

DETOUR GOLD CORPORATION

Management's Discussion and Analysis

THIRD
QUARTER 2017



MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of Detour Gold Corporation ("Detour Gold", "we", "our" or the "Company") provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of the Company. This MD&A should be read in conjunction with Detour Gold's unaudited condensed consolidated interim financial statements and related notes for the three and nine months ended September 30, 2017 and 2016 which are prepared in accordance with International Accounting Standard Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). This MD&A contains certain forward-looking statements. Refer to the cautionary language at the end of this MD&A. All dollar figures stated herein are expressed in United States dollars, except for: (i) tabular amounts which are in thousands of United States dollars; (ii) per share or per ounce amounts; or (iii) unless otherwise specified. This MD&A is dated October 25, 2017. The Company's public filings, can be viewed on the SEDAR website (www.sedar.com) and on the Company's website (www.detourgold.com).

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

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

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

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BUSINESS OVERVIEW

Detour Gold was incorporated under the laws of Ontario in 2006 and was listed on the Toronto Stock Exchange (TSX:DGC) in January 2007. Detour Gold is a Canadian-based intermediate gold mining company with a 100% interest in the Detour Lake mine, a long-life, large-scale open pit operation located in northeastern Ontario, approximately 300 km northeast of Timmins and 185 km by road northeast of Cochrane. The Company continues to focus on optimizing the Detour Lake mine and on organic growth by exploring and developing its large Detour Lake property, which consists of a contiguous block of mining claims and leases totaling approximately 625 km² in the District of Cochrane.

Our business plan is to be a leading intermediate gold producer. The Company's near-term strategy is to continue with operational improvements at the Detour Lake mining operation while applying cost and capital discipline. With the mine now generating positive cash flow from operations, the Company is in a position to focus on strengthening its balance sheet by way of debt reduction and pursuing organic growth opportunities.

THIRD QUARTER 2017 HIGHLIGHTS

- **Gold production** of 139,861 ounces compared to 127,758 ounces in Q3 2016
- **All-in sustaining costs⁽¹⁾** of \$1,032 per ounce sold and Total cash costs⁽¹⁾ of \$668 per ounce sold compared to \$1,042 and \$802 per ounce sold, respectively, in Q3 2016
- **Revenues** of \$164.0 million on gold sales of 128,498 ounces at an average realized price⁽¹⁾ of \$1,273 per ounce compared to \$152.0 million on gold sales of 113,845 ounces at an average realized price of \$1,281 per ounce in Q3 2016
- **Earnings from mine operations** of \$46.7 million compared to \$25.2 million in Q3 2016
- **Net earnings** of \$41.1 million (\$0.24 per basic share) compared to net earnings of \$9.7 million (\$0.06 per basic share) in Q3 2016
- **Adjusted earnings⁽¹⁾** of \$37.4 million (\$0.21 per basic share) compared to adjusted earnings of \$1.3 million (\$0.01 per basic share) in Q3 2016
- **Cash and cash equivalents** of \$113.7 million at September 30, 2017 (December 31, 2016 - \$129.4 million)
- **Closed** \$500 million Senior Secured Credit Facility; drew down \$300 million from the facility and placed \$329.3 million in escrow to repurchase convertible notes maturing in November 2017
- **Signed** amended Impact Benefit Agreement with Taykwa Tagamou Nation to include West Detour project

¹ Refer to the "non-IFRS Financial Performance Measures" section for a reconciliation of these amounts.

OUTLOOK

2017 Guidance

Detour Gold is expected to attain the mid-range of its annual guidance for production, total cash costs, and AISC.

Gold production (oz)	550,000 - 600,000
Total cash costs (\$/oz sold)	\$690 - \$750
All-in sustaining costs (\$/oz sold)	\$1,025 - \$1,125

Mine plan is on target for approximately 100 Mt to be mined from the Detour Lake pit in 2017 with the current available fleet of six shovels and 32 haul trucks supported by the addition of a ROM fleet.

