt financing, covenant compliance and internal liquidity targets. The Company mitigates liquidity risk associated with its derivative instruments by spreading out the maturity of its derivatives over time.

The following table details the Company's expected remaining contractual cash flow requirements for its financial liabilities based on repayment or maturity periods. The amounts presented are based on the contractual undiscounted cash flows, these balances may not agree with the carrying amounts on the consolidated statements of financial position.

				December 31	December 31
	Less than	1 to 3	3 to 5	2018	2017
in millions of dollars	1 year	years	years	Total	Total
Trade and other payables	\$ 52.0	\$ -	\$ -	\$ 52.0	\$ 68.7
Derivative liabilities	9.4	-	-	9.4	0.8
Long-term debt	-	200.0	50.0	250.0	270.0
Interest on long-term debt	13.4	14.8	2.4	30.6	36.9
Total debt commitments	\$ 74.8	\$ 214.8	\$ 52.4	\$ 342.0	\$ 376.4

Market risk

Market risk is the risk that changes in market price, such as interest rates, foreign exchange rates and commodity and share prices which will affect the Company's cash flows or value of its financial instruments.

A sensitivity analysis that shows the effects of hypothetical changes of relevant market risk variables on the Company's earnings and shareholders' equity is disclosed for each market risk noted below. The periodic effects are determined by relating the hypothetical changes in the risk variables to the balance of financial instruments at the financial position reporting date. Based on management's knowledge and experience of the financial markets, the assumptions made below with regard to market rate movements are reasonable for the years ended December 31, 2018 and 2017. The sensitivity analysis shown in the following notes may differ materially from actual results.

Currency risk

The functional and reporting currency of the Company is the U.S. dollar. A significant portion of the Company's mine operating costs, capital expenditures, exploration and corporate administration costs are denominated in Canadian dollars. Consequently, fluctuations in the U.S. dollar exchange rate against the Canadian dollar increase the volatility of cost of sales, corporation administration and exploration costs and overall net earnings, when translated into U.S. dollars.

The Company uses foreign currency forward and option contracts to fix the exchange rates on future Canadian denominated currency cash outflows.

The Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the U.S. dollar.

Their notional amounts in Canadian dollars are:

In millions of dollars	December 31 2018	December 31 2017
Cash and cash equivalents	\$ 57.3	\$ 59.3
Receivables and other assets	23.6	1.7
Trade and other payables	(65.9)	(80.1)
Net exposure to currency risk	\$ 15.0	\$ (19.1)

Effect on net earnings

The Company is exposed to currency risk through exchange rate movements in Canadian dollars and foreign exchange collars relating to the portion of the future operating expenses incurred in Canadian dollars. With all other variables held constant, a 10% increase or decrease of the U.S. dollar against the Canadian dollar would have affected the Company's net earnings and comprehensive earnings by the amounts shown below:

in millions of dollars	December 31 2018	December 31 2017
Canadian dollar	+/- \$0.8	+/- \$1.3
Foreign exchange derivatives	+\$18.6/- \$23.8	+\$9.5/- \$15.0
Diesel derivatives	+/- \$1.3	n/a

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument or cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Company has not entered into any derivative contracts to manage interest rate risk.

The Company's interest rate risk related to interest-bearing obligations is as follows:

Credit Facility

The Credit Facility interest is variable and with all other variables held constant, a 10% increase or decrease in the interest rates would impact the Company's net earnings and comprehensive earnings by the amounts shown below:

in millions of dollars	December 31 2018	December 31 2017
Credit facility interest	+/- \$1.3	+/- \$0.6

Share price risk

The Company is exposed to share price risk through valuation of its share based units. With all other variables held constant, a 10% increase or decrease in price of the Company's share would have affected the earnings and comprehensive earnings by the amounts shown below:

in millions of dollars	December 31 2018	December 31 2017
Share based units	+/- \$0.4	+/- \$1.0

NON-IFRS FINANCIAL PERFORMANCE MEASURES

The Company has included certain non-IFRS measures in this document. The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

Total cash costs

Total cash costs is a common financial performance measure in the gold mining industry but with no standard meaning under IFRS. Detour Gold reports total cash costs on a sales basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as sales, certain investors use this information to evaluate the Company's performance and ability to generate operating earnings and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating cost performance.

Total cash costs include production costs such as mining, processing, refining and site administration, agreements with Indigenous communities, less share-based compensation and net of silver sales divided by gold ounces sold to arrive at total cash costs per gold ounce sold. The measure also includes other mine related costs incurred such as mine standby costs and current inventory write downs. Production costs are exclusive of depreciation. Production costs include the costs associated with providing the royalty in-kind ounces. Other companies may calculate this measure differently.

All-in sustaining costs

The Company believes that AISC more fully defines the total costs associated with producing gold. The Company calculates AISC as the sum of total cash costs (as described above), share-based compensation, corporate general and administrative expense (excluding proxy contest costs), exploration and evaluation expenditures that are sustaining in nature, reclamation cost accretion, sustaining capital including deferred stripping, realized gains and losses on hedges due to operating and capital costs, all divided by the gold ounces sold to arrive at a per ounce figure.

Other companies may calculate this measure differently as a result of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus non-sustaining capital.

Average realized price and Average realized margin

Average realized price and average realized margin per ounce sold are used by management and investors to better understand the gold price and margin realized throughout a period.

Average realized price is calculated as metal sales per the statement of comprehensive earnings and includes realized gains and losses on gold derivatives, less silver sales, per ounce sold. Average realized margin represents average realized price per gold ounce sold less total cash costs per ounce sold.

Total cash costs and AISC reconciliation

The following table reconciles these non-IFRS measures to the most directly comparable IFRS measures.

In millions of dollars, except where noted	Three months ended December 31		Year ended December 31		
	2018	2017	2018	2017	2016
Gold ounces sold	172,935	156,293	610,672	561,974	527,727
Total Cash Costs Reconciliation					
Production costs	\$ 125.9	\$ 110.9	\$ 457.7	\$ 405.9	\$ 398.1
Less: Share-based compensation	(2.4)	(0.4)	(3.1)	(1.7)	(3.0)
Less: Silver sales	(0.4)	(0.4)	(1.4)	(1.6)	(1.4)
Total cash costs	\$ 123.1	\$ 110.1	\$ 453.2	\$ 402.6	\$ 393.7
Total cash costs per ounce sold	\$ 712	\$ 705	\$ 742	\$ 716	\$ 746
All-in Sustaining Costs Reconciliation					
Total cash costs	\$ 123.1	\$ 110.1	\$ 453.2	\$ 402.6	\$ 393.7
Sustaining capital expenditures ¹	62.5	40.6	228.8	174.8	102.4
Accretion on decommissioning and restoration provision	0.1	-	0.2	0.2	0.1
Share-based compensation	2.4	0.4	3.1	1.7	3.0
Realized (gain) loss on operating hedges ²	-	(1.8)	0.1	(6.2)	1.8
Corporate administration expense ³	2.3	4.8	20.7	22.5	27.6
Sustaining exploration expenditures ⁴	0.3	0.5	1.3	2.1	2.8
Total all-in sustaining costs	\$ 190.7	\$ 154.6	\$ 707.4	\$ 597.7	\$ 531.4
All-in sustaining costs per ounce sold	\$ 1,102	\$ 989	\$ 1,158	\$ 1,064	\$ 1,007

¹Based on property, plant and equipment additions per the cash flow statement, which includes deferred stripping. Non-sustaining capital expenditures included in the cash flow statement have been excluded. Sustaining capital expenditures include the value of commissioned assets with deferred payments. Non-sustaining capital expenditures primarily relate to the West Detour project.

²Includes realized gains and losses on derivative instruments related to operating hedges (foreign exchange and diesel hedges only) as disclosed in the "Derivative instruments" section of this document. These balances are included in the statement of comprehensive earnings, within caption "net finance cost".

³Includes the sum of corporate administration expense, which includes share-based compensation, per the statement of comprehensive earnings, excluding depreciation and selected non-sustaining activities within those figures. Non-sustaining activities include proxy contest costs and vesting of RSUs, PSUs and options as a result of the deemed Change of Control.

⁴Includes the sum of sustaining exploration and evaluation expense, which includes share-based compensation, per the statement of comprehensive earnings, excluding depreciation within those figures. Non-sustaining exploration and evaluation expense primarily relates to costs associated with Zone 58N, regional exploration, and Burntbush property.

