

DETOUR GOLD CORPORATION

Condensed Consolidated Interim Financial Statements

THIRD
QUARTER 2017

DETOUR GOLD CORPORATION
Condensed Consolidated Interim Statements of Financial Position
(Unaudited)
(Expressed in thousands of U.S. dollars)

	Note	September 30 2017	December 31 2016
ASSETS			
Current assets			
Cash and cash equivalents		\$ 113,721	\$ 129,360
Restricted cash	7	329,314	-
Investments		216	26
Other receivables	4	7,152	7,150
Prepaid expenses and deposits		6,504	5,353
Inventories	5	101,117	88,735
Derivative assets	14	2,849	2,418
Total current assets		<u>560,873</u>	<u>233,042</u>
Non-current assets			
Restricted investments		23	21
Long-term inventories	5	22,183	31,200
Long-term deposits	6(ii)	27,936	21,299
Property, plant and equipment	6	2,119,924	2,084,515
Total non-current assets		<u>2,170,066</u>	<u>2,137,035</u>
Total assets		<u>\$ 2,730,939</u>	<u>\$ 2,370,077</u>
LIABILITIES			
Current liabilities			
Trade and other payables		\$ 74,974	\$ 60,710
Current portion of long-term debt	7	315,284	328,575
Derivative liabilities	14	160	1,234
Flow-through share premium	8(ii)	-	1,338
Total current liabilities		<u>390,418</u>	<u>391,857</u>
Non-current liabilities			
Long-term debt	7	297,506	-
Provisions		33,216	32,204
Deferred tax liability	15	70,551	82,701
Total non-current liabilities		<u>401,273</u>	<u>114,905</u>
Total liabilities		<u>791,691</u>	<u>506,762</u>
EQUITY			
Shareholders' equity			
Issued capital	8	2,307,680	2,304,484
Accumulated deficit		(458,552)	(530,083)
Share-based payment reserve		90,120	88,914
Total shareholders' equity		<u>1,939,248</u>	<u>1,863,315</u>
Total liabilities and equity		<u>\$ 2,730,939</u>	<u>\$ 2,370,077</u>

Commitments and contingencies (note 12)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

DETOUR GOLD CORPORATION
Condensed Consolidated Interim Statements of Comprehensive Earnings
(Unaudited)
(Expressed in thousands of U.S. dollars, except per share amounts)

	Note	Three months ended September 30		Nine months ended September 30	
		2017	2016	2017	2016
Revenues					
Metal sales		\$ 163,987	\$ 152,046	\$ 507,766	\$ 481,716
Cost of sales					
Production costs		86,799	91,348	295,049	274,151
Depreciation and depletion		30,478	35,458	101,227	117,500
Earnings from mine operations		46,710	25,240	111,490	90,065
Corporate administration		5,324	5,146	17,863	25,895
Exploration and evaluation		1,719	3,004	5,565	8,579
Other operating (income) expenses		643	97	530	(96)
Earnings before finance items and taxes		39,024	16,993	87,532	55,687
Net finance cost	11	(6,505)	(823)	(28,151)	(83,424)
Earnings (loss) before taxes		32,519	16,170	59,381	(27,737)
Income and mining tax recovery (expense)	15	8,586	(6,491)	12,150	34,317
Net earnings and comprehensive earnings		\$ 41,105	\$ 9,679	\$ 71,531	\$ 6,580
Earnings per share					
Basic	9	\$ 0.24	\$ 0.06	\$ 0.41	\$ 0.04
Diluted		\$ 0.23	\$ 0.06	\$ 0.41	\$ 0.04

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

DETOUR GOLD CORPORATION
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)
(Expressed in thousands of U.S. dollars, except per share amounts)