The Company has secured delivery of some mining equipment as it continues to position itself for higher tonnages in 2018 and beyond. The Company has ordered and made partial deposits on its seventh shovel (CAT6060) and two additional haul trucks (#33 and #34 CAT795), which are scheduled to arrive at site at year-end.

Projected capital expenditures for 2017 remain as previously stated at approximately \$160 to \$180 million with higher capitalized stripping costs.

Provincial approval for the West Detour project is targeted for mid-2018 (current life of mine plan requires approval by end of 2018).

CORPORATE DEVELOPMENTS

Capital Structure

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

Upon closing, the Company drew the full Term Loan and \$100 million of the Revolver and together with cash on-hand of \$29.3 million defeased the outstanding convertible notes. The funds of \$329.3 million, which includes the final interest payment of \$8.8 million for the outstanding convertible notes, were placed on deposit with the convertible note trustee and the holders of the convertible notes will be paid at the maturity date (November 30, 2017).

Additional details on the Credit Facility are included in the section "Liquidity and Capital Resources."

Senior Management Change

In July 2017, Pierre Beaudoin, Chief Operating Officer, left the Company. On September 22, 2017, the Company announced that Frazer Bourchier would be joining the Company as Chief Operating Officer effective January 3, 2018.

West Detour Update

The Company filed the draft Environmental Study Report ("ESR") on January 30, 2017. The ESR was subsequently distributed to impacted Aboriginal communities with whom the Company has had ongoing consultation.

On September 13, 2017, the Company reported that the federal Minister of Environment and Climate Change confirmed that the environmental study would remain under the provincial environmental assessment permitting process.

The Company does not intend to change the overall timing for the development of West Detour which, as reflected in the Company's current life of mine plan, is scheduled to commence in 2025.

The Company has signed an amended Impact Benefit Agreement with Taykwa Tagamou Nation to include the West Detour project.

EXPLORATION ACTIVITIES

Detour Gold has a 100% interest in the 625 km² Detour Lake property located on the northernmost Abitibi greenstone belt in northern Ontario. Since the acquisition of the property in 2007, exploration activities have primarily focused on the delineation of the Detour Lake and West Detour gold deposits. With the Detour Lake mine in operation since early 2013, the Company's exploration activities have recently shifted towards evaluating the exploration potential of its large Detour Lake property and developing a multi-year exploration plan with the main objective of finding high-grade satellite gold deposits within trucking distance of its large processing plant. The exploration plan also looks at grassroots opportunities in proximity to its main asset for future organic growth, which resulted in the 2016 staking of the 494 km² Burntbush grassroots property located 70 km south of the Detour Lake mine.

Zone 58N

Zone 58N, approximately 6 km south of the Detour Lake processing plant, has been the main focus of the Company's exploration programs since 2014. It is located along a splay of the regional Lower Detour Deformation Zone ("LDDZ").

From 2014 to April 2017, the Company has completed 109,512 m of drilling at Zone 58N. Assay results have confirmed the underground mining potential of Zone 58N and demonstrated the continuity of the gold mineralization. The upper 250 m of the deposit has been drilled at a spacing of approximately 25 m and the portion between vertical depths of 250 m and 450 m has been drilled at an approximate spacing of 35 m. The summer drilling program was completed in October with 10,789 m in 27 holes, targeting mainly the eastern end of the deposit.

Approximately 4,000 m of additional drilling at a closer spacing is underway to better define the tonnage and grade estimation of Zone 58N due to the high nuggety and coarse nature of the gold. Evaluation of these results will assist in the completion of the block model and subsequent mineral resource estimate.

Tailings Management Area

A 6,000 m drilling program east of the current tailings facility (TMA area) has been re-scheduled to 2018, targeting IP anomalies and following up on the 2016 drilling results.

Burntbush Property

An airborne geophysical survey totaling 5,570 line km was completed over the entire Burntbush grassroots property. Preliminary review of the results has identified 16 significant untested geophysical anomalies. A prospecting program is underway to follow up on the airborne EM (electromagnetic) anomalies, historical mineral occurrences and areas of exposed bedrock.