Average realized price and Average realized margin

In millions of dollars, except where noted	Three months ended December 31		Year ended December 31		
	2018	2017	2018	2017	2016
Metal sales	\$ 212.8	\$ 200.0	\$ 776.0	\$ 707.8	\$ 658.3
Realized (gain) loss on gold contracts	-	-	-	(0.1)	(12.8)
Silver sales	(0.4)	(0.4)	(1.4)	(1.6)	(1.4)
Revenues from gold sales	\$ 212.4	\$ 199.6	\$ 774.6	\$ 706.1	\$ 644.1
Gold ounces sold	172,935	156,293	610,672	561,974	527,727
Average realized price per gold ounce sold	\$ 1,228	\$ 1,277	\$ 1,268	\$ 1,256	\$ 1,221
Less: Total cash costs per gold ounce sold	(712)	(705)	(742)	(716)	(746)
Average realized margin per gold ounce sold	\$ 516	\$ 572	\$ 526	\$ 540	\$ 475

Adjusted net earnings and Adjusted basic net earnings per share

Adjusted net earnings and adjusted basic net earnings per share are used by management and investors to measure the underlying operating performance of the Company. Presenting these measures from period to period helps management and investors evaluate earnings trends more readily in comparison with results from prior periods.

Adjusted net earnings is defined as net earnings adjusted to exclude specific items that are significant, but not reflective of the underlying operations of the Company, including: the impact of foreign exchange gains and losses, unrealized and non-cash fair value gains and losses of financial instruments, accretion on long-term debt, impairment provisions and reversals thereof, proxy contest costs and Restricted Share Unit Plan costs that were not scheduled to occur in 2018, and other unusual or non-recurring items. The tax effect of adjustments, as well as the impact of foreign exchange translation on non-monetary assets related to deferred taxes, is presented in the income and mining tax adjustments line. Adjusted basic net earnings per share is calculated using the weighted average number of shares outstanding under the basic method of earnings per share as determined under IFRS.

In millions of dollars and shares, except where noted	Three months ended December 31		Year ended December 31		
	2018	2017	2018	2017	2016
Basic weighted average shares outstanding	175.1	174.8	175.1	174.7	173.5
Adjusted net earnings (loss) and Adjusted basic net earnings (loss) per share reconciliation					
Earnings (loss) before taxes	\$ (0.2)	\$ 32.4	\$ 74.8	\$ 91.8	\$ (24.4)
Adjusted for:					
Fair value gain of the convertible notes ¹	-	-	-	(0.9)	4.6
Non-sustaining corporate administration expense ³	15.2	-	16.3	-	-
Accretion on debt ¹	0.1	5.4	1.3	28.5	31.8
Non-cash unrealized (gain) loss on derivative instruments ²	8.6	1.0	10.3	(0.5)	(1.7)
Foreign exchange (gain) loss ¹	3.1	1.3	5.2	(4.6)	-
Adjusted earnings before taxes	\$ 26.8	\$ 40.1	\$ 107.9	\$ 114.3	\$ 10.3
Income and mining taxes (expense) recovery	(32.2)	(15.8)	(75.8)	(3.6)	17.5
Income and mining tax adjustments	22.4	2.5	32.1	(35.6)	(18.1)
Adjusted income and mining tax expense	\$ (9.8)	\$ (13.3)	\$ (43.7)	\$ (39.2)	\$ (0.6)
Adjusted net earnings (loss)	\$ 17.0	\$ 26.8	\$ 64.2	\$ 75.1	\$ 9.7
Adjusted basic net earnings (loss) per share	\$ 0.10	\$ 0.15	\$ 0.37	\$ 0.43	\$ 0.05

¹Balance included in the statement of comprehensive earnings caption "Net finance cost". The related financial statements include a detailed breakdown of "Net finance cost".

²Includes unrealized gains and losses on derivative instruments as disclosed in the "Derivative Instruments" note in the related financial statements. The balance is grouped with "Net finance cost" on the statement of comprehensive earnings.

³Includes proxy contest costs and vesting of RSUs, PSUs and options as a result of the deemed Change of Control.

ADDITIONAL IFRS FINANCIAL PERFORMANCE MEASURES

The Company has included the additional IFRS measure "Earnings from mine operations" in this document. The Company believes that this measure provides useful information to investors as an indication of the Company's principal business activities before consideration of how those activities are financed, sustaining capital expenditures, corporate administration expense, exploration and evaluation expenses, other operating (income) expenses, finance cost, and taxation.

CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ materially from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying value include, but are not limited to:

Critical judgments in the application of accounting policies

Events or changes in circumstances can give rise to significant impairment charges or reversals of impairment in a particular period.

The Company assesses its cash-generating unit at each financial reporting period date to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the cash generating unit's recoverable amount is made, which is the higher of the fair value less costs of disposal and value in use. The determination of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, foreign exchange rates, discount rates, future capital requirements, exploration potential and future operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

Fair value for a mining property is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans, using assumptions that an independent market participant would take into account. Cash flows are discounted to determine the net present value.

As at December 31, 2018 and December 31, 2017, no impairment triggering events were identified. At June 30, 2018, the significant decrease in the Company's market capitalization during the preceding months was considered an indicator of impairment and, accordingly, an impairment assessment was performed. Based on the assessment, the carrying value of the Detour Lake mine was recoverable at June 30, 2018 and no impairment was deemed necessary.

Critical accounting estimates

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities for the year ended December 31, 2018 are as follows:

Mineral reserves and resources

The Company estimates its mineral reserves and resources based on information compiled by qualified persons as defined in accordance with NI 43-101. The estimation of mineral reserves and resources requires judgment to interpret available geological data, select an appropriate mining method and establish an extraction schedule. It also requires assumptions about future commodity prices, exchange rates, production costs and recovery rates, among other things. There are numerous uncertainties inherent in estimating mineral reserves and resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available. New geological data as well as changes in the above assumptions may change the economic status of reserves and may, ultimately, result in mineral reserves being revised.

Changes in the Proven and Probable reserves or Measured, Indicated and Inferred mineral resources estimates (each, as defined in NI 43-101) may impact the carrying value of property, plant and equipment, the calculation of depletion and depreciation expense, the capitalization of production phase stripping costs, decommissioning and site restoration provision and recognition of deferred tax amounts.

Production inventories

The allocation of costs to inventories and the determination of net realizable value involve the use of estimates. There is significant judgment used in estimating future costs, future production levels, contained gold ounces, gold recovery levels and market prices, among other things. There can be no assurance that actual results will not differ significantly from estimates used in the determination of the carrying value of inventories.

Provisions for decommissioning and site restoration

Provisions are made for environmental remediation costs when the related environmental disturbance occurs, based on the net present value of estimated future costs.

The Company assesses its provisions for decommissioning and site restoration using information available as at each reporting date. Significant estimates and assumptions are made in determining the provisions for decommissioning and site restoration, as there are numerous factors that will affect the ultimate cost of reclamation. These factors include estimates of the extent and costs of rehabilitation activities, the expected timing, technological changes, regulatory changes, cost increases and changes in discount rates, among other things. Those uncertainties may result in actual future expenditures differing from the amounts currently provided. The provision at the reporting date represents management's best estimate of the present value of the future decommissioning and site restoration costs required. Changes to estimated future costs are recognized in the consolidated statements of financial position by adjusting the rehabilitation asset and liability.

As at December 31, 2018, decommissioning and restoration provision was \$31.1 million (December 31, 2017 - \$35.0 million).

Recovery of deferred tax assets

The Company has carry-forward losses and other tax attributes that have the potential to reduce tax payments in future years.

Judgment is required in determining whether deferred tax assets are recognized in the financial statements. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and tax losses to the extent it is probable that future taxable profits will be available against which they can be utilized. The carrying values of the deferred tax assets are reviewed at each balance sheet date and may be reduced if it is no longer probable that sufficient taxable profits will be available to benefit from all or part of the assets. Deferred tax assets include federal and provincial investment tax credits received during the construction of the Company's mine which are considered similar to tax loss carry-forwards.

Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws. To the extent that future taxable income differs significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded in the consolidated statements of financial position could be impacted. Deferred tax assets and liabilities are offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset. As at December 31, 2018, the Company has recognized \$95.2 million of deferred tax assets (December 31, 2017 - \$96.3 million) to offset against \$257.3 million of deferred tax liabilities (December 31, 2017 - \$182.6 million), mainly in relation to the foreign exchange translation impact on non-monetary assets and utilization of discretionary deductions. Refer to note 21 for significant components of the Company's deferred tax assets and liabilities.

In the normal course of operations, the Company is subject to tax audits by various levels of government in jurisdictions in which it operates.

Contingencies

The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the financial statements cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk,

credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Refer to note 19 (d) in the audited consolidated Financial Statements for values of the Company's outstanding financial instruments for the year ended December 31, 2018 and 2017.

