

Detour Gold Reports First Quarter 2018 Results and Provides Update on Mine Plan Assessment with Guidance Revisions for 2018

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TORONTO, April 26, 2018 /CNW/ - [Detour Gold Corp.](#) (TSX: DGC) ("Detour Gold" or the "Company") reports its operational and financial results for the first quarter of 2018 and provides an update on its assessment of a revised mine plan with guidance revisions for 2018.

This release should be read in conjunction with the Company's first quarter 2018 Financial Statements and MD&A on the Company's website or on SEDAR. All amounts are in U.S. dollars unless otherwise indicated. All references to non-IFRS measures are denoted with the superscript "o" and are discussed at the end of this news release.

Q1 2018 Highlights

- Gold production of 157,141 ounces
- Mill throughput of 50,860 tpd and mining rate of 249,780 tpd
- Total cash costs^o of \$744 per ounce sold and all-in sustaining costs^o ("AISC") of \$1,072 per ounce sold
- Revenues of \$201.4 million on gold sales of 151,060 ounces at an average realized price^o of \$1,330 per ounce
- Earnings from mine operations of \$51.0 million
- Net earnings of \$9.9 million (\$0.06 per basic share) and adjusted net earnings^o of \$28.2 million (\$0.16 per basic share)
- Cash and cash equivalents increase to \$152.5 million at March 31, 2018 after repaying \$10 million of debt

2018 Guidance Revisions

- 2018 gold production and AISC revised to reflect anticipated mine sequencing changes for the revised life of mine plan (see below) and projected lower mill throughput, and actual and anticipated higher operating costs and additional capital expenditures

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

- 2018 free cash flow before financing activities^o estimated at \$55 million compared to \$115 million in prior guidance

Update on Mine Plan Assessment

As previously disclosed, the Company has been evaluating the opportunity to improve the near-term gold production and cost profile of the Detour Lake operation by accelerating access to the higher grades scheduled to be processed in 2021 and beyond under the life of mine plan issued in March 2017 ("2017 LOM plan").

Based on the Company's assessment, the revised mine plan increases gold production in 2019 and 2020 by approximately 600,000 ounces each year, thereby smoothing the projected gold production over the period 2019-23 to an average of approximately 600,000 ounces per year and substantially reducing the large variation in production under the 2017 LOM plan.

Despite achieving the primary objective of this assessment, the benefits are diminished as a result of two factors:

- During the review of the cost model from the 2017 LOM plan, management determined that some of the operating capital expenditure assumptions needed to be increased and the quantum of anticipated operating and maintenance improvements needed to be slightly reduced. These changes reflect new insights derived from recent operational performance and some ongoing relevant benchmark comparisons and the Company not achieving its unit cost objectives for 2017;
- As one of the Company's Aboriginal communities has not yet expressed its support of the Environmental Study Report in January 2017 for the West Detour project, management has now determined that greater permitting flexibility is required and has therefore rescheduled the North pit development and any impact on Walter Lake to 2026. This delay is expected to result in the deferral of approximately 150,000 ounces to beyond the 2019-23 period. The development of the West Detour project is expected to start in 2025.

The Company is in the process of completing its assessment and expects to release a revised life of mine plan in June 2018 ("2018 LOM plan") to reflect the foregoing factors. The areas which remain to be concluded are some of the future life of mine capital assumptions and the rate at which certain operating cost reductions can be realized although management does not anticipate these to have a significant impact on its overall conclusions to date. The planned mill throughput, life of mine, and assumed mobile equipment and fixed plant productivities are largely unchanged from the assumptions in the 2017 LOM plan.