KEY PERFORMANCE DRIVERS

The Company's key internal performance drivers are production volumes and costs which are disclosed in the sections "Operating Results" and "Third Quarter 2017 and First Nine Months 2017 Financial Results". The key external performance drivers are the price of gold and foreign exchange rates.

Gold price

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

Average Monthly Gold Price \$ per gold ounce



During the third quarter of 2017, the gold price traded in a range of \$1,211 to \$1,346 per ounce (based on the London Bullion Market Association PM Auction). The average market price for the quarter was \$1,278 per ounce, a decrease compared to the third quarter of 2016 average market price of \$1,335 per ounce, and a \$21 per ounce increase compared to the second quarter of 2017 average market price of \$1,257 per ounce.

The Company periodically uses option contracts as part of its gold sales risk management program. 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.

Refer to section "Liquidity and Capital Resources – Derivative Instruments" for details on the gold hedge contracts settled and outstanding gold contracts at September 30, 2017.

Foreign exchange rates

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

The average U.S./Cdn dollar exchange rate strengthened by 5% during the third quarter of 2017 compared to the third quarter of 2016, ranging from 1.21 to 1.30 with an average of 1.25.

**Average Monthly Exchange Rate
USD to CAD**



A stronger Canadian dollar increases costs in U.S. dollar terms as the Company estimates that approximately 75% of its operating and capital expenditures in 2017 are denominated in Canadian dollars.

The Company has a foreign exchange risk management program whereby it can use derivative instruments to hedge a portion of its Canadian dollar expenditures to reduce exchange rate risk. As at September 30, 2017, the Company had \$52.0 million 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. During the third quarter of 2017, the Company realized a gain of \$5.0 million on its foreign exchange risk management program.

Refer to section “Liquidity and Capital Resources – Derivative Instruments” for details on the foreign exchange derivatives settled and outstanding at September 30, 2017.

KEY OPERATING AND FINANCIAL STATISTICS

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

In thousands of U.S. dollars, except where noted		Three months ended September 30		Nine months ended September 30	
		2017	2016	2017	2016
Operating data					
Ore mined	Mt	5.4	5.0	15.1	16.4
Waste mined	Mt	20.7	18.5	58.0	50.1
Total mined	Mt	26.1	23.5	73.1	66.5
Strip ratio	waste:ore	3.8	3.7	3.9	3.1
Mining rate	'000s tpd	283	256	268	243
Ore milled	Mt	5.7	5.2	16.4	15.2
Head grade	g/t Au	0.86	0.88	0.90	0.90
Recovery	%	90	87	89	89
Mill throughput	tpd	61,548	56,453	59,992	55,697
Gold ounces produced	oz	139,861	127,758	421,417	394,253
Gold ounces sold ¹	oz	128,498	113,845	405,681	383,059
Financial data					
Metal sales ¹	\$	163,987	152,046	507,766	481,716
Earnings from mine operations	\$	46,710	25,240	111,490	90,065
Net earnings	\$	41,105	9,679	71,531	6,580
Per share – basic	\$/share	0.24	0.06	0.41	0.04
– diluted	\$/share	0.23	0.06	0.41	0.04
Adjusted earnings ²	\$	37,427	1,320	74,373	16,472
Per share – basic ²	\$/share	0.21	0.01	0.43	0.10
Total assets	\$	2,730,939	2,387,744	2,730,939	2,387,744
Long-term debt ³	\$	297,506	333,991	297,506	333,991
Average realized price ²	\$/oz	1,273	1,281	1,248	1,224
Total cash costs ²	\$/oz	668	802	721	705
Average realized margin ²	\$/oz	605	479	527	519
All-in sustaining costs ²	\$/oz	1,032	1,042	1,092	960

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

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

³ Long-term debt at September 30, 2017 represents the Credit Facility (face value \$300.0 million); at September 30, 2016 represents the Convertible Notes (face value \$358.0 million).