	Note	Three months ended September 30		Nine months ended September 30	
		2017	2016	2017	2016
Operating activities					
Net earnings		\$ 41,105	\$ 9,679	\$ 71,531	\$ 6,580
Adjustments for:					
Depreciation and depletion		30,530	35,458	101,368	117,798
Other operating (income) expenses		643	97	530	(96)
Share-based payments	10	1,368	101	1,666	11,240
Net finance (income) cost	11	11,850	(5,083)	33,248	70,518
Income and mining tax (recovery) expense	15	(8,586)	6,491	(12,150)	(34,317)
		<u>76,910</u>	<u>46,743</u>	<u>196,193</u>	<u>171,723</u>
Changes in non-cash working capital items:					
Accounts receivable and other assets		1,016	(1,157)	1,444	2,107
Accounts payable and accrued liabilities		(526)	12,208	(5,289)	(6,456)
Inventories		(16,076)	(19,538)	(1,457)	(32,342)
Net cash generated by operating activities		<u>61,324</u>	<u>38,256</u>	<u>190,891</u>	<u>135,032</u>
Investing activities					
Purchase of property, plant and equipment		(45,780)	(22,334)	(131,770)	(66,564)
Proceeds from asset sales		-	159	105	352
Interest received		276	151	730	470
Net cash used in investing activities		<u>(45,504)</u>	<u>(22,024)</u>	<u>(130,935)</u>	<u>(65,742)</u>
Financing activities					
Credit facility borrowings	7	300,000	-	300,000	-
Cash held in escrow to repurchase convertible notes	7	(329,314)	-	(329,314)	-
Repurchase of convertible notes	7	-	(62,100)	(38,100)	(146,150)
Financing fees and transaction costs	7	(2,495)	-	(2,495)	-
Issuance of common shares:					
on flow-through agreements	8	-	-	-	7,444
on exercise of options	8	1,077	8,426	2,129	39,251
Interest paid		(639)	(998)	(10,875)	(14,921)
Net cash used in financing activities		<u>(31,371)</u>	<u>(54,672)</u>	<u>(78,655)</u>	<u>(114,376)</u>
Effect of exchange rate changes on cash and cash equivalents		1,021	386	3,060	59
Decrease in cash and cash equivalents		(14,530)	(38,054)	(15,639)	(45,027)
Cash and cash equivalents, beginning of period		128,251	153,630	129,360	160,603
Cash and cash equivalents, end of period		<u>\$ 113,721</u>	<u>\$ 115,576</u>	<u>\$ 113,721</u>	<u>\$ 115,576</u>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

DETOUR GOLD CORPORATION
Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited)
(Expressed in thousands of U.S. dollars)

	Note	Nine months ended September 30	
		2017	2016
Issued capital			
Balance, beginning of year		\$ 2,304,484	\$ 2,238,056
Issued on exercise of options		3,196	59,699
Issued on flow-through agreement		-	6,133
Balance, end of period	8	2,307,680	2,303,888
Accumulated deficit			
Balance, beginning of year		(530,083)	(523,171)
Net earnings for the period		71,531	6,580
Balance, end of period		(458,552)	(516,591)
Share-based payment reserve			
Balance, beginning of year		88,914	104,363
Share-based payments	10	2,273	4,437
Exercise of options		(1,067)	(20,448)
Balance, end of period		90,120	88,352
Total shareholders' equity		\$ 1,939,248	\$ 1,875,649

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. CORPORATE INFORMATION

Detour Gold Corporation (“Detour Gold” or the “Company”) is a company domiciled in Canada and was incorporated on July 19, 2006 under the Canada Business Corporations Act. The Company is publicly traded with its shares listed on the Toronto Stock Exchange (TSX: DGC). The Company’s registered and head office is located at Commerce Court West, 199 Bay Street, Suite 4100, Toronto, Ontario, M5L 1E2.

The Company is a Canadian gold producer engaged in the acquisition, exploration, development and operation of mineral property interests. The Company’s primary asset is its wholly-owned Detour Lake mine located in northeastern Ontario.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements (the “financial statements”) have been prepared in accordance with IAS 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and the IFRS Interpretations Committee. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2016. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes to the Company’s financial position and performance since the last annual audited consolidated financial statements.

These financial statements were authorized for issuance by the Company’s Board of Directors on October 25, 2017.

(b) Use of estimates and judgments

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 significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied by the Company in these financial statements are the same as those applied by the Company in its consolidated financial statements as at and for the year ended December 31, 2016.

(a) New and amended standards adopted by the Company

The following accounting standards were effective and implemented as of January 1, 2017.

On January 19, 2016, the IASB issued *Recognition of Deferred Tax Assets for Unrealized Losses* (Amendments to IAS 12). The amendments apply retrospectively for annual periods beginning on or after January 1, 2017. Earlier application is permitted. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments also clarify the methodology to determine the future taxable profits used for assessing the utilization of deductible temporary differences. The implementation of this amendment did not have a material impact on the Company’s financial statements.

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(Unaudited)
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In January 2016, the IASB issued amendments to IAS 7 *Statement of Cash Flows*. The amendments apply prospectively for annual periods beginning on or after January 1, 2017. Earlier application is permitted. These amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The implementation of this amendment did not have a material impact on the Company's financial statements.

(b) New accounting pronouncements not yet adopted

IFRS 9 *Financial instruments* replaces the existing guidance in IAS 39 *Financial instruments recognition and measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carried forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Company intends to adopt IFRS 9 beginning on January 1, 2018. The Company has substantially completed its analysis on its transition to IFRS 9. The Company does not expect any adjustments to its opening retained earnings (deficit) as a result of the adoption of IFRS 9.