SIGNIFICANT ACCOUNTING POLICIES

New and amended standards adopted by the Company

The following accounting standards were effective and implemented as of January 1, 2018.

IFRS 9 - Financial Instruments

The Company has adopted IFRS 9 retrospectively, with an initial application date of January 1, 2018. The Company did not restate comparative information for prior periods; accordingly the information presented for 2017 reflects the requirements of IAS 39. IFRS 9 *Financial instruments* replaces IAS 39 *Financial instruments recognition and measurement*. IFRS 9 includes revised requirements for the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the requirements on recognition and derecognition of financial instruments from IAS 39. The Company concluded that no adjustments were required to its opening accumulated deficit and there were no significant changes to its measurement of financial instruments for the comparative period as a result of the adoption of IFRS 9.

The Company's financial instruments are classified as follows under IFRS 9, as compared to the Company's previous policy in accordance with IAS 39:

Classification	IAS 39	IFRS 9
Cash and cash equivalents	Amortized cost	Amortized cost
Other receivables	Loans and receivables	Amortized cost
Trade payables	Amortized cost	Amortized cost
Interest payable	Amortized cost	Amortized cost
Derivatives	FVTPL	FVTPL
Credit facility	Amortized cost	Amortized cost

IFRS 15 - Revenue from contracts with customers

The Company adopted IFRS 15, with an initial application date of January 1, 2018. The Company adopted the standard prospectively and elected not to restate disclosures in comparative periods. IFRS 15 *Revenue from contracts with customers* replaces IAS 18 *Revenue*, IAS 11 *Construction contracts*, and some revenue-related interpretations. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services provided. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. The Company concluded that no adjustments were required to its opening

accumulated deficit and no changes were required in the amounts of revenue recognized or in the timing of revenue recognition as a result of the adoption of IFRS 15. Due to the nature of the Company's sales, the timing of revenue recognition did not change as a result of adopting IFRS 15.

IFRIC 22 - Foreign currency transactions and advance consideration

The Company adopted IFRIC 22 *Foreign Currency Transactions and Advance Consideration* with an initial application date of January 1, 2018. The Interpretation clarifies which date should be used for translation when a foreign currency transaction involves an advance payment or receipt. The interpretation is applicable for annual periods beginning on or after January 1, 2018. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. The implementation of this interpretation did not have an impact on the Company's financial statements.

New standards and interpretations not yet adopted

On June 7, 2017, the IASB issued IFRIC Interpretation 23 *Uncertainty over Income Tax Treatments*. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Company assessed the implication of IFRIC 23 on current and deferred taxes and concluded no material impact on the financial statements.

On January 13, 2016, the IASB issued IFRS 16 *Leases*. The new standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 will replace IAS 17 *Leases*. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. The Company will adopt IFRS 16 on January 1, 2019 using the modified retrospective approach, in accordance with the transitional provisions in IFRS 16.

The Company has identified and collected data relating to existing agreements that will extend beyond January 1, 2019 that may contain right-of-use assets. These included service contracts that may contain embedded leases for property, plant and equipment. Current activities are focused on quantifying the accounting impact on adoption, including discount rate determination, and finalizing internal processes and controls. The Company expects a decrease in production costs, an increase in depreciation and interest expenses resulting from the recognition of right-of-use assets, and increased debt levels.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Interim Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework that has been used is the COSO (2013) framework.

Based on a review of the internal controls at December 31, 2018 conducted by the Interim Chief Executive Officer and Chief Financial Officer, the Company's internal controls and procedures over financial reporting are appropriately designed and operating effectively to provide reasonable assurance that the financial information is recorded, processed, summarized and reported in a timely manner.

There was no material change in the Company's internal controls over financial reporting that occurred during the fourth quarter of 2018 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Disclosure controls and procedures

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure. The Company's Interim Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the design and operating effectiveness of the disclosure controls and procedures as of December 31, 2018, that the Company's disclosure controls and procedures provide reasonable assurance that material information that is made known to them by others within the Company are appropriately designed and operating effectively.

Limitations of controls and procedures

The Company's management, including the Interim Chief Executive Officer and Chief Financial Officer, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

OUTSTANDING SHARES

Outstanding Share Data at March 6, 2019	Number in millions
Common shares	175.8
Share purchase options	2.6
Restricted share units	-

RISKS AND UNCERTAINTIES

The risk factors disclosed should be given special consideration when evaluating trends, risks and uncertainties relating to the Company's business. Any of the risk factors could cause circumstances to differ materially from those described in forward-looking statements relating to the Company, and could have a material adverse effect upon the Company, its business, operations, results of operations, financial condition and future prospects. Although the risk factors disclosed in Detour Gold's 2017 AIF or herein are the major risk factors identified by management, they do not comprise a definitive list of all risk factors related to the Company. In addition, other risks and uncertainties not presently known by management could impair the Company and its business, operations, results of operations, financial condition and future prospects in the future.

Gold Price Volatility

The Company's earnings, cash flows and financial condition are strongly affected by the world market price for gold. If the price for gold was to drop and the price realized by the Company on gold sales were to decrease significantly, the Company's earnings and cash flow would be negatively affected, the Company may decide to alter, delay or to not proceed with exploration and/or development plans which could have a material adverse effect on the Company's value, the Company's ability to obtain additional financing should the circumstances require could be materially and adversely affected and the Company may be required to reduce its mineral reserves and resources. A decline in the long-term price of gold may also require the Company to record an impairment charge against the carrying value of its net assets. The gold price has fluctuated widely in recent years. These fluctuations can be material and can occur over short periods of time and are affected by numerous factors beyond the Company's control including industrial and retail supply and demand, the level of demand for gold as an investment, exchange rates, inflation rates, interest rates, changes in global economies, confidence in the global monetary system, forward sales of gold and other metals by producers and speculators, the strength of the United States economy and the economies of other industrialized and developing nations as well as other global or regional political, social or economic events. The supply of gold and other metals consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers. There is no assurance that even as commercial quantities of gold may be produced in the future, a profitable market will exist for them. The Company's gold production depends on a gold price that is adequate to make such production economically viable. Based on current estimates of the Company's 2019 gold production and sales, a \$50 per ounce increase or decrease in the market gold price will result in an approximately \$30 million increase or decrease in the Company's ending cash balance. From time to time the Company may engage in hedging transactions intended to reduce the risk associated with fluctuations in the gold price. However, there is no assurance that any such hedging transactions will be successful. Hedging may not adequately protect against declines in the price of gold. Furthermore, although hedging may protect the Company from a decline in the price of gold, it may also prevent the Company from benefiting from price increases.

Currency Exchange Risk

The Company is subject to fluctuation in the rates of currency exchange between the United States dollar and the Canadian dollar. Gold is sold based on the U.S. dollar price but a significant portion of the Company's operating expenses are incurred in Canadian dollars. Appreciation of the Canadian dollar currency against the U.S. dollar would increase the costs of the Company's production, making such production less profitable. These fluctuations could have a material and adverse impact on the Company's business, operations, results of operations, financial condition and future prospects. Based on current estimates of the Company's 2019 Canadian expenditure requirements, a \$0.05 change in the exchange rate will result in an approximately \$20 million increase or decrease in the Company's ending cash balance. The Company enters into currency hedging contracts to mitigate the impact on operating costs of the appreciation of the Canadian dollar against the U.S. dollar.

Share Price Volatility

The Common Shares are listed on the TSX. The per share price of the Common Shares fluctuated from a high of Cdn\$15.22 to a low of Cdn\$9.28 during 2018. There can be no assurance that continual fluctuations in the Company's common share price will not occur. Securities of mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors

include macroeconomic developments in North America and globally, currency fluctuations and market perceptions of the attractiveness of particular industries. Other factors, unrelated to the Company's performance that may have an effect on the price of the Common Shares, include analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not continue to follow the Company's securities, the lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Common Shares; and the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities. The price of the Common Shares is also likely to be significantly affected by short-term changes in the gold price, by the Company's financial condition or results of operations and by other operational and regulatory matters. As a result of any of these or other factors, the market price of the Common Shares at any given point in time may not accurately reflect Detour Gold's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. In 2014, a proposed securities class action claiming, among other things, special and general damages in the amount of Cdn\$80.0 million, was commenced against the Company and its President and Chief Executive Officer. Although this class action claim was settled for Cdn\$6 million, Detour Gold may in the future be the target of further securities litigation and could result in substantial costs and damages and divert management's attention and resources.

