

TORONTO, ONTARIO--(Marketwired - Jul 28, 2016) - [Detour Gold Corp.](#) (TSX:DGC) ("Detour Gold" or the "Company") reports its operational and financial results for the second quarter of 2016. This release should be read in conjunction with the Company's second quarter 2016 Financial Statements and MD&A on the Company's website or on SEDAR. All amounts are in U.S. dollars unless otherwise indicated.

In this news release, the Company uses the following non-IFRS measures: total cash costs, all-in sustaining costs ("AISC"), realized gold price, average realized margin, adjusted net earnings (loss), and adjusted basic net earnings (loss) per share. Refer to the Company's MD&A and at the end of this news release for an explanation and discussion of these non IFRS measures.

Q2 2016 Highlights

- Gold production of 139,359 ounces
- Total cash costs of \$691 per ounce sold and AISC of \$1,030 per ounce sold
- Revenues of \$166.7 million on gold sales of 131,606 ounces at an average realized price of \$1,230 per ounce
- Earnings from mine operations of \$34 million
- Net loss of \$30.7 million (\$0.18 per share) and adjusted net earnings of \$3.9 million (\$0.02 per share)
- Debt reduction of \$82 million (\$75 million announced on April 27, 2016)
- Cash and short-term investments balance of \$153.7 million at June 30, 2016
- Positive drilling results from Zone 58N
- Production guidance revised from 540,000 to 590,000 ounces to 540,000 to 570,000 ounces of gold and sustaining capital increased by \$10 million

"The Company has accelerated its debt reduction program by buying back \$82 million of debt from cash flow in the second quarter. We are now in a position to have surplus cash to meet our debt reduction target of \$300 million by year-end, well ahead of our original target of late 2017," stated Paul Martin, President and CEO of Detour Gold. *"To better reflect our operational expectations for the second half of 2016, we believed it was appropriate to remove the upper end of our annual production guidance."*

Q2 2016 Summary Operational Results

- Gold production totaled 139,359 ounces, in line with the Company's quarterly guidance range, based on mill throughput of 5.3 million tonnes (Mt) at an average grade of 0.92 grams per tonne (g/t) and average recoveries of 89%.
- Recoveries were lower than plan in June mainly as a result of operational issues in the recovery circuit.
- The processing plant averaged a record 58,466 tpd in the second quarter despite a significant planned shutdown in the first half of April to replace the 410-conveyor system. Following its successful installation and commissioning, throughput rates averaged nearly 65,000 tpd in May and June.
- A total of 21.9 Mt (ore and waste) was mined in the second quarter (equivalent to mining rates of 241,000 tpd). With the transfer of a rope shovel (CAT7495) into waste mining at the end of June, mining rates are expected to average between 250,000 and 270,000 tpd for the second half of 2016.
- At the end of the second quarter, run-of-mine stockpiles stood at 6.5 Mt grading 0.62 g/t (approximately 130,000 ounces).
- The Company completed a 100,000 tonnes test from the ROM medium grade stockpile (average grade of approximately 0.60 g/t) in June to enhance the grade by screening the fines (at minus 2"). Preliminary results indicated a 90% improvement in the grade with 28% of the mass, validating prior survey results.
- Total cash costs were \$691 per ounce sold for the quarter. All-in sustaining costs of \$1,030 per ounce sold were higher than the prior quarter mainly as a result of the timing of capital expenditures and a higher share-based compensation expense due to the significant share price appreciation during the quarter.
- Mining unit costs were slightly lower than the first quarter as a result of more tonnes mined and processing unit costs were slightly higher as a result of the April scheduled shutdown partially offset by more tonnes milled.