IFRS 15 *Revenue from contracts with customers* will replace IAS 18 *Revenue*, IAS 11 *Construction contracts*, and some revenue-related interpretations. 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. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The Company intends to adopt IFRS 15 for the period beginning on January 1, 2018. The Company has substantially completed its analysis on its transition to IFRS 15, including the assessment of its metal sales under the five-step analysis discussed above. The Company does not expect any adjustments to its opening retained earnings (deficit) as a result of the adoption of IFRS 15.

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. Earlier application is permitted for entities that apply IFRS 15 *Revenue from Contracts with Customers* at or before the date of initial adoption of IFRS 16. 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. This standard 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. Transitional provisions have been provided. The Company intends to adopt IFRS 16 in its financial statements for the period beginning on January 1, 2019. The Company will evaluate the impact of the changes to its financial statements based on the characteristics of its leases at the time of adoption. The extent of the impact of adoption of the standard has not yet been determined. The Company expects to report more detailed information in its consolidated financial statements in 2018 as the effective date approaches.

On December 8, 2016, the IASB issued IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*. 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. Earlier application is permitted. 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 Company intends to adopt the Interpretation in its financial statements for the annual period beginning on January 1, 2018. The Company does not expect the implementation of this interpretation will have a material impact on the financial statements.

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 intends to adopt the Interpretation in its financial statements for the annual period beginning on January 1, 2019. The Company does not expect the Interpretation to have a material impact on the financial statements.

DETOUR GOLD CORPORATION**Notes to Condensed Consolidated Interim Financial Statements****For the three and nine months ended September 30, 2017**

(Unaudited)

(Expressed in thousands of U.S. dollars, except share and per share amounts)

4. OTHER RECEIVABLES

	September 30 2017	December 31 2016
Sales tax receivable	\$ 6,347	\$ 5,821
Other	805	1,329
Other receivables	\$ 7,152	\$ 7,150

5. INVENTORIES

	September 30 2017	December 31 2016
Ore stockpiles	\$ 34,045	\$ 36,540
In-circuit	44,686	17,927
Finished metal	8,525	17,546
Materials and supplies	36,044	47,922
	123,300	119,935
Less: Long-term ore stockpiles	(16,369)	(24,793)
Less: Long-term materials and supplies	(5,814)	(6,407)
Inventories	\$ 101,117	\$ 88,735

The amount of depreciation included in inventories at September 30, 2017 was \$20,205 (December 31, 2016 - \$18,296).

Long-term ore stockpiles represents ore that is expected to be processed beyond September 30, 2018.

DETOUR GOLD CORPORATION**Notes to Condensed Consolidated Interim Financial Statements****For the three and nine months ended September 30, 2017**

(Unaudited)

(Expressed in thousands of U.S. dollars, except share and per share amounts)

6. PROPERTY, PLANT AND EQUIPMENT

	Land	Mining properties (i)	Plant & equipment	Capital work-in-progress	Total
Cost					
As at January 1, 2016	\$ 1,455	\$ 216,760	\$ 2,293,310	\$ 5,412	\$ 2,516,937
Additions	-	3,319	56,347	32,062	91,728
Disposals	-	-	(28,628)	-	(28,628)
Transfers in (out)	-	-	31,403	(31,403)	-
Decommissioning and restoration provision adjustments	-	-	1,566	-	1,566
As at December 31, 2016	\$ 1,455	\$ 220,079	\$ 2,353,998	\$ 6,071	\$ 2,581,603
Additions	-	22,781	69,349	51,104	143,234
Disposals	(52)	-	(29,991)	-	(30,043)
Transfers in (out)	-	-	5,149	(5,149)	-
Decommissioning and restoration provision adjustments	-	-	862	-	862
As at September 30, 2017	\$ 1,403	\$ 242,860	\$ 2,399,367	\$ 52,026	\$ 2,695,656
Accumulated depreciation					
As at January 1, 2016	\$ -	\$ 9,959	\$ 351,878	\$ -	\$ 361,837
Depreciation	-	4,631	158,833	-	163,464
Disposals	-	-	(28,213)	-	(28,213)
As at December 31, 2016	\$ -	\$ 14,590	\$ 482,498	\$ -	\$ 497,088
Depreciation	-	3,817	103,906	-	107,723
Disposals	-	-	(29,079)	-	(29,079)
As at September 30, 2017	\$ -	\$ 18,407	\$ 557,325	\$ -	\$ 575,732
Net book value					
As at December 31, 2016	\$ 1,455	\$ 205,489	\$ 1,871,500	\$ 6,071	\$ 2,084,515
As at September 30, 2017	\$ 1,403	\$ 224,453	\$ 1,842,042	\$ 52,026	\$ 2,119,924

- i. The Company incurred deferred stripping costs of \$22,781 during the nine months ended September 30, 2017 (September 30, 2016 - \$3,319).
- ii. The Company's long-term deposits balance of \$27,936 at September 30, 2017 (December 31, 2016 - \$21,299) represents down payments on equipment including significant components of mobile fleet which are transferred to property, plant and equipment when fully paid and available for use.