Financing Risks

The Company's mining, processing, development and exploration activities and/or unforeseen events or circumstances may require additional external financing. There is no assurance that additional capital or other types of financing will be available to the Company when needed or that, if available, the terms of such financing will be acceptable to the Company. The Company may raise additional capital by offering equity securities or securities convertible into equity securities which may involve substantial dilution to existing shareholders. Any sales in the public market, or the availability for sale, of any of such Common Shares could adversely affect prevailing market prices of the Common Shares. A decline in the market price of Common Shares could impair the Company's ability to raise additional capital through the sale of Common Shares or securities convertible into Common Shares should the Company desire to do so. Failure to obtain sufficient financing could result in the delay or indefinite postponement of exploration, development, construction or production activities. The cost and terms of such financing may significantly reduce the expected benefits from new developments or render such developments uneconomic.

Global Economic Conditions

Global financial conditions have been subject to continued volatility. Government debt, the risk of sovereign defaults, political instability, natural disasters and wider economic concerns in many countries have been causing significant uncertainties in the markets. Disruptions in the credit and capital markets could have a material adverse impact on the Company's ability to obtain credit and capital and/or the terms on which credit and capital is available. Any sudden or rapid destabilization of global economic conditions could also cause decreases in the Company's asset values that are deemed to be other than temporary, which may result in impairment losses. In such an event, the Company's business and financial condition could be materially and adversely impacted. High levels of volatility and market turmoil could also materially and adversely impact commodity prices, exchange rates and interest rates and have a material adverse impact on the Company's business, operations, results of operations, financial condition and future prospects.

Use of Derivatives

The Company uses or may use certain derivative products to hedge or manage the risks associated with gold price volatility, changes in other commodity input prices, foreign currency exchange rates and interest rates. The use of derivative instruments involves certain inherent risks including: (i) credit risk - the risk that the creditworthiness of a counterparty may adversely affect its ability to perform its payment and other obligations under its agreement with the Company or adversely affect the financial and other terms the counterparty is able to offer the Company; (ii) market liquidity risk - the risk that the Company has entered into a derivative position that cannot be closed out quickly, by either liquidating such derivative instrument or by establishing an offsetting position; and (iii) unrealized mark-to-market risk - the risk that, in respect of certain derivative products, an adverse change in market prices for commodities or currencies will result in the Company incurring an unrealized mark-to-market loss in respect of such derivative products. There is no assurance that any hedging program or transactions which may be adopted or utilized by Detour Gold

designed to reduce the risk associated with gold price volatility, changes in other commodity input prices, foreign currency exchange rates and interest rates will be successful. Although hedging may protect Detour Gold from an adverse price change, it may also prevent Detour Gold from benefiting fully from a positive price change.

Debt and Liquidity Risk

As at December 31, 2018, the Company had cash and cash equivalents of \$132 million, approximately \$221 million available from its Credit Facility and total debt of approximately \$250 million. The Company's ability to make scheduled payments of principal and interest on or to refinance its indebtedness depends on the Company's future performance, which is subject to economic, financial, competitive and other factors many of which are not under the Company's control. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due, including, among others, debt repayments, interest payments and contractual commitments. The Company may not continue to generate cash flow from operations in the future sufficient to service its debt and make necessary or planned capital expenditures. If the Company is unable to generate such cash flow, it may be required to adopt one or more alternatives, such as cancelling or deferring capital expenditures, borrowing additional funds, or obtaining additional equity capital on terms that may be onerous or highly dilutive to the Company's shareholders. The Company's ability to borrow additional funds or refinance its indebtedness will depend on the capital markets and its financial condition at such time. The Company may not be able to engage in any of these activities or engage in these activities on desirable terms, which could negatively impact production and/or the timelines and cost associated with development projects or result in a default on its debt obligations which could have a material adverse effect on the Company's business, operations, results of operations, financial condition and future prospects. The terms of the Company's Credit Facility require the Company to satisfy various affirmative and negative covenants and to meet certain financial ratios. Events beyond the Company's control, including changes in general economic and business conditions, may affect the Company's ability to satisfy these covenants, which could result in a default under the Credit Facility. Failure to comply with covenants under the Credit Facility would likely result in an event of default under the Credit Facility and would allow the lenders to declare all principal amounts outstanding thereunder at such time, together with accrued interest, to be immediately due. There is also no assurance that the Company's Credit Facility will be renewed by the lenders. The failure to renew the Credit Facility would require the Company to repay all amounts owing under the Credit Facility at maturity and could have a material adverse effect on the Company's financial condition and prospects.

Availability and Price of Consumed Commodities

The Company's business, operations, results of operations, financial condition and future prospects are affected by the price and availability of commodities consumed or used in connection with the Company's business, such as natural gas, diesel, oil, electricity and reagents. An increase in the cost of, or a delay or disruption in the supply of, these commodities would affect the costs of production and could result in delays in processing times which could have a material and adverse impact on the Company's business, operations, results of operations, financial condition and future prospects. The prices of these commodities fluctuate and are affected by factors that are beyond the Company's control. These fluctuations can be unpredictable, can occur over short periods of time and may have a material adverse effect on the Company's operating costs or the timing and costs of various projects. The Company is a significant consumer of electricity. The Company has a contract with the Independent Electricity System Operator (formerly Ontario Power Authority) which provides the Company with an electricity rebate to December 31, 2024. In the event this fixed price contract were to be terminated, the Company would be subject to fluctuating, and potentially significantly increased, electricity costs which could materially and adversely impact the Company's operating costs. During 2015, 2016, 2017, 2018 and 2019, the Company hedged a portion of its diesel price exposure and may continue to do so.

Disclosure and Internal Controls

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In preparation of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. The Company may fail to maintain the adequacy of internal control over financial reporting as per the requirements of Canadian legislation or as such requirements are modified, supplemented or amended from time to time, and the Company may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting. The Company's failure to satisfy the

requirements of Canadian legislation on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm the Company's business and negatively impact the trading price of the Common Shares. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations. The Company may fail to maintain the adequacy of its disclosure controls. Disclosure controls and procedures are designed to ensure that the information required to be disclosed by the Company in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to the Company's management, including its Interim Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Although the Company has invested resources to implement, and continues to analyze, its system of disclosure controls and its internal control over financial reporting and believes its financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, no evaluation can provide complete assurance that the Company's financial and disclosure controls will detect or uncover all failures of persons within the Company to disclose material information otherwise required to be reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The effectiveness of the Company's controls and procedures could also be limited by simple errors or faulty judgments.

Limited History of Earnings and Dividends

The Company has not paid dividends on its Common Shares since its incorporation. The establishment of a dividend policy in the future will be determined by the board of directors after taking into account many factors, including operating results, financial condition and anticipated cash needs.

Permitting Risks

The Company's activities are subject to extensive permitting requirements. The Company strives to obtain all required permits on a timely basis and to comply with all such permits at all times. However, there can be no assurance that it will obtain all required permits or that it will not face delays in obtaining all required permits, renewals of existing permits, additional permits required for existing or future operations or activities, or additional permits required by new legislation. The Company's ability to successfully obtain required permits in a timely manner will be impacted by its ability to develop and operate its mining operations in a manner that is consistent with the creation of social and economic benefits in the surrounding communities and may be adversely impacted by real or perceived detrimental events associated with the Company's activities or those of other mining companies affecting the environment, human health and safety or the surrounding communities. Failure to obtain required permits in a timely manner and/or to maintain compliance with permits once obtained can result in injunctions, fines, suspension or revocation of permits and other penalties and can also have other serious consequences for the Company, including damage to the Company's reputation, curtailing or prohibiting the Company from continuing its mining operations, stopping the Company from proceeding with planned exploration or development of mineral properties, negatively impacting the operation or further development of a mine, increasing the costs of development or production and litigation or regulatory action against the Company, any of which may have a material and adverse impact on the Company's business, operations, results of operations, financial condition and future prospects. Even if permits or renewals are available, the terms of such permits may be unattractive to the Company and result in operations or activities being financially unattractive or uneconomic. An inability to obtain or maintain permits or to conduct mining operations in compliance with permits could have a material adverse impact on the Company's business, operations, results of operations, financial condition and future prospects. Failure to comply with permitting requirements may also result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. The Company requires additional permits for the proposed development of the West Detour project and the continued development of the Detour Lake pit. Due to uncertainties associated with obtaining the required permits, the Company revised its LOM plan in June 2018 to provide additional time to obtain the required permits. There can be no assurance that the Company will obtain such permits on the schedule reflected in the Company's current LOM plan. Failure to do so may require changes to the LOM plan which may have a material adverse impact on the Company's business, operations, results of operations, financial condition or future prospects.