Detour Lake Mine Operation Statistics

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Ore mined (Mt)	5.5	5.8	6.3	6.5	6.4
Waste mined (Mt)	16.4	15.2	15.7	17.0	19.1
Total mined (Mt)	21.9	21.0	22.0	23.5	25.5
Strip ratio (waste:ore)	3.0	2.6	2.5	2.6	3.0
Mining rate (tpd)	241,000	231,000	239,000	255,000	280,000
Ore milled (Mt)	5.3	4.7	5.1	5.2	5.2
Head grade (g/t Au)	0.92	0.91	0.98	0.86	0.82
Recovery (%)	89	91	91	90	91
Mill throughput (tpd)	58,466	52,165	55,522	56,015	57,015
Mill availability (%)	87	88	86	85	88
Ounces produced (oz)	139,359	127,136	146,417	128,222	125,348
Ounces sold (oz)	131,606	137,608	132,209	126,241	123,296
Average realized price (\$/oz)	\$1,230	\$1,172	\$1,102	\$1,164	\$1,215
Total cash cost per oz sold (\$/oz)	691	\$637	\$694	\$766	\$734

AISC per oz sold (\$/oz)	1,030	\$824	\$858	\$1,071	\$1,030
Mining (Cdn\$/t mined)	\$2.75	\$2.94	\$2.63	\$2.69	\$2.42
Milling (Cdn\$/t milled)	\$9.55	\$9.08	\$9.24	\$8.64	\$8.81
G&A (Cdn\$/t milled)	\$3.03	\$3.51	\$3.15	\$3.19	\$2.72

Note: Mill availability is defined as mill operating time. Totals may not add up due to rounding.

Q2 2016 Selected Financial Information

Summary Financial Data

(in \$ millions unless specified)

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Metal sales	166.7	163.0	145.7	142.4	147.5
Production costs	93.4	89.4	92.5	98.0	100.2
Depreciation	39.2	42.8	44.1	41.1	39.8
Cost of sales	132.6	132.2	136.6	139.1	140.0
Earnings from mine operations	34.0	30.8	9.1	3.4	7.5
Net income (loss)	(30.7)	) 27.6	(40.8)	) (44.3)	) (15.4)
Net income (loss) per share	(0.18)	) 0.16	(0.24)	) (0.26)	) (0.09)
Adjusted net earnings (loss)	3.9	11.3	(4.4)	) (13.3)	) 0.5
Adjusted net earnings (loss) per share	0.02	0.07	(0.03)	) (0.08)	) 0.00
Net cash generated from operations before changes in working capital	61.5	61.1	51.5	38.6	44.4

Note: Totals may not add up due to rounding.

Q2 2016 Financial Performance

- Metal sales for the second quarter were \$166.7 million. The Company sold 131,606 ounces of gold at an average realized price of \$1,230 per ounce, lower than the average price of the LBMA Gold Price Auction of \$1,260 per ounce due to the Company's gold hedging program.
- Cost of sales for the second quarter totaled \$132.6 million, including \$39.2 million of depreciation or \$298 per ounce sold.
- Earnings from mine operations for the second quarter totaled \$34 million.
- The Company recorded a net loss of \$30.7 million (\$0.18 per share) in the second quarter. Adjusted net earnings in the second quarter amounted to \$3.9 million (\$0.02 per share) and excluded non-cash items such as the impact of foreign exchange resulting in a deferred tax recovery and change in the fair value of the Company's convertible notes.

Q2 2016 Liquidity and Capital Resources

- Operating cash flow was \$45.8 million for the second quarter.
- During the second quarter, sustaining capital expenditures were \$27.6 million, including \$18.5 million for the mine (i.e. one additional haul truck and major components on loading equipment), \$4.4 million for the plant, \$4.0 million for the tailings facility and \$0.7 million for others. Deferred stripping costs totaled \$1.1 million for the period. Non-sustaining capital expenditures totaled \$0.4 million for the second quarter.
- Cash and short term investments totaled \$153.7 million at June 30, 2016. The Company's Cdn\$85 million revolving credit facility remains fully undrawn.

Financial Risk Management

- As at June 30, 2016, the Company had a total of 65,000 ounces of outstanding gold forward hedge contracts at an average price of \$1,190 per ounce to be settled during 2016. In addition, the Company has entered into "zero-cost" collars to hedge a further 40,000 ounces of gold, providing an average floor price of \$1,243 per ounce and participation up to an average rate of \$1,359 per ounce.
- As at June 30, 2016, the Company had zero-cost collars to hedge a total of \$65 million, guaranteeing it will purchase Canadian dollars at a rate of no worse than 1.26 and can participate at a rate of up to 1.34.