OPERATING RESULTS

Gold production

In the third quarter of 2017, the Company produced 139,861 ounces of gold, an increase of 9% compared to 127,758 ounces in the prior year period. The increased gold production reflects a higher volume of ore milled of 5.7 Mt (compared to 5.2 Mt in the third quarter of 2016), and a higher recovery rate of 90% (compared to 87% in the third quarter of 2016).

Mining

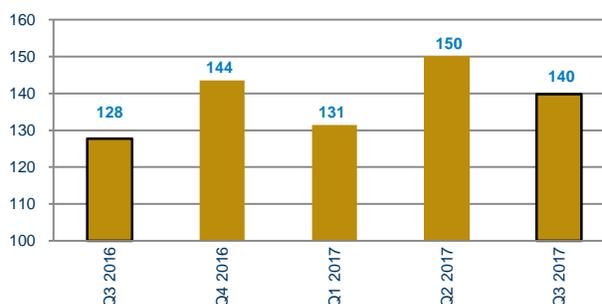
During the third quarter of 2017, a total of 26.1 Mt of ore and waste was mined, equivalent to mining rates of 283,000 tpd, an increase of 11% from the third quarter of 2016 (23.5 Mt or 256,000 tpd). The increase in mining rates is mainly due to additions to the mining fleet (CAT6060 shovel and three haul trucks). Both Phase 1 and Phase 2 mining are on track with mine plan, including the Campbell pit area.

ROM stockpiles stood at 5.7 Mt grading 0.68 g/t (approximately 126,000 contained ounces) at the end of the third quarter of 2017 compared to 6.1 Mt grading 0.63 g/t (approximately 124,000 contained ounces) at the end of the third quarter of 2016.

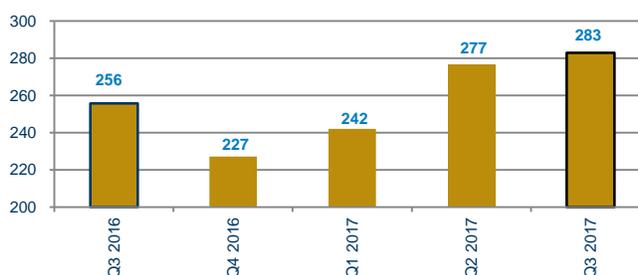
Milling

A total of 5.7 Mt of ore, equivalent to a throughput rate of 61,548 tpd, was processed in the third quarter of 2017, an increase of 9% compared to the third quarter of 2016 (5.2 Mt of ore processed or 56,453 tpd) due to operational efficiencies gained over the past year.