Operational Risks

Mining operations generally involve a high degree of risk. The Detour Lake operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold including unusual and unexpected ground conditions or geologic formations, seismic activity, pit wall failures, cave-ins, flooding, inclement weather or other conditions involved in the drilling and removal of any material. Any of the above hazards and risks could result in damage to life or property, reduced production, damage to, or destruction of, mines and other producing facilities, environmental damage and possible legal liability. In addition, production may be adversely impacted by operational problems such as a failure of a SAG mill or other equipment, or industrial accidents, as well as other potential issues such as actual ore mined varying from estimates of grade or tonnage, dilution, block model performance and metallurgical or other characteristics, interruptions in or shortages of electrical power or water, shortages of required inputs, labour shortages or strikes, claims or disagreements with Indigenous communities, restrictions or regulations imposed by government agencies or changes in the regulatory environment. The Company's operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. In addition, short-term operating factors, such as the need for orderly development of the orebodies or the processing of new or different ore grades, may cause a mining operation to be unprofitable in any particular accounting period. The occurrence of one or more of these events may result in the death of, or personal injury to, employees, other personnel or third parties, the loss of mining equipment, damage to or destruction of mineral properties or production facilities, monetary losses, deferral or unanticipated fluctuations in production, suspension, curtailment or termination of operations, environmental damage and potential legal liabilities, any of which may materially adversely affect the Company's business, operations, results of operations, financial condition and future prospects.

Exploration and Development Risks

The exploration for, and the development of, mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of mineralization may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Whether a mineral deposit will ever be commercially viable depends on a number of factors, including but not limited to: the particular attributes of the deposit, such as accuracy of estimated size, continuity of mineralization, average grade and metallurgical characteristics; proximity to infrastructure; metal prices, which are highly cyclical; and government regulations, including regulations relating to taxes, royalties, land tenure, land use and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company being unable to receive an adequate return on invested capital. Furthermore, it may take many years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Development projects are uncertain and capital cost estimates, projected operating costs, production rates, recovery rates, mine life and other operating parameters and economic returns may differ significantly from those estimated for a project. Development projects rely on the accuracy of predicted factors including capital and operating costs, metallurgical recoveries, reserve estimates and future metal prices. In addition, there can be no assurance that recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Expansion projects, including expansions of facilities and extensions to new orebodies or new portions of existing orebodies, can have risks and uncertainties similar to development projects. During development, a project is subject to numerous risks including, but not limited to, the accuracy of feasibility studies, obtaining and complying with required permits, changes in environmental or other government regulations, securing all necessary surface and land tenure rights, consulting and accommodating Indigenous communities and financing risks. Unforeseen circumstances, including those related to the amount and nature of the mineralization at the development site, technological impediments to extraction and processing, legal challenges or restrictions or governmental intervention, infrastructure limitations, environmental issues, unexpected ground conditions or other unforeseen development challenges, commodity prices, disputes with local communities or other events, could result in a planned development becoming impractical or uneconomic to complete.

Tailings Management Facilities

Tailings management facilities account for one of the largest scale risk scenarios for the mining industry in general. The risk of a dam failure may result in the discharge of contaminated water and solids, which can adversely affect operations, damage property, equipment or the environment, and can affect financial results. Extreme weather conditions increase the risks associated with dam failure.

Gold Production Estimates

Forecasts of future production are estimates based on interpretation and assumptions, and actual production may be less than estimated. The Company's ability to achieve estimated production is subject to a number of risks and uncertainties inherent in the mining industry and is dependent on, among other things, the accuracy of mineral reserve and mineral resource estimates; the accuracy of assumptions regarding ore grades, ore to waste ratios, and recovery rates; ground conditions; physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics; the accuracy of estimated mining and processing rates and estimated costs; and the receipt and maintenance of permits. The failure of the Company to achieve its production estimates could have a material adverse impact on the Company's business, operations, results of operations, financial condition and future prospects. Any material change in the quantity of mineralization, grade or ore to waste ratio, ore dilution or the price of gold may affect the economic viability of any property held by the Company. Moreover, short-term operating factors relating to the mineral reserves, such as the need for the orderly development of orebodies, the processing of new or different ore grades, the technical complexity or orebodies, unusual or unexpected orebody formations, ore dilution or varying metallurgical and other ore characteristics may cause mineral reserves to be reduced or the Company to be unprofitable in any particular accounting period.

Cost Estimates

The Company prepares estimates of operating costs and capital costs for its operations. No assurance can be given that such estimates will be achieved. Failure to achieve cost estimates or material increases in costs could have a material adverse impact on the Company's business, operations, results of operations, financial condition and future prospects. The Company's actual costs may vary from estimates for a variety of reasons, including actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to mineral reserves, such as the need for sequential development of orebodies and the processing of new or different ore grades; revisions to mine plans; unusual or unexpected orebody formations; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability, floods, forest fires and earthquakes; and unexpected labor shortages or strikes. Costs of production may also be affected by a variety of factors, including changing waste-to-ore ratios, ore grade metallurgy, labor costs and the cost of other inputs used in mining operations, commodity prices, general inflationary pressures, currency exchange rates and refining charges.

Life of Mine Plan

The Company issued its current LOM plan in June 2018. There can be no assurance that the estimates in the Company's LOM plan will be consistent with future economic factors or actual results and performance or that the Company will not amend its existing LOM plan in the future. Furthermore, under the current LOM plan, the North pit and West Detour pit development are scheduled to start in 2026 and 2025, respectively. In the event the Company changes its mining plans, a new LOM plan may be required and there can be no assurance that such changes will not result in a material adverse impact on the Company's business, operations, results of operations, financial condition or future prospects.

Government Regulation

The Company's mining, processing, development and exploration activities are subject to extensive laws and regulations governing worker safety, the protection of the environment (including emissions, noise, air and water quality standards), the generation, transportation, storage and disposal of solid, liquid and hazardous waste, mine development, land use, water management, reclamation, the protection of endangered and other special status species and other matters. Environmental legislation is evolving in a manner which will involve stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of

proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. No certainty exists that future changes in environmental laws or regulations, or the application of existing environmental laws and regulations will not materially adversely affect the Company's operations, development properties or exploration activities. The Company cannot give any assurance that, notwithstanding its precautions, breaches of environmental laws and regulations (whether inadvertent or not) will not occur and materially and adversely affect its financial condition and results of operations. Many of the mineral rights and interests of the Company are subject to government approvals, licenses and permits. The granting and enforcement of the terms of such approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, or not obtained on a timely basis, the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties. New laws and regulations, amendments to current laws or regulations or the application of existing laws or regulations (including a more stringent or different application), could cause substantial increases in operating costs or capital expenditures, a reduction in production, result in a delays in or the abandonment of new mining properties or the suspension or curtailment of operations, the extent of which cannot be predicted and could have a material adverse effect on the Company's financial position and results of operations. While the Company strives to achieve full compliance with all such laws, regulations and permits, and has implemented extensive health and safety initiatives to ensure the health and safety of its employees, contractors and members of the communities affected by its operations, there is no guarantee that that it will at all times be in full compliance with such requirements or that such measures will eliminate the occurrence of accidents or other incidents which may result in a fatality, critical injury, other personal injuries or damage to property. Failure to comply with applicable laws, regulations and permitting requirements can have serious consequences, including damage to the Company's reputation; stopping the Company from proceeding with the development of a project; negatively impacting the operation or further development of a mine; increasing the costs of development or production; and litigation or regulatory action against the Company. Enforcement actions against the Company may impose significant fines; order operations or development activities to cease or be curtailed or suspended; revoke permits; and/or order corrective measures, requiring capital expenditures, installation of additional equipment or remedial actions be taken. The Company could be required to compensate third parties suffering loss or damage and could have civil or criminal fines or penalties imposed for violations of applicable laws or regulations, the cost of which could be significant. Any of the foregoing could have a material adverse impact on the Company's business, operations, results of operations, financial condition or future prospects.

Environmental Risks

Environmental hazards may exist on the Company's properties which are unknown to management at present and which have been caused by previous owners or operators of the properties. In addition, measures taken to address and mitigate known environmental hazards or risks may not be fully successful, and such hazards or risks may materialize. Detour Gold may also acquire properties with known or undiscovered environmental hazards. Any indemnification from the entity from which the Company acquires such properties may not be adequate to pay all the fines, penalties and costs (such as clean-up and restoration costs) incurred related to such properties. Production at the Detour Lake operation involves the use of various chemicals, including certain chemicals that are designated as hazardous substances. Contamination from hazardous substances may subject the Company to liability for the investigation or remediation of contamination, as well as for claims seeking to recover for personal injury or damage to natural resources. The occurrence of any of these events could have a material adverse impact on the Company's business, operations, results of operations, financial condition and future prospects. The cost of addressing environmental conditions or risks, and the liabilities associated with environmental damage, may be significant, and could have a material adverse impact on the Company's business, operations, results of operations, financial condition and future prospects.