2016 Guidance Revisions

- Given the results for the first half of the year and projections for the second half of the year, the Company is narrowing its 2016 gold production guidance to between 540,000 and 570,000 ounces (previously 540,000 to 590,000 ounces). Due to slower mining progress in the area of the Campbell pit in the first half of the year, the Company does not anticipate accessing higher grade ore in that area during the second half of the year, which will negatively impact gold production by 15,000 to 20,000 ounces. The Company plans to start the processing of the medium grade fines (refer to p. 2) in the second half of the year.

	Prior Guidance	Revised Guidance
Gold production (oz)	540,000-590,000	540,000-570,000

Total cash costs (\$/oz sold) ¹	\$675-\$750	\$640-700 ¹
All-in sustaining costs (\$/oz sold)	\$840-\$940	\$920-980

- In addition, all-in sustaining costs are now expected to be between \$920 and \$980 per ounce sold (previously \$840 to \$940 per ounce sold), mainly as a result of lower production, higher sustaining capital expenditures of approximately \$10 million and higher shared-based compensation costs as a result of the increase in the Company's share price from year-end. Approximately \$5 million of the increase in sustaining capital expenditures is for the lead nitrate project (for recovery improvements) which was initially planned for 2017. Capitalized stripping estimates remain unchanged at between \$5 and \$10 million for 2016.

Sustaining capital (\$ M)	Prior Guidance	Revised Guidance
TMA	\$30	\$30
Mine	\$15	\$20
Processing	\$10	\$15
Infrastructure & other	\$10	\$10
Sub total (range)	\$60-70	\$70-80
Reclassification of costs from opex ¹	\$0	\$30 ¹
Total sustaining capital (range)	\$60-70	\$100-110

¹ Based on a review of the estimated useful life of components in the mine fleet, the Company has reclassified \$30 million of costs from operating to sustaining capital. This re-classification had no impact on the change in guidance range for all-in sustaining costs and conforms with the financial statements.

West Detour Project

- The Company is continuing its discussions with provincial authorities and its Aboriginal partners and plans to file a draft environmental assessment for West Detour prior to year-end 2016.

Exploration

- Zone 58N drilling results from the 2016 winter infill drilling program of 36,830 metres in 119 holes were released separately today.
- The second Phase of the infill drilling program totaling approximately 25,000 metres resumed in July.
- An independent engineering firm has commenced an economical assessment of the Zone 58N gold mineralization with the surface and underground infrastructure scoping work for the development of an underground exploration program. The design, timeline and cost estimate are expected to be completed in the fourth quarter.
- On the 25 kilometre under-explored Lower Detour trend, the Company completed 36 holes totaling 9,977 metres. Gold mineralization was intersected in several holes giving confidence in the potential of finding high grade mineralization along the trend.
- The regional drilling program resumed in early July with approximately 6,500 metres of drilling in the area east of the current tailings facility.

Technical Information

The scientific and technical content of this news release was reviewed, verified and approved by Drew Anwyll, P.Eng., Senior Vice President, Technical Services, a Qualified Person as defined by Canadian Securities Administrators National Instrument 43-101 "Standards of Disclosure for Mineral Projects."

Conference Call

The Company will host a conference call on Thursday, July 28, 2016 at 9:00 AM E.T. where senior management will discuss the second quarter operational and financial results. Access the conference call as follows:

- Via webcast, go to www.detourgold.com and click on the "Q2 2016 Results Conference Call and Webcast" link on home page
- By phone toll free in Canada and the United States 1-800-319-4610
- By phone internationally 416-915-3239

A playback will be available until August 31, 2016 by dialing 604-674-8052 or 1-855-669-9658 within Canada and the United States, using pass code 00568. The webcast and presentation slides will be archived on the Company's website.

About Detour Gold

Detour Gold is an intermediate gold producer in Canada that holds a 100% interest in the Detour Lake mine, a long life large-scale

open pit operation.

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Non-IFRS Financial Performance Measures

The Company has included certain non-IFRS measures in this news release. 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.