Although work is continuing and more detailed reviews are still required, given the expected changes on the period 2019-23, the life of mine, the Company is providing the following preliminary information:

	Period 2019-23	Period 2019-23
	2018 LOM Plan	2017 LOM Plan
Mine Parameters	(preliminary)	
Total mined (Mt)	617	639
Ore mined (Mt)	111	114
Strip ratio (waste:ore)	4.5	4.6
Ore milled (Mt) ¹	114	114
Average gold grade (g/t)	0.90	0.93
Recovery (%)	92.0	92.4
Total recovered gold (M oz)	3.0	3.15
Average annual gold production (oz)	606,000	630,000

(1) Includes 5.3 Mt of LG Fines and 1.8 Mt of low grade material (0.4-0.5 g/t) processed during that period.

Additional preliminary operational information for the period 2019-2023:

- Annual mining rate to ramp up to 126 Mt in 2023
- Annual plant throughput to increase to 22.5 Mt in 2019 and be maintained at 23.0 Mt starting in 2021
- Strip ratio to vary annually from 3.5:1 to 6.6:1
- ROM stockpiles are depleted and rebuilt at various times through this period

Preliminary financial analysis for the period 2019-2023 and life of mine:

	2018 LOM Plan ²	2017 LOM Plan ^{1,2}
Parameters	(preliminary)	

Period 2019-2023

Gold Production (M oz)	~3.0	3.15
Total Site Costs ⁴ (US\$/oz sold)	\$950-\$1,000 ³	\$888

Total Site Cash Flows (pre-tax) (C\$ Billions)

At \$1,250/oz & FX rate 1.25	~1.0	1.4
At \$1,300/oz & FX rate 1.25	~1.2	1.6 ⁵

Life of Mine (2018-2040)

Gold Production (M oz)	~15.0	14.7
Total Site Costs ⁴ (US\$/oz sold)	\$810-\$850	\$747

Total Site Cash Flows (pre-tax) (C\$ Billions)

At \$1,250/oz & FX rate 1.25	\$7.4-\$8.1	\$8.9
At \$1,300/oz & FX rate 1.25	\$8.3-\$9.0	\$9.8 ⁵

NPV 5% (after-tax) (C\$ Billions)

At \$1,250/oz & FX rate 1.25	\$3.0-\$3.2	\$3.7
At \$1,300/oz & FX rate 1.25	\$3.4-\$3.6	\$4.1

- (1) 2017 LOM Plan assumed a gold price of \$1,250/oz for all years and FX rate of 1.27 for 2018 and 1.25 for all other years. Year 2017 has been removed from mine plan.
- (2) The following assumptions from the 2017 LOM plan are unchanged in the 2018 LOM plan: electricity costs at \$0.035/kWh to end of 2024 (except \$0.03/kWh for 2018) and \$0.08/kWh for 2025+; diesel costs at \$0.80/L for 2018+.
- (3) For 2019-20, preliminary total site costs average \$1,050-\$1,125/oz sold and are expected to gradually decline to below \$900/oz sold in 2023.
- (4) Total site costs are presented on an average annual basis. This non-IFRS measure is discussed at the end of the news release.
- (5) Number not provided in March 2017 Technical Report.

Q1 2018 Results

Operational results

- Gold production totaled 157,141 ounces in the first quarter, reflecting higher head grades offset by lower mill throughput.

- Record head grade of 1.17 grams per tonne (g/t) was above projections for the quarter due to higher grades returned from mining the Campbell pit crown pillar. Mill recoveries were 91.1%, in line with plan.
- Mill throughput in the first quarter was 4.6 million tonnes (Mt), impacted by additional repairs predominantly to the primary crusher and related conveyor belt damage. The installation of a new redesigned mantle for the primary crusher is scheduled for June 2018.
- A total of 22.5 Mt (ore and waste) was mined in the first quarter (equivalent to mining rates of 249,780 tpd), well below plan due predominately to low shovel availability caused primarily by the premature failure of one of the rope shovel buckets. To a lesser extent, other shovel component failures, combined with the delay in commissioning the Company's severance (operational since mid-April). Mining rates are back on track with an average of approximately 300,000 tpd for April.
- At the end of the first quarter, run-of-mine stockpiles totaled 7.1 Mt grading 0.69 g/t (approximately 158,000 ounces).