Indigenous Communities

The Company's properties may be subject to the rights or the asserted rights of various community stakeholders, including Indigenous communities. In the event there is opposition to the Company's current operations or development plans or to new development or exploration activities of the Company in the future, the Company's ability to conduct its operations and/or carry out exploration or development activities could be materially and adversely impacted. Such

opposition may be directed through legal or administrative proceedings against the Crown and/or the Company or expressed in manifestations such as protests, delayed or protracted consultations, blockades or other forms of public expression against the Company's activities or against the Crown's position regarding its duty to consult or otherwise. Such opposition may require court proceedings, modification of, or preclude, operation or development of the Company's projects or may require that the Company provide significant financial (or other) compensation to such Indigenous communities. The Company is required to consult with Indigenous communities with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of Indigenous communities may require accommodation including undertakings regarding employment opportunities, business opportunities, community affairs and other financial compensation. Among other things, this may result in significant additional costs to the Company; negatively impact its ability to acquire effective mineral titles, permits or licenses in a timely manner; and may result in the delay or abandonment of further development or exploration. Under the current LOM plan, the North pit and West Detour pit development are scheduled to start in 2026 and 2025, respectively. In the event the Company changes its mining plans, a new LOM plan may be required and there can be no assurance that such changes will not result in a material adverse impact on the Company's business, operations, results of operations, financial condition or future prospects. There can be no assurance that Indigenous or treaty rights/claims will not be asserted or proved in the future in respect of the Detour Lake Property, or any of the Company's other properties. In March 2016, an action was commenced by Grand Chief Matthew Coon on his own behalf and on behalf of all members of the Cree Nation of Eeyou Istchee which claims Indigenous title to a large area of land including that on which the Detour Lake operation is located. The Company has signed agreements with the Moose Cree First Nation, the Taykwa Tagamou Nation, the Wahgoshig First Nation and the Métis Nation of Ontario. Each agreement embodies a recognition and respect for the Indigenous community's rights and interests as well as the Company's rights and interests. They also specify the benefits the Indigenous community receives from the Company's activities and how the Company and the Indigenous community will work together on community training initiatives as well as employment and business opportunities. Each agreement also provides for on-going engagement and consultative discussion and accommodation. However, there can be no assurance that these, or other agreements with Indigenous communities that the Company may enter into, will be complied with or not disputed. The nature, scope and interpretation of Indigenous and treaty rights is evolving. Government policy and its implementation regarding Indigenous consultation (including the requirements that are imposed on industry) continue to change. In certain circumstances, Indigenous communities are entitled to be consulted prior to, and during, resource development. The consultation processes and expectations of parties (government, Indigenous communities and industry proponents) involved can vary considerably from project to project, within stages of the project life and among Indigenous communities. There can be overlapping or inconsistent Indigenous or treaty claims respecting a project. These can contribute to process uncertainty, increased costs, delay in receiving required approvals, and potentially, an inability to secure the required approvals for a project, each of which could have a material adverse effect on the Company's business, operations, results of operations, financial condition and future prospects.

Community Relations and License to Operate

The Company's relationship with the communities in which it operates are critical to ensure the Company's future success. There is an increasing level of public concern relating to the perceived effects of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations ("NGOs"), some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of cyanide and other hazardous substances in processing activities. Adverse publicity generated by such NGOs or others related to extractive industries generally, or to Detour Gold's operations or development activities specifically, could have a material adverse effect on the Company's reputation. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to conduct its operations and advance its projects, which could have a material adverse impact on the Company's business, operations, results of operations, financial condition and future prospects. While Detour Gold is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

Labour and Employment Risks

The Company's current production and its ability to achieve its future goals and objectives is dependent on the efforts of the Company's employees and contractors. The Company competes with other mining and other companies on a

global basis to attract and retain employees at all levels with appropriate technical skills and operating experience necessary for the Company's business. Access to skilled labour may prove particularly challenging where mining operations are conducted in remote locations. There can be no assurance that the Company will be able to compete successfully with its competitors in attracting and retaining skilled and experienced employees. Shortages of suitably qualified personnel could have a material adverse effect on the Company's business, operations, results of operations, financial condition and future prospects. The Company's business and results of operations are also dependent upon maintaining good relationships with its employees and minimizing employee turnover. Work stoppages or other industrial relations events could lead to project delays or increased costs. The Company's business is dependent on retaining the services of a number of key personnel as the business develops. Detour Gold's success is, and will continue to be to a significant extent, dependent on the expertise and experience of the directors and senior management, and the loss of one or more of such persons could have a material adverse effect on the Company. The Company does not maintain any key man insurance with respect to any of its officers or directors.

Senior Management Departures

Due to the significant senior management departures that have occurred in the last year, our future success is substantially dependent on our ability to attract, hire and retain qualified personnel to replace the recent senior management departures. We depend on the skills and abilities of this qualified personnel in managing the development, production, technical, engineering and other key aspects of our business. There is intense competition for qualified personnel in the areas of our activities, and we and our third-party executive search service providers may not be able to attract, hire and retain qualified personnel necessary for the development of our business. The inability to attract, hire and retain qualified personnel to replace the recent senior management departures could result in decreased productivity, reliability, efficiency and safety performance, higher costs and reputational harm. It could also negatively impact our ability to take on new projects and sustain operations, which might negatively affect our operations or our ability to grow or successfully realize our business plan.

Climate Change Risks

The Company's mining and processing operations are energy intensive, resulting in a significant carbon footprint. In 2017, Detour Gold reported emissions of approximately 208,000 tonnes of CO₂ equivalent from diesel burning at site. Many governments are moving to enact climate change legislation and treaties at the international, national, state, provincial and local levels. Where legislation already exists, regulations relating to emission levels and energy efficiency are becoming more stringent. Some of the costs associated with meeting more stringent regulations can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, meeting more stringent regulations is anticipated to result in increased costs. Due to concern over the risks of climate change and in an effort to reduce greenhouse gas emissions (GHG), the Province of Ontario brought regulations into effect on July 1, 2016 that established a Cap and Trade system effective January 1, 2017. While mobile emissions are not currently directly subject to this regulation, the Company is affected indirectly through its diesel suppliers, who pass on a government surcharge of approximately Cdn\$0.04 per litre. In June 2016, the Province of Ontario also issued its Climate Change Action Plan, a high-level policy that describes how proceeds from the Cap and Trade system may be used over the next five years to reduce greenhouse gas emissions in Ontario. In response to these regulatory changes, Detour Gold has initiated a Climate Change Risk Assessment, which takes a detailed look at how the Company's operations interact with the changing natural environment and related regulations. The focus is on both reducing GHGs, as well as potential opportunities for adaptation, including a climate-infrastructure matrix which highlights those components of operations that could be at most risk from a changing climate. Longer term impacts of the Cap and Trade system and the Climate Change Action Plan and associated programs and their future effects on the Company's results of operations, financial position or cash flows remain uncertain. In addition, the physical risks of climate change may also have an adverse effect on the operations of the Company. These may include extreme weather events (including storms), changes in rainfall distribution and intensity and changing temperatures which have the potential to disrupt operations and could have a material adverse impact on the Company's business, operations, results of operations, financial condition and future prospects.

Dependence on the Detour Lake Mine

The Company's only operation is the Detour Lake mine which accounts for 100% of the Company's gold production and cash flow. Any adverse condition affecting mining or milling conditions at the Detour Lake mine could have a material adverse effect on the Company's business, operations, results of operations, financial condition and future prospects.

Impairment

The Company assesses its mining interests for indicators of impairment on a quarterly basis or when events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indication of impairment exists, the recoverable amount of the asset is estimated. An impairment loss is recognized when the carrying amount of the asset is in excess of its recoverable amount. The assessment for impairment is subjective and requires management to make significant judgments and assumptions in respect of a number of factors, including estimates of production levels, operating costs and capital expenditures reflected in Detour Gold's LOM plan, the value of in situ ounces, exploration potential and land holdings, as well as economic factors beyond management's control, such as the gold price, foreign exchange rates, and observable net asset value multiples. It is possible that the actual fair value could be significantly different than those estimates. In addition, should management's estimate of the future not reflect actual events, further impairment charges may materialize, and the timing and amount of such impairment charges is difficult to predict.