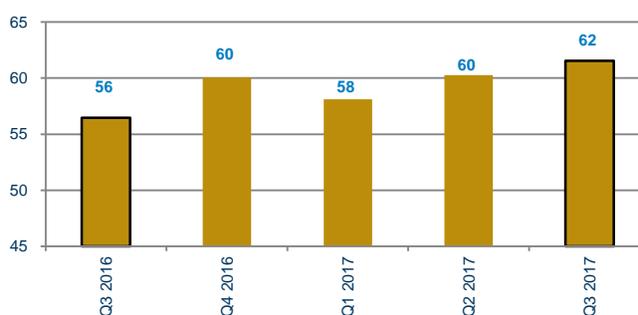
Gold Production Thousands of ounces



Mining Rate Thousands of tonnes per day

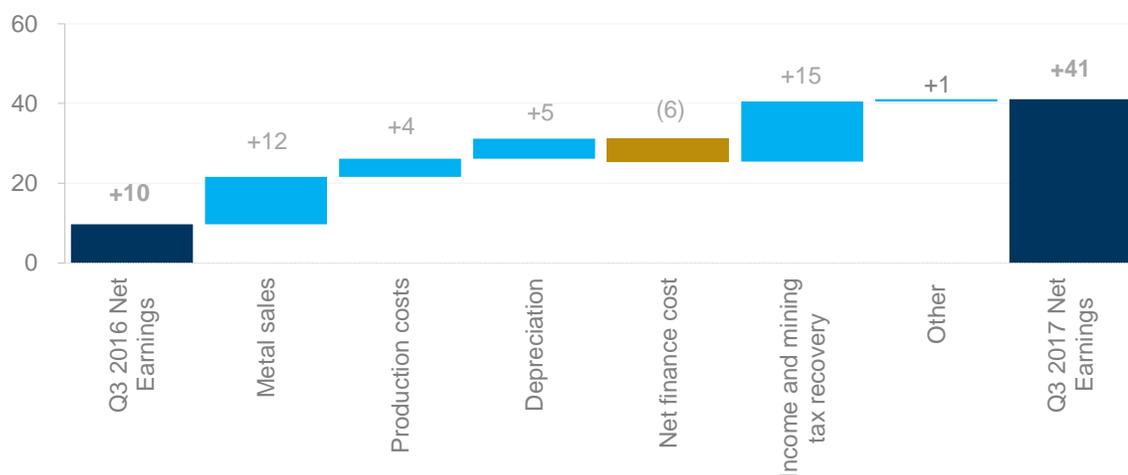


Mill Throughput Rate Thousands of tonnes per day



THIRD QUARTER 2017 FINANCIAL RESULTS

Factors Affecting Third Quarter Net Earnings Millions of U.S. dollars



Metal sales

Metal sales for the third quarter of 2017 were \$164.0 million compared to \$152.0 million in the prior year period, primarily reflecting a higher volume of gold sales.

Gold sales volumes during the third quarter of 2017 amounted to 128,498 ounces, an increase of 13% compared to 113,845 ounces in the prior year period due to the higher gold production as described in the previous section.

Gold sales volumes during the third quarter of 2017 lagged gold production due to the timing of gold pours and shipments. At the end of the third quarter of 2017, gold in-circuit rose significantly due to operational difficulties in stripping the gold. The Company expects the gold in-circuit to return to normal levels in the fourth quarter at approximately 25,000 ounces.

The average realized gold price for the third quarter of 2017 was \$1,273 per ounce, in-line with the average market price of \$1,278 per ounce. In the prior year period, the average realized gold price was \$1,281 per ounce, below the market price of \$1,335 per ounce due to the Company's gold sales risk management program, which realized a loss of \$53 per ounce.

Cost of sales

Cost of sales for the third quarter of 2017 was \$117.3 million compared to \$126.8 million in the third quarter of 2016. This balance is comprised of production costs and depreciation.

Production costs include costs associated with mining, processing, refining, site administration, and agreements with Aboriginal communities. Production costs during the third quarter of 2017 were \$86.8 million compared to \$91.3 million in the third quarter of 2016. Production cost variances are included in the total cash costs section below.

Depreciation during the third quarter of 2017 was \$30.5 million, or \$237 per ounce sold, compared to \$35.5 million, or \$311 per ounce sold in the third quarter of 2016. The decrease in the depreciation per ounce is primarily due to an increase of proven and probable reserves at year-end 2016, and an extended TMA cell life as a result of the updated LOM plan.

Total cash costs for the third quarter of 2017 were \$668 per ounce sold, a decrease of 17% or \$134 per ounce sold from the third quarter of 2016 of \$802 per ounce sold. In the prior year period, costs were negatively impacted by a major planned mill shutdown and high consumption rates of mill consumables to address low recovery rates.

AISC for the third quarter of 2017 totaled \$1,032 per ounce sold, compared to \$1,042 per ounce sold in the third quarter of 2016. The decrease of \$10 per ounce sold is primarily attributable to a decline in total cash costs (\$134 per ounce decrease) as described above, and a realized gain on operating hedges (\$40 per ounce decrease), which was almost fully offset by a higher capital spend profile (\$167 per ounce increase).

Sustaining capital expenditures in the third quarter of 2017 amounted to \$45.6 million (including \$6.3 million of deferred stripping) compared to \$21.4 million (including \$1.6 million of deferred stripping) in the prior year period. Sustaining capital expenditures in the third quarter of 2017 primarily relate to construction activities related to the TMA and the new contractor camp, purchase of a CAT795F haul truck and significant components related to the mobile fleet.