DETOUR GOLD CORPORATION
Notes to Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2017

(Unaudited)

(Expressed in thousands of U.S. dollars, except share and per share amounts)

7. CREDIT FACILITIES AND LONG-TERM DEBT

		September 30 2017	December 31 2016
Term loan	(a)	\$ 199,179	\$ -
Revolving credit facility	(a)	98,327	-
Convertible notes	(b)	315,284	328,575
		612,790	328,575
Less: current portion		(315,284)	(328,575)
Long-term debt		\$ 297,506	\$ -

Contractual undiscounted debt repayments

	2017	2018	2019	2020	Thereafter
Repayment of convertible notes ¹	\$ 320,500	\$ -	\$ -	\$ -	\$ -
Interest on convertible notes ¹	8,814	-	-	-	-
Less: Amounts held in Escrow ¹	(329,314)	-	-	-	-
Repayment of term loan	-	-	-	200,000	-
Repayment of revolving credit facility	-	-	-	-	100,000
Interest on credit facility	2,995	11,975	11,975	10,200	3,540
Debt repayments¹	\$ 2,995	\$ 11,975	\$ 11,975	\$ 210,200	\$ 103,540

¹ In July 2017, \$329,314 was placed in escrow as described in Note 7(a), and is recorded as restricted cash.

(a) Credit Facility

In July 2017, the Company entered into a \$500,000 Senior Secured Credit Facility (the "Credit Facility") with its existing bank group. The Credit Facility is comprised of a \$300,000 Revolving Credit Facility (the "Revolver") for a tenor of four years and a \$200,000 non-revolving Term Loan (the "Term Loan") for a tenor of three years. The Company's Senior Secured Credit Facility of Cdn\$135,000 (the "Previous Facility"), comprising a Cdn\$85,000 Revolving Credit Facility and a Cdn\$50,000 Letter of Credit Facility, was cancelled upon the closing of the Credit Facility.

Upon closing of the Credit Facility, the Company drew the full Term Loan and \$100,000 of the Revolver and, together with cash on-hand of \$29,314, defeased the outstanding Convertible Notes ("Notes") in accordance with the agreement. These funds of \$329,314, which includes the final interest payment of \$8,814, were placed on deposit with the Notes trustee and the holders of the Notes will be paid at the maturity date (November 30, 2017). This balance is included in restricted cash in the statement of financial position. In addition, the Company's letters of credit of \$30,615 (Cdn\$38,181) (December 31, 2016 - \$28,436 (Cdn\$38,181)) issued under the Previous Facility were transferred to the Credit Facility.

The Credit Facility is classified as a financial liability and recorded at amortized cost using the effective interest method. The Company paid \$2,495 in transaction costs and upfront fees on closing, which have been set off against the Term Loan and Revolver and are amortized over their respective terms.

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's previous tangible net worth covenant was removed.

The Company recorded interest expense of \$2,715 for the three months and nine months ended September 30, 2017. Accretion costs of \$146 were recognized in net finance cost for the three and nine months ended September 30, 2017.

The Company is in compliance with all covenants as at September 30, 2017.

DETOUR GOLD CORPORATION
Notes to Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2017

(Unaudited)

(Expressed in thousands of U.S. dollars, except share and per share amounts)

(b) Convertible Notes

	September 30 2017	December 31 2016
Debt component of Senior Unsecured Notes	\$ 315,284	\$ 327,713
Fair value of embedded derivatives of Senior Unsecured Notes	-	862
Interest payable	5,872	1,641
Convertible notes	321,156	330,216
Less: interest payable included in Trade and other payables	(5,872)	(1,641)
Convertible Notes	\$ 315,284	\$ 328,575

In December 2010, the Company completed an offering of Senior Unsecured Convertible Notes ("Notes") for total gross proceeds of \$500,000, net proceeds of \$490,808. The Notes bear interest at 5.5% per annum, payable in arrears in equal semi-annual installments with the last interest payment on November 30, 2017. The Notes are convertible into common shares of the Company at the option of the holder at any time prior to maturity at a conversion price of \$38.50 per share.

In July 2017, the Company defeased the outstanding Notes (face value \$320,500) in accordance with the terms of the trust indenture governing the convertible notes, as disclosed in Note 7(a).