Acquisition and Integration Risks

As part of its business strategy, Detour Gold may seek new operating, development and exploration opportunities in the mining industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into Detour Gold. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues on favourable terms, if at all, or that any acquisition or business arrangement completed will ultimately benefit its business. Such acquisitions may be significant in size, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial or geological risks. Further, any acquisition the Company makes will require a significant amount of time and attention of the Company's management, as well as resources that otherwise could be spent on the operation and development of the Company's existing business. Any future acquisitions would be accompanied by risks, such as a significant decline in the gold price after the Company commits to complete an acquisition on certain terms, the quality of the mineral deposit acquired proving to be lower than expected, the difficulty of assimilating the operations and personnel of any acquired companies, the potential disruption of the Company's ongoing business, the inability of management to realize anticipated synergies and maximize the Company's financial and strategic position, the failure to maintain uniform standards, controls, procedures and policies, the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel, and the potential for unknown or unanticipated liabilities associated with acquired assets and businesses, including tax, environmental or other liabilities. In addition, the Company may need additional capital to finance an acquisition. Debt financing related to any acquisition may expose the Company to the risks related to increased leverage, while equity financing may cause existing shareholders to suffer dilution. There can be no assurance that any business or assets acquired in the future will prove to be profitable, that the Company will be able to integrate the acquired businesses or assets successfully or that it will identify all potential liabilities during the course of due diligence. Any of these factors could have a material adverse effect on the Company's business, operations, results of operations, financial condition and future prospects.

Depletion of Mineral Reserves

Mines have limited lives based on Proven and Probable reserves. As a result, the Company continually seeks to replace and expand its mineral reserves and mineral resources. The Company's ability to maintain or increase its annual production of gold depends in significant part on its ability to find or acquire new mineral reserves and mineral resources and bring new mines into production, and to expand mineral reserves and mineral resources at the existing Detour Lake operation. Mineral reserves can be replaced by expanding known orebodies, locating new deposits or making acquisitions. Exploration is inherently speculative in nature. Exploration projects involve many risks and are frequently unsuccessful. Once a site with mineralization is discovered, it may take many years from the initial phases of drilling

until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish Proven and Probable reserves and to construct mining and processing facilities. As a result, there is no assurance that current or future exploration programs will be successful. There is a risk that depletion of mineral reserves will not be offset by discoveries or acquisitions and divestitures of assets could lead to a lower mineral reserve base. Mineral reserves estimated in accordance with NI 43-101 may also decrease due to economic factors such as the use of a lower metal price assumption.

Competition

Detour Gold faces strong competition from other mining companies in connection with the identification and acquisition of properties producing, or capable of producing, precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to identify, maintain or acquire attractive mining properties on acceptable terms or at all. Consequently, the Company's future prospects, revenues, operations and financial condition could be materially adversely affected.

Uncertainty in the Estimation of Mineral Reserves and Mineral Resources

Mineral reserves and mineral resources are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral reserves can be mined or processed profitably. Mineral resources are not mineral reserves and have a greater degree of uncertainty as to their existence and feasibility. There is no assurance that mineral resources will be upgraded to Proven or Probable mineral reserves. Mineral reserve and mineral resource estimates may be materially affected by a number of factors including environmental, permitting, legal, title, taxation, socio-political and geotechnical factors. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data, the nature of the orebody and of the assumptions made and judgments used in engineering and geological interpretation. These estimates may require adjustments or downward revisions based upon further exploration or development work, drilling or actual production experience. Fluctuations in the gold price, results of drilling, metallurgical testing and production, the evaluation of mine plans after the date of any estimate, as well as increased production and capital costs or reduced recovery rates, permitting requirements or unforeseen technical or operational difficulties may require revision of mineral reserve and mineral resource estimates. Prolonged declines in the market price of gold may render mineral reserves and mineral resources containing relatively lower grades of mineralization uneconomical to recover and could materially reduce the Company's mineral reserves and mineral resources. Mineral resource estimates for properties that have not commenced production or at deposits that have not yet been exploited are based, in most instances, on very limited and widely-spaced drill hole information, which is not necessarily indicative of conditions between and around the drill holes. There may also be outliers in the representative samples that may disproportionately skew the estimates. Accordingly, such mineral resource estimates may require revision as more geologic and drilling information becomes available and as actual production experience is gained. Should reductions in mineral resources or mineral reserves occur, the Company may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, resulting in reduced net income or increased net losses and reduced cash flow. Mineral resources and mineral reserves should not be interpreted as assurances of mine life or of the profitability of current or future operations. In addition, the estimates of mineral resources, mineral reserves and economic projections rely in part on third-party reports and investigations. There is a degree of uncertainty attributable to the calculation and estimation of mineral resources and mineral reserves and corresponding grades being mined and, as a result, the volume and grade of reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of mineral reserves and mineral resources, or of the Company's ability to extract these mineral reserves and mineral resources, could have a material adverse effect on the Company's business, operations, results of operations, financial condition and future prospects.

Uncertainty Relating to Inferred Mineral Resources

Inferred mineral resources are not mineral reserves and do not have demonstrated economic viability. Due to the uncertainty which may attach to Inferred mineral resources, there is no assurance that Inferred mineral resources will be upgraded through further exploration to the Measured and Indicated resource classification level of confidence necessary for their potential conversion to Proven or Probable reserves as a result of a pre-feasibility or feasibility level technical study.

Insurance and Uninsured Risks

The Company's activities are subject to numerous risks and hazards, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, metallurgical or other processing problems, fires, industrial accidents, labour disputes, operational problems, changes in the regulatory environment, natural phenomena such as inclement weather conditions, floods, earthquakes, cyclones and other environmental occurrences, as well as political and social instability. Such occurrences could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all potential risks associated with its operations. The Company may be unable to maintain insurance to cover these risks at economically feasible premiums or insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as loss of title to mineral property, environmental pollution or other hazards as a result of exploration, development and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Uninsured losses and/or liabilities, should they arise, may cause the Company to incur significant costs that could have a material adverse effect on the Company's results of operations and financial condition and could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

Reclamation Costs

The Company's operations are subject to reclamation plans that establish its obligations to reclaim properties after minerals have been mined from a site. These obligations represent significant future costs for the Company. As at December 31, 2018, the total estimated undiscounted reclamation liability for the Detour Lake operation was Cdn\$84.9 million. The proposed development of the West Detour project is anticipated to result in additional closure costs of approximately Cdn\$28.9 million. Reclamation bonds or other forms of financial assurance are often required to secure reclamation activities and governing authorities require companies to periodically recalculate the amount of a reclamation bond and may require bond amounts to be increased. To date, the Company has issued a letter of credit in favour of the Ministry of Northern Development and Mines in the amount of approximately Cdn\$28.3 million in support of its obligations. The letter of credit is secured by the Company's property and assets. In addition, the Company has provided an unsecured surety bond in the amount of approximately Cdn\$20.1 million in support of its obligations. The Company has agreed to phase in additional security as the mine develops. It may be necessary to revise the planned reclamation expenditures and the operating plan in order to fund an increase to a reclamation bond. In addition, to the extent reclamation bonds are issued under the Company's credit facilities, the amount available under such credit facilities available for other purposes may be reduced. Reclamation bonds may represent only a portion of the total amount of money that will be spent on reclamation over the life of a mine operation. The actual costs of reclamation set out in mine plans are estimates only and may not represent the actual amounts that will be required to complete all reclamation activity. If actual costs are significantly higher than the Company's estimates, then its results of operations and financial position could be materially adversely affected.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure including reliable roads, bridges, power sources and water supply, all of which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could have a material adverse impact on the Company's business, operations, results of operations, financial condition and future prospects.

Litigation

From time to time, the Company is subject to legal claims which may result in litigation. All industries, including the mining industry, are subject to legal claims, with and without merit. The causes of potential future claims cannot be known and may arise from, among other things, business activities, environmental laws, land use, contractor engagements, volatility in stock price or failure to comply with disclosure obligations. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the results of litigation cannot be predicted with certainty and the costs of litigation can be significant. If the Company is unable to resolve disputes favourably, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Company's financial position or results of operations.

Title Risks

Title to, and the area of, resource claims may be disputed and additional amounts may be paid to surface rights owners in connection with any development of mining activity. Although the Company believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that its title will not be challenged or impaired. Third parties may have valid claims underlying portions of the Company's interest, including prior unregistered liens, agreements, transfers, royalties or claims, including land claims by Indigenous communities, and title may be affected by, among other things, undetected defects. As a result of these issues, the Company may be constrained in its ability to operate or may be unable to enforce its rights with respect to its properties, or the economics of its mineral properties may be impacted. An impairment to or defect in the Company's title to its properties or a dispute regarding property or other related rights could have a material adverse effect on the Company's business, operations, results of operations, financial condition and future prospects.

Conflicts of Interest

Certain of Detour Gold's directors also serve as directors and/or officers of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such directors have interests that conflict with the Company's interests. As such, conflicts of interest may arise that may influence these persons in acting on the Company's behalf. While the Company's directors are required to declare any conflict of interest and refrain from voting on any matter in which they are in a conflict of interest position, failure to do so could result in having a material adverse impact on the Company's business.