Corporate administration expense

Corporate administration expense was \$5.3 million in the third quarter of 2017 compared to \$5.1 million in the prior year period. Included in the balance is \$0.8 million of share-based compensation, compared to \$0.4 million in the third quarter of 2016. The slight increase reflects the impact of the Company's share price affecting the valuation of the share unit plans. In both periods the share price decreased; however, the decrease in the prior year period was more significant resulting in lower share-based compensation expense (third quarter 2017 - share price decrease of Cdn\$1.42 compared to the third quarter of 2016 - share price decrease of Cdn\$3.74).

Exploration and evaluation expense

Exploration and evaluation expense was \$1.7 million in the third quarter of 2017 compared to \$3.0 million for the prior year period. Exploration and evaluation expense in both 2017 and 2016 mainly related to the drilling programs at Zone 58N. Fewer metres were drilled in 2017 versus 2016. Refer to section "Exploration Program" for additional details.

Net finance cost

Interest expense and bank charges

During the third quarter of 2017, the Company recorded interest expense and bank charges of \$7.5 million compared to \$5.6 million during the third quarter of 2016. The increase is due to the additional cost of the new \$500 million Credit Facility, of which \$300 million was drawn in the third quarter of 2017.

Unrealized and realized gain/loss on derivative instruments

During the third quarter of 2017, the Company recorded a net realized gain of \$5.1 million on its financial risk management programs (third quarter 2016 - \$6.1 million loss) and recorded a net unrealized loss of \$0.3 million on derivative positions at September 30, 2017 (third quarter 2016 - \$6.2 million gain). Details on the Company's derivative positions at September 30, 2017 are included in the "Liquidity and Capital Resources – Derivative Instruments" section.

Income and mining tax

During the third quarter of 2017, a net income and mining tax recovery of \$8.6 million was recognized (third quarter of 2016 - \$6.5 million expense). The deferred tax recovery recognized is primarily due to the strengthening of the Canadian dollar since the second quarter and the resulting impact on the foreign exchange translation of non-monetary assets, mainly property, plant and equipment for tax purposes, offset by the utilization of discretionary tax deductions. The Company's functional currency for financial reporting purposes differs from its tax filing currency. As

a result, the tax basis of non-monetary assets and liabilities that are denominated in a foreign currency, other than the U.S. dollar, are subject to re-measurement for changes in currency exchange rates at each reporting period. This can have a significant impact on the Company's net earnings or loss in a period. All else being equal, if the Canadian dollar weakens against the U.S. dollar, the Company would recognize additional deferred tax expense. In the event the Canadian dollar appreciates against the U.S. dollar, a deferred tax recovery would be expected.

Net earnings

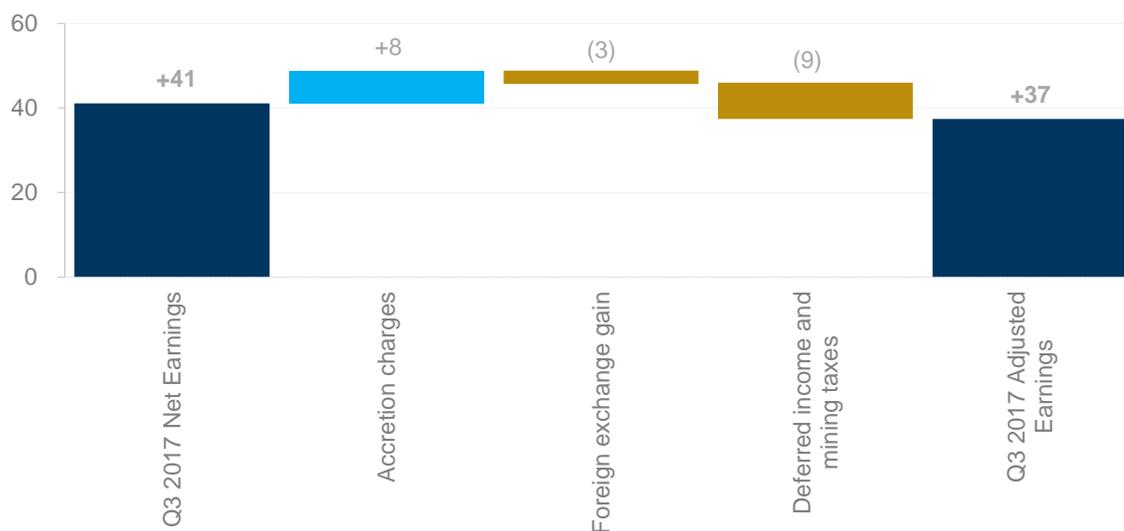
Net earnings for the third quarter of 2017 were \$41.1 million, or \$0.24 per basic share, compared to net earnings of \$9.7 million, or \$0.06 per basic share in the third quarter of 2016. The increase in net earnings reflects the higher earnings from mine operations and income and mining tax recovery.