The Company recorded interest expense of \$4,406 for the three months ended September 30, 2017 (three months ended September 30, 2016 - \$5,354), and \$13,862 for the nine months ended September 30, 2017 (nine months ended September 30, 2016 - \$18,333). Accretion costs of \$7,585 were recognized in net finance cost for the three months ended September 30, 2017 (three months ended September 30, 2016 - \$7,913), and \$22,935 for the nine months ended September 30, 2017 (nine months ended September 30, 2016 - \$24,249).

8. ISSUED CAPITAL

Authorized share capital of the Company is comprised of an unlimited number of voting and participating common shares, without par value. All issued shares are fully paid.

	Number of shares	Amount
Balance, January 1, 2016	171,035,462	\$ 2,238,056
Shares issued under:		
Share option plan	i 3,144,150	60,295
Flow-through financing agreements	ii 400,000	6,133
Balance, December 31, 2016	174,579,612	2,304,484
Shares issued under:		
Share option plan	i 235,806	3,196
Balance, September 30, 2017	174,815,418	\$ 2,307,680

- i. Relates to shares issued under the Company's share option plan (note 10(a)).
- ii. On February 22, 2016, the Company closed a flow-through financing of 400,000 common shares at a price of \$18.61 (Cdn\$25.47) per common share. The gross proceeds were \$7,444 (Cdn\$10,188). There were no commissions paid in relation to the offering. The Company bifurcated the gross proceeds between share capital of \$6,133 and flow-through share premium of \$1,311. During the first quarter of 2017, the related tax attributes were renounced to subscribers.

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(Unaudited)

(Expressed in thousands of U.S. dollars, except share and per share amounts)

9. BASIC AND DILUTED EARNINGS PER SHARE

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Net earnings for the period	\$ 41,105	\$ 9,679	\$ 71,531	\$ 6,580
Weighted average basic number of shares outstanding	174,735,263	174,487,277	174,652,096	173,180,274
Weighted average shares dilution adjustments:				
Share options	554,651	886,138	667,457	400,982
Convertible notes	-	-	-	-
Weighted average diluted number of shares outstanding	175,289,914	175,373,415	175,319,553	173,581,256
Earnings per share				
Basic	\$ 0.24	\$ 0.06	\$ 0.41	\$ 0.04
Diluted	\$ 0.23	\$ 0.06	\$ 0.41	\$ 0.04

The following table lists the equity securities excluded from the computation of diluted earnings per share. The securities were excluded as the inclusion of the equity securities had an anti-dilutive effect on net earnings; or the exercise prices relating to the particular security exceed the weighted average market price of the Company's common shares.

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Share options	3,019,215	2,084,342	3,019,215	3,660,942
Convertible notes	8,324,675	9,298,701	8,324,675	9,298,701
	11,343,890	11,383,043	11,343,890	12,959,643

10. SHARE-BASED PAYMENTS

The share-based payment expense recognized in these financial statements are as follows:

		Equity-settled		Cash settled plans			Total
		Share option plan (a)	DSU plan (b)	RSU plan (c)	PSU plan (d)		
Production costs	i	\$ 851	\$ -	\$ 359	\$ 93	\$ 1,303	
Corporate administration	ii	1,422	310	847	857	3,436	
Exploration and evaluation	iii	-	-	22	-	22	
Nine months ended September 30, 2017		\$ 2,273	\$ 310	\$ 1,228	\$ 950	\$ 4,761	
Production costs	i	\$ 1,692	\$ -	\$ 1,396	\$ 108	\$ 3,196	
Corporate administration	ii	2,740	2,985	5,412	2,003	13,140	
Exploration and evaluation	iii	5	-	50	-	55	
Nine months ended September 30, 2016		\$ 4,437	\$ 2,985	\$ 6,858	\$ 2,111	\$ 16,391	

- i. Total share-based payment expense for the three months ended September 30, 2017 was \$558 (2016 - \$172 recovery).
- ii. Total share-based payment expense for the three months ended September 30, 2017 was \$810 (2016 - \$423).
- iii. Total share-based payment expense for the three months ended September 30, 2017 was \$nil (2016 - \$1).

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For the three and nine months ended September 30, 2017

(Unaudited)

(Expressed in thousands of U.S. dollars, except share and per share amounts)

(a) Share option plan

The Company's share option plan, as amended and restated, was approved by Detour Gold's shareholders on May 5, 2016. These share options are settled in the Company's shares. Movements in the share options are summarized below:

	Number of options	Weighted average exercise price (i)	Weighted average exercise price (Cdn\$)
Balance, January 1, 2016	8,246,747	\$ 12.98	\$ 17.97
Granted	448,954	13.29	17.84
Forfeited	(432,226)	13.03	17.50
Expired	(260,750)	21.78	29.25
Exercised	(3,144,150)	12.35	16.58
Balance, December 31, 2016	4,858,575	13.53	18.17
Granted	476,828	12.37	15.44
Forfeited	(80,137)	12.25	15.29
Expired	(242,500)	20.36	25.41
Exercised	(235,806)	9.34	11.66
Balance, September 30, 2017	4,776,960	\$ 14.34	\$ 17.90

- i. At September 30, 2017, the U.S. dollar weighted average exercise price was calculated using the period end U.S. to Canadian dollar exchange rate of 1.25 (December 31, 2016 - 1.34).