Detour Lake Operation Statistics

	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Ore mined (Mt)	5.8	4.7	5.4	4.9	4.8
Waste mined (Mt)	16.7	22.4	20.6	20.4	17.0
Total mined (Mt)	22.5	27.0	26.1	25.2	21.8
Strip ratio (waste:ore)	2.9	4.8	3.8	4.2	3.6
Mining rate (k tpd)	250	294	283	277	242
Ore milled (Mt)	4.6	5.0	5.7	5.5	5.2
Head grade (g/t Au)	1.17	1.04	0.86	0.95	0.88
Recovery (%)	91.1	90.3	89.6	89.8	88.6
Mill throughput (tpd)	50,860	54,144	61,548	60,259	58,114
Ounces produced (oz)	157,141	150,046	139,861	150,138	131,418
Ounces sold (oz)	151,060	156,293	128,498	142,970	134,213
Average realized price ^o (\$/oz)	\$1,330	\$1,277	\$1,273	\$1,257	\$1,216
Total cash costs ^o (\$/oz sold)	\$744	\$705	\$668	\$706	\$788
AISC ^o (\$/oz sold)	\$1,072	\$989	\$1,032	\$1,123	\$1,118
Mining (Cdn\$/t mined)	\$3.75	\$2.99	\$2.84	\$2.83	\$2.92
Milling (Cdn\$/t milled)	\$11.60	\$10.51	\$8.29	\$9.63	\$10.26
G&A (Cdn\$/t milled)	\$4.61	\$3.43	\$3.26	\$3.35	\$3.46

Note: Totals may not add due to rounding.

Financial Review

- Revenues for the first quarter were \$201.4 million on the sale of 151,060 ounces of gold at an average realized price of \$1,330 per ounce.

- Cost of sales for the first quarter totaled \$150.4 million, including \$37.5 million of depreciation (or \$248 per ounce).
- Total cash costs^o of \$744 per ounce sold in the first quarter, reflecting higher mining and milling costs, mainly attributable to unplanned repairs and contractor crushing costs (during repairs to primary crusher).
- AISC^o of \$1,072 per ounce sold in the first quarter, reflecting sustaining capital expenditures of \$43.7 million and stripping costs of \$1.3 million.
- Sustaining capital expenditures included \$29.3 million for mining (mainly for the haul truck and shovel purchases and component replacements for some of the mobile fleet), \$8.0 million for the ongoing construction of the tailings facility for processing, and \$5.1 million for site infrastructure (mainly for the new accommodation camp).
- Earnings from mine operations for the first quarter totaled \$51.0 million.
- Net earnings for the first quarter were \$9.9 million (\$0.06 per basic share). Adjusted net earnings^o in the first quarter amounted to \$28.2 million (\$0.16 per basic share).

Liquidity and Capital Resources

- Debt was reduced in the quarter with a discretionary \$10 million payment made in March towards its Revolving Credit Facility.
- As at March 31, 2018, the Company had \$152.5 million of cash and cash equivalents, approximately \$210 million of debt from its bank credit facility, and net debt^o of \$108 million.

Financial Risk Management

- As at March 31, 2018, the Company had \$144 million of zero-cost collars to hedge its Canadian dollar costs in 2018. It can sell U.S. dollars at an average rate of 1.25 and can participate up to an average of 1.31. This represents a hedge coverage ratio of approximately 35% for projected expenditures for the remainder of 2018.
- The Company does not have any gold hedges as of March 31, 2018.

Selected Financial Information

(in \$ millions unless specified)	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Metal sales	201.4	200.0	164.0	180.1	163.7
Production costs	112.9	110.9	86.8	101.8	106.4
Depreciation	37.5	39.1	30.5	35.6	35.1
Cost of sales	150.4	150.0	117.3	137.5	141.5
Earnings from mine operations	51.0	50.0	46.7	42.6	22.2
Net earnings	9.9	16.7	41.1	24.4	6.0
Net earnings per share	0.06	0.10	0.24	0.14	0.03
Adjusted net earnings ^o	28.2	26.8	27.0	16.3	5.0
Adjusted net earnings per share ^o	0.16	0.15	0.15	0.09	0.03

Note: Totals may not add up due to rounding.