The non-IFRS measures are defined below and are reconciled with the reported IFRS measures. Refer to the Company's First Quarter 2016 MD&A for full details. For other periods, refer to the corresponding MD&A for details. The tables below are in thousands of dollars, except where noted.

Total cash costs

Detour Gold reports total cash costs on a sales basis. Total cash costs include production costs such as mining, processing, refining and site administration, agreements with Aboriginal communities, less non-cash 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.

All-in sustaining costs

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

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

	Three months ended June 30		Six months ended June 30	
In thousands of dollars, except where noted	2016	2015	2016	2015
Gold ounces sold	131,606	123,296	269,214	227,793
Total Cash Costs Reconciliation				
Production costs	\$ 93,419	\$ 100,162	\$ 182,803	\$ 197,883
Less: Electricity adjustment ¹	-	(9,198)	-	(7,732)
Less: Share-based compensation	(2,010)	(240)	(3,368)	(998)
Less: Silver sales	(405)	(230)	(805)	(493)
Total cash costs	\$ 91,004	\$ 90,494	\$ 178,630	\$ 188,660
Total cash costs per ounce sold	\$ 691	\$ 734	\$ 664	\$ 828
All-in Sustaining Costs Reconciliation				
Total cash costs	\$ 91,004	\$ 90,494	\$ 178,630	\$ 188,660
Property, plant and equipment ²	28,678	25,825	43,514	55,586
Accretion on decommissioning and restoration provision	42	16	93	80
Site share-based compensation	2,010	240	3,368	998
Realized losses on operating hedges ³	272	\$ 795	1,656	2,151
Corporate administration expense ⁴	13,124	8,686	20,454	15,883
Exploration and evaluation expense ⁵	485	910	1,328	1,605
Total all-in sustaining costs	\$ 135,615	\$ 126,966	\$ 249,043	\$ 264,963
All-in sustaining costs per ounce sold	\$ 1,030	\$ 1,030	\$ 925	\$ 1,163

¹ Reflects adjustment related to electricity consumption in prior years (refer to December 31, 2015 MD&A for additional details).

² Based 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. Non-sustaining capital expenditures in 2016 relate to West Detour.

³ Includes 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 the MD&A. These balances are included in the statement of comprehensive income (loss), within caption "net finance income and costs".

⁴ Includes the sum of corporate administration expense, which includes share-based compensation, per the statement of comprehensive income (loss), excluding depreciation within those figures.

⁵ Includes the sum of sustaining exploration and evaluation expense, which includes share-based compensation, per the statement of comprehensive income (loss), excluding depreciation within those figures. Non-sustaining exploration and evaluation expense, primarily relate to costs associated with Lower Detour.

Average realized price and Average realized margin

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

	Three months ended June 30		Six months ended June 30	
In thousands of dollars, except where noted	2016	2015	2016	2015
Metal sales	\$ 166,656	\$ 147,526	\$ 329,670	\$ 274,901
Realized gain (loss) on gold forwards	(4,372)	2,508	(5,663)	4,183
Silver sales	(405)	(230)	(805)	(493)
Revenues from gold sales	\$ 161,879	\$ 149,804	\$ 323,202	\$ 278,591
Gold ounces sold	131,606	123,296	269,214	227,793
Average realized price	\$ 1,230	\$ 1,215	\$ 1,201	\$ 1,223
Less: Total cash costs per gold ounce sold	(691)	(734)	(664)	(828)
Average realized margin per gold ounce sold	\$ 539	\$ 481	\$ 537	\$ 395

Adjusted net earnings (loss) and Adjusted basic net earnings (loss) per share

Adjusted net earnings (loss) and adjusted basic earnings (loss) 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 (loss) is defined as net earnings (loss) adjusted to exclude specific items that are significant, but not reflective of the underlying operations of the Company, including: fair value change of the convertible notes, the impact of foreign exchange gains and losses, including the foreign exchange on deferred income and mining taxes, non-cash unrealized gains and losses on derivative instruments, accretion on convertible notes, unwinding of discount on decommissioning and restoration provisions, impairment provisions and reversals thereof, and other non-recurring items. Adjusted basic net earnings (loss) per share is calculated using the weighted average number of shares outstanding under the basic method of loss per share as determined under IFRS.