The weighted average share price on the date of exercise of stock options for the nine months ended September 30, 2017 was Cdn\$17.13 (nine months ended September 30, 2016 - Cdn\$26.59). The fair value of the options granted to employees, officers and directors under the share option plan was measured using the Black-Scholes option pricing model. The grant date fair value is amortized over the vesting period as part of compensation expense.

The weighted average inputs used in the measurement of fair value at grant date during the nine months ended September 30 were:

		2017	2016
Number of stock options granted		476,828	448,954
Expected volatility	(i)	58%	53%
Risk free rate		0.84%	0.76%
Estimated forfeiture rate		10.0%	3.6%
Expected dividend yield		\$nil	\$nil
Expected life in years		3.5	3.5
Fair value (weighted average)	Cdn \$	6.48	\$ 6.95
	U.S. (ii) \$	4.87	\$ 5.08

- i. Expected volatility is measured as the annualized standard deviation of share price returns, based on the historical movements in the price of the Company's common shares for a period commensurate with the expected life of the option.
- ii. The U.S. dollar weighted average Black-Scholes value was calculated using the spot Canadian to U.S. dollar exchange rate on the date of grant.

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Share options outstanding and exercisable at September 30, 2017 are:

Exercise price (Cdn\$)	Options Outstanding				Options Exercisable			
	Number of options	Weighted average exercise price (i)	Weighted average exercise price (Cdn\$)	Weighted average remaining contractual life (years)	Number of options	Weighted average exercise price (i)	Weighted average exercise price (Cdn\$)	Weighted average remaining contractual life (years)
\$3.90 - \$10.00	268,002	\$ 5.75	\$ 7.18	1.69	224,336	\$ 5.50	\$ 6.87	1.60
\$10.01 - \$15.00	1,996,459	\$ 9.68	\$ 12.08	1.93	1,533,409	\$ 9.37	\$ 11.70	1.68
\$15.01 - \$20.00	769,009	\$ 12.88	\$ 16.08	3.97	120,516	\$ 13.49	\$ 16.84	3.35
\$20.01 - \$30.00	1,743,490	\$ 21.64	\$ 27.01	0.99	1,714,762	\$ 21.65	\$ 27.02	0.94
	4,776,960	\$ 14.34	\$ 17.90	1.90	3,593,023	\$ 15.13	\$ 18.88	1.38

- i. At September 30, 2017, the U.S. dollar weighted average exercise price was calculated using the period end U.S. to Canadian dollar exchange rate of 1.25 (December 31, 2016 - 1.34).

(b) Deferred share units

The Company has established a deferred share unit (“DSU”) plan for non-executive directors. Each DSU has the same value as one Detour Gold common share. DSUs must be retained until the director leaves the Board of Directors, at which time the cash value of the DSUs are paid.

The DSU liability at September 30, 2017 was \$3,338 (December 31, 2016 - \$3,028). During the three and nine months ended September 30, 2017, compensation recovery of \$83 and expense of \$310 (three and nine months ended September 30, 2016 - compensation recovery of \$782 and expense of \$2,985) was recognized.

(c) Restricted share units

The Company has established a restricted share unit (“RSU”) plan for certain employees of the Company. Each RSU has the same value as one Detour Gold common share. RSUs vest over a three year period and are expected to be settled in cash.

The RSU liability at September 30, 2017 was \$2,864 (December 31, 2016 - \$4,171). During the three and nine months ended September 30, 2017, compensation expense of \$372 and \$1,228 (three and nine months ended September 30, 2016 - \$411 and \$6,858 compensation expense) was recognized.

(d) Performance restricted share units

The Company has granted performance restricted share units (“PSU”) to certain employees of the Company. Each PSU has the same value as one Detour Gold common share. The number of units to be issued (or the amount of cash to be paid) on the vesting date will vary from 0% to 200% of the number of PSUs granted, depending on the Company’s total shareholder return compared to the return of its peer group, which is defined by the Company.

The PSU liability at September 30, 2017 was \$2,142 (December 31, 2016 - \$1,750). During the three and nine months ended September 30, 2017, compensation expense of \$364 and \$950 (three and nine months ended September 30, 2016 - \$326 and \$2,111) was recognized.