Adjusted earnings

Adjusted earnings for the third quarter of 2017 amounted to \$37.4 million, or \$0.21 per basic share, an increase from adjusted earnings of \$1.3 million or \$0.01 per basic share from the prior year period, primarily due to the increase in earnings from mine operations.

Reconciliation of Third Quarter 2017 Adjusted Earnings

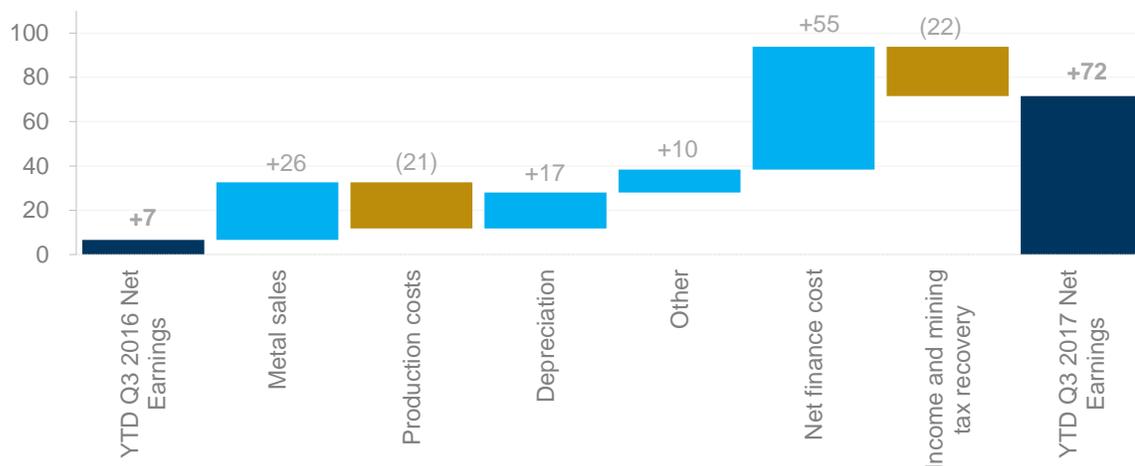
Millions of U.S. dollars



Net earnings were adjusted to exclude specific items that are significant, and not reflective of the underlying operations of the Company, including: fair value change of the convertible notes, the impact of foreign exchange gains and losses, including the foreign exchange impact on deferred income and mining taxes, non-cash unrealized gains and losses on derivative instruments, accretion on long-term debt and decommissioning and restoration provisions. Adjusting for these items provides an additional measure to evaluate the underlying operating performance of the Company as a whole for the reporting periods presented. Refer to section “Non-IFRS Financial Performance Measures” for a reconciliation of the net earnings to adjusted earnings.

YEAR-TO-DATE 2017 FINANCIAL RESULTS

Factors Affecting First Nine Months Earnings Millions of U.S. dollars



Metal sales

Metal sales for the first nine months of 2017 were \$507.8 million compared to \$481.7 million in the prior year period, reflecting a higher average realized gold price and a higher volume of gold sales.

Gold sales volumes in the first nine months of 2017 amounted to 405,681 ounces, an increase of 6% compared to 383,059 ounces in the prior year period due to the higher gold production described in the section “Operating Results”.