Exploration Activities

- A 7,000 metre drilling program commenced in February 2018 to test several targets to the northeast and west of the main pit. The Company completed 5,621 metres in 18 holes during the winter program. Alteration and mineralization similar to the 58N, including visible gold, was intersected in a number of holes. The Company expects to have all the assay results by the end of the second quarter and based on this additional understanding of the area will continue to identify additional targets.

- The Company has completed the block model for Zone 58N and plans to release an initial mineral resource estimate in the second quarter of 2018 and will then evaluate options for an appropriate advanced underground exploration program to further test the underground mining potential of Zone 58N.

2018 Outlook and Guidance Revisions

- The Company is revising its annual gold production guidance 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 (mainly resulting from the first quarter).
- AISC^o for 2018 are estimated to be between \$1,200 and \$1,280 per ounce sold with the increase being approximately 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 reagents (C\$0.75/L to C\$0.80/L) and electricity (C\$0.025/kWh to C\$0.030/kWh), increased contractor crushing (until the primary crusher mantle is 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 mobile fleet, \$3 million for the tailings facility and \$2 million for other).
- With these planned adjustments, the Company is expected to generate approximately \$55 million of free cash flow from financing activities^o in 2018 compared to the prior estimate of \$115 million (using a gold price of \$1,300/oz and U.S. dollar exchange rate of 1.25).
- The mine plan for 2018 now calls for approximately 107 Mt versus 112 Mt to be mined from the Detour Lake pit as a result of the first quarter performance and the anticipated mine sequencing changes driven by the 2018 LOM plan. The average tonnage to ore strip ratio for the year is revised to 4.7:1 from 3.7:1, thereby increasing deferred stripping costs to approximately \$25 million from \$21 million.
- Based on the performance of the plant in the first quarter and a longer delay than anticipated in substituting the new primary crusher, the plant is now forecast to process 21.0 Mt versus 22.0 Mt of ore. Forecast head grade and recovery remain relatively unchanged for the full year.

Conference Call

The Company will host a conference call on Friday, April 27, 2018 at 9:30 AM E.T. Access the conference call as follows:

- Via webcast, go to www.detourgold.com and click on the "Q1 2018 Results, Update on Mine Plan Assessment and Guidance Revisions for 2018 Conference Call and Webcast" link on the home page
- By phone toll free in North America 1-800-319-4610
- By phone Toronto local and internationally 416-915-3239

A playback will be available until May 27, 2018 by dialing 604-674-8052 or 1-855-669-9658 within Canada and the United States, using pass code 2160. The webcast and presentation slides will be archived on the Company's website.

Annual General Meeting of Shareholders

Detour Gold's Annual General Meeting of Shareholders will be held on May 3, 2018 at 2:00 PM E.T. in the St. Andrew's Lounge (27th Floor) of Vantage Venues at 150 King Street West in Toronto.

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."

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. Detour Gold's shares trade on the Toronto Stock Exchange under

the trading symbol DGC.

For further information, please contact:

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Non-IFRS Financial Performance Measures

The Company has included certain Non-IFRS measures in this document with no standard meaning under International Financial Reporting Standards ("IFRS"): total cash costs, all-in sustaining costs, average realized gold price, adjusted net earnings, adjusted basic net earnings per share, free cash flow before financing activities and net debt. Refer to Non-IFRS Financial Performance Measures in the Company's Q1 2018 MD&A for further information.

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.

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 below), share-based compensation, corporate general and administrative expense, exploration and evaluation expenses that are sustaining in nature, reclamation cost accretion, 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.

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 and depletion. Production costs include the costs associated with providing the royalty in kind ounces.