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Changes to share units are:

	DSU number of units	RSU number of units	PSU number of units
Balance, January 1, 2016	192,055	550,025	94,733
Granted	39,299	212,893	194,710
Forfeited	-	(38,997)	(13,023)
Released	-	(223,999)	(31,583)
Balance, December 31, 2016	231,354	499,922	244,837
Granted	60,548	300,431	202,986
Forfeited	-	(51,774)	(16,084)
Released	-	(204,808)	(30,702)
Balance, September 30, 2017	291,902	543,771	401,037

During the three and nine months ended September 30, 2017, share units paid out in cash was \$nil and \$3,095 (three and nine months ended September 30, 2016 - \$nil and \$5,000).

11. FINANCE INCOME AND COSTS

	Note	Three months ended September 30		Nine months ended September 30	
		2017	2016	2017	2016
Finance income					
Interest income		\$ 934	\$ 152	\$ 1,388	\$ 469
Renunciation of flow-through shares		-	-	1,376	-
		934	152	2,764	469
Finance costs					
Fair value gain (loss) on the Notes		10	16,787	862	(17,577)
Realized loss on repurchase of Notes		-	(4,122)	(2,736)	(7,222)
Accretion on long-term debt	7	(7,731)	(7,913)	(23,081)	(24,249)
Accretion on decommissioning and restoration provisions		(51)	(31)	(150)	(124)
Interest expenses and bank charges		(7,481)	(5,645)	(17,435)	(19,086)
Foreign exchange gain (loss)		3,194	(214)	5,872	551
Unrealized loss on investments		(119)	-	(119)	-
Unrealized and realized gain (loss) on derivative instruments	14	4,739	163	5,872	(16,186)
		(7,439)	(975)	(30,915)	(83,893)
Net finance cost		\$ (6,505)	\$ (823)	\$ (28,151)	\$ (83,424)

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12. COMMITMENTS AND CONTINGENCIES

(a) Purchase commitments

As at September 30, 2017, total purchase commitments for capital expenditures for the Detour Lake mine amounted to \$22,000 (December 31, 2016 - \$51,600).

(b) 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 \$170 in 2017, \$679 each year from 2018 to 2020, and \$54 thereafter.

(c) 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 three and nine months ended September 30, 2017, the Company accrued or paid in-kind 2,323 and 7,956 ounces of gold (three and nine months ended September 30, 2016 - 2,344 and 7,400 ounces of gold).

(d) Mine site closure obligation

The Company has issued \$16,147 (Cdn\$20,138) surety bonds, and a letter of credit for \$22,661 (Cdn\$28,262) under the Credit Facility (note 7(b)) in favour of the Ministry of Northern Development and Mines in support of the closure plan of the Detour Lake mine as at September 30, 2017.

(e) Contingencies settled

During the second quarter 2016, the Company was charged with one count of criminal negligence causing death under the Criminal Code of Canada and with 15 offences under the Occupational Health and Safety Act. The charges related to the fatality that occurred at the Detour Lake mine site on June 3, 2015. On August 30, 2017, the Company entered a plea of guilty to one count of criminal negligence causing death and was ordered to pay a fine of \$1,100 (Cdn\$1,400) plus a corresponding 30% surcharge. In addition, the Court, as requested by Detour Gold, ordered a restitution payment for the family of the deceased worker for lost income through retirement. As a result of pleading guilty to the one count of criminal negligence causing death, the Occupational Health and Safety Act charges against Detour Gold were withdrawn. The Company paid all amounts in the period, which were previously accrued.

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13. FAIR VALUE MEASUREMENTS

IFRS defines fair value as 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, restricted cash, short-term and restricted investments, other receivables, trade and other payables approximate their fair values due to the short-term maturity of these financial instruments.

Cash settled share units represents 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. Derivative assets are not offset against derivative liabilities.

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.

September 30, 2017	Carrying value			Fair value			
	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets							
Cash and cash equivalents	\$ -	\$ 113,721	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash	-	329,314	-	-	-	-	-
Other receivables	-	7,152	-	-	-	-	-
Investments	-	216	-	-	-	-	-
Restricted investments	-	23	-	-	-	-	-
Derivative assets	2,849	-	-	-	2,849	-	-
Total financial assets	\$ 2,849	\$ 450,426	\$ -	\$ -	\$ 2,849	\$ -	\$ -
Financial liabilities							
Trade and other payables	\$ -	\$ -	\$ 66,630	\$ -	\$ -	\$ -	\$ -
Cash settled share units	8,344	-	-	-	8,344	-	-
Senior unsecured notes	-	-	315,284	323,352	-	-	-
Term loan	-	-	199,179	-	-	-	-
Revolving credit facility	-	-	98,327	-	-	-	-
Derivative liabilities	160	-	-	-	160	-	-
Total financial liabilities	\$ 8,504	\$ -	\$ 679,420	\$ 323,352	\$ 8,504	\$ -	\$ -