Information Systems Security Threats

The Company's business depends on adequate information technology ("IT") systems. The Company's information technology systems are subject to disruption, damage or failure from a variety of sources, including cable cuts, damage to physical plants, fire, power loss, vandalism, theft, computer viruses, security breaches, cyber-attacks, natural disasters and defects in design. Cyber security incidents, in particular, are evolving and include malicious attempts to gain unauthorized access to data and/or automated network systems and the manipulation or improper use of information technology systems. Given the unpredictability of the timing, nature and scope of information technology disruptions, the Company could potentially be subject to information system failures, production downtimes, operational delays, significant costs, including increased capital expenses, the unauthorized release of confidential information, the destruction or corruption of data, lawsuits, damage to the Company's reputation and/or financial losses resulting from remedial actions, all of which could have a material adverse effect on the Company's cash flows, competitive position, financial condition or results of operations. The Company could also be adversely affected by system or network disruptions if new or upgraded information technology systems are defective, not installed properly or not properly integrated into the Company's operations. The Company has been the subject of IT security incidents, including in 2015, when the Company was the subject of illegal breaches of its information technology systems which resulted in confidential information, including personal information, being accessed and released. It is possible that additional confidential information, beyond that which has been released to date, was accessed and/or that other unforeseen developments related to this breach could occur, which could have a further adverse impact on the Company's operations, financial results and reputation. The Company continuously monitors security threats to its information systems and implements measures to manage these threats. Although the Company has not experienced any material losses relating to cyber-attacks or other information security breaches to date, there can be no assurance that the

Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats, the difficulty in anticipating such threats and the difficulty in immediately detecting all such threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, disruption or damage remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Reputational Risk

As a result of the increased usage and the speed and global reach of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users, companies today are at much greater risk of losing control over how they are perceived in the marketplace. Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity (for example, with respect to the Company's handling of environmental and health and safety matters), whether true or not. The Company does not have direct control over how it is perceived by others and reputation loss may lead to result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to conduct its operations and advance its projects, which could have a material adverse impact on the Company's business, operations, results of operations, financial condition and future prospects.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements").

Forward-looking statements reflect current expectations or beliefs regarding future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates", "targets", or "believes", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date or dates specified in such statements.

Specifically, this MD&A contains forward-looking statements regarding 2019 gold production of between 570,000 and 605,000 ounces, total cash costs of between \$790 and \$840 per ounce sold and AISC of between \$1,175 and \$1,250 per ounce sold; the Company continuing to execute on its operational strategy in 2019 with the goal of stabilizing the operations by year-end; further improving efficiencies that will lead to steady-state operations and position the Company towards a strong future; mining 115 Mt from the Detour Lake pit, mill throughput of between 21.5 and 22.0 Mt, head grade of between 0.90 to 1.00 g/t, with the lowest grade projected during the second quarter, mill recoveries of between 90.5% and 91.5%, AISC being above the yearly guidance in the second and third quarter of the year, capital expenditures of between \$190 to \$210 million and the use and classification of such expenditures, higher sustaining capital for accelerating the construction of Cell 2 of the tailings facility, exploration activities, corporate general and administrative expenses of \$21 million (excluding share-based compensation), an interest expense of approximately \$15 million, and a depreciation expense of approximately \$300 per ounce of gold sold; further embedding critical initiatives commenced in 2018 to progress process plant capital and to introduce value-added business improvement plans; increasing production efficiencies while targeting the life of mine plan's benchmark production and cost metrics; continuing to strengthen environmental management with the objective of improving environmental performance and ensuring that legal obligations and other commitments are met, amending the current closure plan in 2019 to align closure objectives with comments received from Indigenous communities and the Ministry of Energy, Northern Development and Mines, and reviewing financial assurances in the closure plan to meet the requirements of the Ontario

Mining Act; establishing an Independent Tailings Review Board in 2019 to ensure best practice in tailings management; provincial approval for the West Detour project targeted for 2019 subject to addressing comments received from government agencies and the completion of the consultation process with Indigenous communities; completing approximately 2,500 metres of drilling to better define the northeast and western potential extensions of Zone 58N; and progressing an internal scoping study in 2019 to assess the viability of pursuing an underground exploration and bulk sampling program.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, the results of the life of mine plan released in June 2018, gold price volatility, changes in debt and equity markets, the uncertainties involved in interpreting geological data, increases in costs, environmental compliance and changes in environmental legislation and regulation, support of the Company's Indigenous communities, interest rate and exchange rate fluctuations, general economic conditions and other risks involved in the gold exploration, development and production industry, as well as those risk factors listed in this MD&A and in the section entitled "Description of Business - Risk Factors" in Detour Gold's 2017 Annual Information Form ("AIF") and in the continuous disclosure documents filed by Detour Gold on SEDAR at www.sedar.com. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward-looking statements. Actual results and developments and the results of the life of mine plan released in June 2018 are likely to differ, and may differ materially or materially and adversely, from those expressed or implied by forward-looking statements, including those contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for exploration and development activities; operating and capital costs; results of operations; the Company's available cash resources; the Company's ability to attract, hire and retain qualified personnel; the mine development and production schedule and related costs; dilution control; sensitivity to metal prices and other sensitivities; the supply and demand for, and the level and volatility of the price of, gold; timing of the receipt of regulatory and governmental approvals for development projects and other operations; the timing and results of consultations with the Company's Indigenous partners; the supply and availability of consumables and services; the exchange rates of the Canadian dollar to the U.S. dollar; energy and fuel costs; required capital investments; estimates of net present value and internal rate of returns; the accuracy of mineral reserve and mineral resource estimates, production estimates and capital and operating cost estimates and the assumptions on which such estimates are based; market competition; ongoing relations with employees and impacted communities and general business and economic conditions.

The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

INFORMATION CONCERNING ESTIMATES OF MINERAL RESERVES AND RESOURCES

These estimates have been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States' securities laws. The terms "mineral reserve", "proven mineral reserve and "probable mineral reserve" are Canadian mining terms as defined in accordance with NI 43-101 and the CIM Definition Standards. The CIM Definition Standards differ from the definitions in the United States Securities and Exchange Commission ("SEC") Guide 7 ("SEC Guide 7") under the United States Securities Act of 1933, as amended. Under SEC Guide 7, a "final" or "bankable" feasibility study is required to report mineral reserves, the three-year historical average price is used in any mineral reserve or cash flow analysis to designate mineral reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. In addition, the terms "mineral resource", "measured 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 SEC Guide 7 or recognized 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 existence, and great 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" may not form the basis of feasibility or pre-feasibility studies, except in rare cases. 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 reserve and mineral resource estimates and related information may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal laws and the rules and regulations thereunder, including SEC Guide 7.

On October 31, 2018, the SEC adopted final rules effecting a complete overhaul of the technical disclosure requirements applicable to companies engaged in material mining operations, including royalties. Upon effectiveness in 2021, the new rules will replace the SEC's decades old guidelines, set forth in SEC Guide 7. The new rules will bring the U.S. reporting regime closer to global reporting standards, and will apply to all SEC reporting companies except those that report exclusively under the Canada-U.S. MJDS system.

MINERAL RESERVE AND MINERAL RESOURCES DEFINITIONS

A 'mineral resource' is a concentration or occurrence of solid material of economic interest in or on the earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

An 'Inferred mineral resource' is that part of a mineral resource for which quantity and grade or quality is estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred mineral resource has a lower level of confidence than that applying to an Indicated mineral resource and must not be converted to a mineral reserve. It is reasonably expected that the majority of Inferred mineral resources could be upgraded to Indicated mineral resources with continued exploration.

An 'Indicated mineral resource' is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated mineral resource has a lower level of confidence than that applying to a Measured mineral resource and may only be converted to a Probable mineral reserve.

A 'Measured mineral resource' is that part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured mineral resource has a higher level of confidence than that applying to either an Indicated mineral resource or an Inferred mineral resource. It may be converted to a Proven mineral reserve or to a Probable mineral reserve.

A 'mineral reserve' is the economically mineable part of a Measured and/or Indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level (each as defined as NI 43-101 and the CIM Definition Standards) as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which mineral reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a mineral reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.

A 'Probable mineral reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured mineral resource. The confidence in the modifying factors applying to a Probable mineral reserve is lower than that applying to a Proven mineral reserve.

TECHNICAL INFORMATION

The scientific and technical content included in this MD&A was reviewed, verified and approved by David Londono, Operations Manager, a Qualified Person as defined by NI 43-101.