All-in sustaining costs and total cash costs do not have any standardized meaning whether under IFRS or otherwise and therefore may not be comparable to other issuers. Accordingly, other companies may calculate these measures differently as a result of differences in underlying principles and policies applied. Differences may also arise to a different definition of sustaining versus non-sustaining capital. 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.

	Three months ended	
	March 31	
In millions of dollars, except per ounce	2018	2017
Gold ounces sold	151,060	134,213
Total Cash Costs Reconciliation		
Production costs	\$ 112.9	\$ 106.4
Less: Share-based compensation	-	(0.2)
Less: Silver sales	(0.5)	(0.4)
Total cash costs	\$ 112.4	\$ 105.8
Total cash costs per ounce sold	\$ 744	\$ 788
All-in Sustaining Costs Reconciliation		
Total cash costs	\$ 112.4	\$ 105.8
Sustaining capital expenditures ¹	45.0	38.8
Accretion on decommissioning and restoration provision -	-	-
Share-based compensation	-	0.2
Realized (gain) loss on operating hedges ²	(0.1)	0.5
Corporate administration expense ³	4.4	4.0
Sustaining exploration expenditures ⁴	0.3	0.7
Total all-in sustaining costs	\$ 162.0	\$ 150.0
All-in sustaining costs per ounce sold	\$ 1,072	\$ 1,118

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 the Financial Statements. 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 within those figures.

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.

Total site costs

Detour Gold reports total site costs on a sales basis. Total site costs include production and site operating costs such as mining, processing, site general and administration, bullion shipment, refining, agreements with Aboriginal communities, site capital costs (including closure costs) and net of silver sales. The Company calculates total site costs per ounce as the sum of total site costs (as described above) divided by the total gold ounces sold.

Average realized price and Average realized margin

Average realized price and average realized margin per ounce sold are used by management and investors use these measures 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. Average realized margin represents average realized price per gold ounce sold less total cash costs per ounce sold.

	Three months ended	
	March 31	
In millions of dollars, except per ounce	2018	2017
Metal sales	\$ 201.4	\$ 163.7
Realized (gain) loss on gold contracts	-	-
Silver sales	(0.5)	(0.4)
Revenues from gold sales	\$ 200.9	\$ 163.3
Gold ounces sold	151,060	134,213
Average realized price per gold ounce sold	\$ 1,330	\$ 1,216
Less: Total cash costs per gold ounce sold	(744)	(788)
Average realized margin per gold ounce sold	\$ 586	\$ 428

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.

Starting in 2018, the Company revised the reconciliation of these metrics. The previous method adjusted for the impact of deferred taxes, while the current method adjusts for the impact of foreign exchange translation on non-monetary assets. The Company believes this adjustment will result in a more meaningful trend analysis for investors and analysts to evaluate the Company's performance.

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, and other non-recurring items. The tax effect of adjustments, as well as the impact of foreign exchange translation on non-monetary assets, 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	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Full Year 2017
Basic weighted average shares outstanding	174.9	174.8	174.7	174.6	174.6	174.7
Adjusted net earnings and Adjusted basic net earnings per share reconciliation						
Earnings (loss) before taxes	\$ 38.6	\$ 32.4	\$ 32.5	\$ 23.1	\$ 3.8	\$ 91.8
Adjusted for:						
Fair value (gain) loss of the convertible notes ¹	-	-	-	(0.1)	(0.8)	(0.9)
Accretion on debt ¹	0.8	5.4	7.8	7.5	7.8	28.5
Non-cash unrealized (gain) loss on derivative instruments ²	2.1	1.0	0.3	(2.1)	0.3	(0.5)
Foreign exchange (gain) loss ¹	1.2	1.3	(3.2)	(2.1)	(0.6)	(4.6)
Adjusted earnings before taxes	\$ 42.7	\$ 40.1	\$ 37.4	\$ 26.3	\$ 10.5	\$ 114.3
Income and mining taxes (expense) recovery	(28.7)	(15.8)	8.6	1.4	2.2	(3.6)
Income and mining tax adjustments	14.2	2.5	(19.0)	(11.4)	(7.7)	(35.6)
Adjusted income and mining tax expense	\$ (14.5)	\$ (13.3)	\$ (10.4)	\$ (10.0)	\$ (5.5)	\$ (39.2)
Adjusted net earnings	\$ 28.2	\$ 26.8	\$ 27.0	\$ 16.3	\$ 5.0	\$ 75.1
Adjusted basic net earnings per share	\$ 0.16	\$ 0.15	\$ 0.15	\$ 0.09	\$ 0.03	\$ 0.43

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.