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December 31, 2016	Carrying value			Fair value		
	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets						
Cash and cash equivalents	\$ -	\$ 129,360	\$ -	\$ -	\$ -	\$ -
Short-term investments	-	26	-	-	-	-
Other receivables	-	7,150	-	-	-	-
Restricted investments	-	21	-	-	-	-
Derivative assets	2,418	-	-	-	2,418	-
Total financial assets	\$ 2,418	\$ 136,557	\$ -	\$ -	\$ 2,418	\$ -
Financial liabilities						
Trade and other payables	\$ -	\$ -	\$ 51,761	\$ -	\$ -	\$ -
Cash settled share units	8,949	-	-	-	8,949	-
Class A notes	-	-	-	-	-	-
Senior unsecured notes - embedded derivative	862	-	-	-	862	-
Senior unsecured notes	-	-	327,713	363,102	-	-
Derivative liabilities	1,234	-	-	-	1,234	-
Total financial liabilities	\$ 11,045	\$ -	\$ 379,474	\$ 363,102	\$ 11,045	\$ -

14. DERIVATIVE INSTRUMENTS

The Company uses derivatives as part of its risk management program to mitigate the variability associated with changing market values related to the hedged item. The Company has not applied hedge accounting to derivative contracts. Changes in the fair value of derivative instruments are recognized through unrealized and realized derivative instruments gain (loss) included in net finance cost. The mark-to-market fair value of all contracts is based on independently provided inputs and determined using standard valuation techniques. Derivative assets are not offset against derivative liabilities.

Fair values of derivative instruments

	Balance sheet classification	September 30 2017	December 31 2016
Currency contracts	Derivative assets	\$ 2,358	\$ 1,461
Currency contracts	Derivative liabilities	\$ -	\$ (1,234)
Gold contracts	Derivative assets	\$ 66	\$ -
Gold contracts	Derivative liabilities	\$ (160)	\$ -
Diesel contracts	Derivative assets	\$ 425	\$ 957
Total derivative assets		\$ 2,849	\$ 2,418
Total derivative liabilities		\$ (160)	\$ (1,234)

All derivatives outstanding as at September 30, 2017 mature or expire in 2017.

As at September 30, 2017, the Company had \$52,000 of zero-cost collars to hedge its Canadian costs whereby it can sell U.S. dollars at an average rate of 1.30 and can participate up to an average rate of 1.40.

As at September 30, 2017, the Company had 45,000 ounces of zero-cost collars to price protect its gold sales from October to December 2017. The collars have an average range of \$1,208 to \$1,342 per ounce.

As at September 30, 2017, the Company had a total of 6.8 million litres of outstanding diesel contracts at an average rate of \$0.41 per litre, which will settle on a net basis.

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Gains (losses) on derivative instruments

	Three months ended		Nine months ended	
	September 30		September 30	
	2017	2016	2017	2016
Unrealized gain (loss) on derivative instruments				
Gold contracts	\$ (744)	\$ 5,928	\$ (94)	\$ (3,535)
Currency contracts	(249)	114	2,131	547
Diesel contracts	663	178	(532)	178
Total	\$ (330)	\$ 6,220	\$ 1,505	\$ (2,810)
Realized gain (loss) on derivative instruments				
Gold contracts	\$ (76)	\$ (5,988)	\$ (70)	\$ (11,651)
Currency contracts	5,003	(69)	3,999	(1,725)
Diesel contracts	142	-	438	-
Total	\$ 5,069	\$ (6,057)	\$ 4,367	\$ (13,376)
Total unrealized and realized gain (loss) on derivative instruments	\$ 4,739	\$ 163	\$ 5,872	\$ (16,186)

Sensitivities

The following table sets forth the impact on the Company's net income for the third quarter of 2017 of a 10% increase or decrease in rates/prices used in the fair value calculation of the derivative instruments at period end with all other variables remaining constant.

At September 30, 2017	Change in Fair Value due to +/-10% Rate change
Gold contracts	+/\$2,700
Currency contracts	-\$2,500/\$+\$6,000
Diesel contracts	+/- \$300

15. CURRENT AND DEFERRED TAXES

Current and deferred tax recovery (expense) for the three and nine months ended September 30 is as follows:

	Three months ended		Nine months ended	
	September 30		September 30	
	2017	2016	2017	2016
Current tax expense	\$ -	\$ -	\$ -	\$ -
Deferred tax recovery (expense)				
Ontario mining tax	(1,204)	(2,107)	(5,355)	672
Income tax	9,790	(4,384)	17,505	33,645
Total income and mining tax recovery (expense)	\$ 8,586	\$ (6,491)	\$ 12,150	\$ 34,317