	Three months ended June 30		Six months ended June 30	
In thousands of dollars, except where noted	2016	2015	2016	2015
Basic weighted average shares outstanding	173,186,380	170,585,329	172,519,591	167,844,811
Adjusted net earnings (loss) and Adjusted basic net earnings (loss) per share Reconciliation				
Net income (loss)	\$ (30,719)	\$ (15,401)	\$ (3,099)	\$ (1,000)
Adjusted for:				
Fair value (gain) loss of the convertible notes ¹	25,743	6,581	34,344	1,000
Accretion on convertible notes ¹	8,301	7,181	16,336	1,000
Accretion on decommissioning and restoration provision ¹	42	16	93	8
Non-cash unrealized (gain) loss on derivative instruments ²	3,304	(2,951)	9,030	(3,000)
Foreign exchange (gain) loss ¹	29	(1,544)	(744)	(3,000)
Foreign exchange on deferred income taxes	(2,834)	(2,536)	(40,808)	(2,000)
Electricity adjustment ³	-	9,198	-	7,000
Adjusted net earnings (loss)	\$ 3,866	\$ 544	\$ 15,152	\$ (1,000)
Adjusted basic net earnings (loss) per share	\$ 0.02	\$ 0.00	\$ 0.09	\$ (0.01)

¹ Balance included in the statement of comprehensive income (loss) caption "Net finance income and costs". The related financial statements include a detailed breakdown of "Net finance income and costs".

² Includes 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 income and costs" on the statement of comprehensive income (loss).

³ Reflects adjustment related to electricity consumption in prior years (refer to December 31, 2015 MD&A for additional details).

The Company has included the additional IFRS measures:

Earnings (loss) from mine operations

Earnings (loss) from mine operations 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, loss on disposal of assets, finance income and costs, and taxation.

Net cash generated from operations before changes in working capital

Working capital can be volatile due to numerous factors including, among other items, a build-up or reduction of inventories or harmonized sales tax receivables. Management believes that excluding these items, "net cash generated from operations before changes in working capital", provides investors with the ability to better evaluate the cash flow performance of the Company.

Forward-Looking Information

This news release contains certain forward-looking information as defined in applicable securities laws (referred to herein as "forward-looking statements"). Specifically, this news release contains forward-looking statements regarding the Company being in a position to have surplus cash to meet our debt reduction target of \$300 million by year-end; the mining rates averaging between 250,000 and 270,000 tpd for the second half of 2016; gold production of between 540,000 and 570,000 ounces in 2016 at total cash costs of \$640 to \$700 per ounce sold and all-in sustaining costs of \$920 to \$980 per ounce sold (based on a US dollar to Canadian dollar exchange rate of \$1.28); the Company not anticipating to access higher grade ore in the area of the Campbell pit in the second half of the year, which will negatively impact gold production by 15,000 to 20,000 ounces; the Company's plans to start the processing of the medium grade fines in the second half of the year; the Company's plans to file a draft environmental assessment for West Detour prior to year-end 2016; the design, timeline and cost estimate for an exploration program at Zone 58N to be completed in the fourth quarter; and confidence in the potential of finding high grade mineralization along the Lower Detour trend.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which are beyond Detour Gold's ability to predict or control and may cause Detour Gold's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, 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, interest rate and exchange rate fluctuations, general economic conditions and other risks involved in the gold exploration and development industry, as well as those risk factors discussed in the section entitled "Description of Business - Risk Factors" in Detour Gold's 2015 AIF and in the continuous disclosure documents filed by Detour Gold on and available on SEDAR at www.sedar.com. Such forward-looking statements are also 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; the Company's ability to attract and retain skilled staff; the mine development schedule; 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 supply and availability of consumables and services; the exchange rates of the Canadian dollar to the U.S. dollar; energy and fuel costs; the accuracy of reserve and resource estimates and the assumptions on which the reserve and resource estimates are based; market competition; ongoing relations with employees and impacted communities and general business and economic conditions. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements contained herein are made as of the date hereof, or such other date or dates specified in such statements. Detour Gold undertakes no obligation to update publicly or otherwise revise any forward-looking statements contained herein 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.

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