Net Debt

Net debt is comprised of the face value of the Company's long-term debt less cash and cash equivalents. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors use this information to evaluate the Company's financial position and its ability to take on new debt in the future, purchase new assets or withstand adverse economic conditions. The following table provides a reconciliation of net debt:

	March 31	December 31
In millions of dollars	2018	2017
Long-term debt face value	\$ 260.0	\$ 270.0
Less: cash and cash equivalents	(152.5)	(134.1)
Net Debt	\$ 107.5	\$ 135.9

Free cash flow before financing activities

Free cash flow before financing activities is calculated as cash flow from operations less cash flow from investing activities. It provides useful information to management and investors as an indicator of the cash generated from the Company's operations before consideration of how those activities are financed.

Additional IFRS Financial Performance Measures

The Company has included the additional IFRS measure "Earnings from mine operations" in the news release. 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, loss on disposal of assets, finance income and costs, and taxation.

Cautionary Note regarding Forward-Looking Information

This news release 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. All forward-looking statements, including those herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release speak only as of the date of this news release or as of the date or dates specified in such statements.

Specifically, this press release contains forward-looking statements regarding revised gold production in 2018 of between 595,000 and 635,000 ounces; revised AISC in 2018 of between \$1,200 and \$1,280 per ounce sold with estimated total cash costs in 2018 of between \$700 to \$750 per ounce sold; 2018 free cash flow before financing activities of \$55 million (using a gold price of \$1,300/oz and U.S. to CAD exchange rate of 1.25); increasing gold production in 2019 and 2020 by approximately 50,000 ounces each year; smoothing the projected gold production over the period 2019-23 to an average of approximately 600,000 ounces per year and substantially reducing the large production variation in the 2017 LOM plan; the rescheduling of the North pit development and any impact on Walter Lake to 2026; the deferral of approximately 150,000 ounces to beyond the 2019-23 period; the development of the West Detour pit in 2025; the 2018 LOM plan being released in June 2018 and the content and results of such revised life of mine plan; management not anticipating the additional work to be completed having a significant impact on its overall conclusions to date as set out in this news release; preliminary information on mine parameters for the 2019-23 period in the 2018 LOM plan as set out in this news release; the annual mining rate ramping up to 126 Mt in 2023; annual

plant throughput increasing to 22.5 Mt in 2019 and being maintained at 23.0 Mt starting in 2021; the strip ratio varying annually from 3.5:1 to 6.6:1; the ROM stockpiles being depleted and rebuilt at various times through the 2019-23 period; a preliminary financial analysis for the period 2019-2023 and life of mine as set out in this news release; the installation of a new redesigned mantle for the primary crusher for June 2018; the receipt of the assay results of its exploration program in the second quarter of 2018; plans to release an initial mineral resource statement for the Detour Lake Property with the addition of Zone 58N in the second quarter of 2018 and then evaluating development options for an advanced exploration program to test the underground mining potential of Zone 58N; approximately 107 Mt to be mined from the Detour Lake pit in 2018; an average waste to ore strip ratio for 2018 of 4.7:1; deferred stripping costs of approximately \$60 million for 2018; the plant processing 21.0 Mt of ore in 2018; and forecasted head gold grade and recoveries to remain relatively unchanged for 2018.

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 final revised life of mine plan, 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 Aboriginal 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 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 and available 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 final revised life of mine plan 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 news release. 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 and retain skilled staff; 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 Aboriginal 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 return; 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; and general business and economic conditions.

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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.

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