The average realized gold price for the first nine months of 2017 was \$1,248 per ounce, in-line with the average market price of \$1,251 per ounce. In the prior year period, the average realized gold price was \$1,224 per ounce, below the market price of \$1,259 per ounce due to the Company’s gold sales risk management program, which realized a loss of \$30 per ounce.

Cost of sales

Cost of sales for the first nine months of 2017 was \$396.3 million compared to \$391.7 million in the first nine months of 2016. This balance is comprised of production costs and depreciation.

Production costs include costs associated with mining, processing, refining, site administration, and agreements with Aboriginal communities. Production costs during the first nine months of 2017 were \$295.0 million compared to \$274.2 million in the first nine months of 2016, as a result of higher total tonnes mined and ore milled. Refer to total cash costs section below for further details.

Depreciation during the first nine months of 2017 was \$101.2 million, or \$250 per ounce sold, compared to \$117.5 million, or \$307 per ounce sold in the first nine months of 2016. The decrease in the depreciation per ounce is primarily due to an increase of proven and probable reserves at year-end 2016 and an extended TMA cell life as a result of the updated LOM plan.

Total cash costs for the first nine months of 2017 were \$721 per ounce sold, an increase of \$16 per ounce sold from the first nine months of 2016 of \$705 per ounce sold. Although there were efficiencies gained in the operations, in particular at the processing plant, their positive impact was negatively impacted by the stronger Canadian dollar relative to the prior year period.

AISC for the first nine months of 2017 totaled \$1,092 per ounce sold compared to \$960 per ounce sold in the first nine months of 2016. The increase of \$132 per ounce sold is primarily due to higher sustaining capital expenditures (\$161 per ounce increase) and total cash costs (\$16 per ounce increase), which was partially offset by lower corporate administration expenditures (\$23 per ounce decrease).

Sustaining capital expenditures in the first nine months of 2017 amounted to \$134.2 million (including \$18.3 million of deferred stripping) compared to \$64.9 million (including \$2.7 million of deferred stripping) in the prior year period. The increase relates to the higher capital budget for 2017 relative to 2016 capital spend. Sustaining capital expenditures in the first nine months of 2017 primarily relate to the purchase of a CAT6060 shovel and three CAT 795F haul trucks, and construction activities related to the TMA.

Corporate administration expense

Corporate administration expense was \$17.9 million in the first nine months of 2017 compared to \$25.9 million in the prior year period. Included in the balance is \$3.4 million of share-based compensation compared to \$13.1 million in the first nine months of 2016. The decrease reflects the impact of the Company's lower share price affecting the valuation of the share unit plans. During the first nine months of 2017, the share price decreased by Cdn\$4.53 compared to the share price increasing by Cdn\$14.13 in the first nine months of 2016.

Exploration and evaluation expense

Exploration and evaluation expense was \$5.6 million in the first nine months of 2017 compared to \$8.6 million for the prior year period. Exploration and evaluation expense, in both 2017 and 2016, mainly related to the drilling programs at Zone 58N. The decrease in exploration and evaluation expense is primarily related to fewer metres drilled in 2017 than 2016 due to a shorter drilling season as a result of warmer conditions. Refer to section "Exploration Program" for additional details.

Net finance cost

Interest expense and bank charges

During the first nine months of 2017, the Company recorded interest expense and bank charges of \$17.4 million compared to \$19.1 million during the first nine months of 2016. The decrease is primarily related to lower levels of the convertible notes outstanding (average balance 2017 - \$335.8 million; 2016 - \$405.8 million), partially offset by the \$300 million drawdown of the Credit Facility in July 2017.

Unrealized and realized gain/loss on derivative instruments

During the first nine months of 2017, the Company realized a net gain of \$4.4 million on its financial risk management programs (first nine months of 2016 - \$13.4 million loss) and recorded an unrealized gain of \$1.5 million on derivative positions at September 30, 2017 (first nine months of 2016 - \$2.8 million loss). Details on the Company's derivative positions at September 30, 2017 are included in the "Liquidity and Capital Resources – Derivative Instruments" section.

Renunciation of flow-through shares

During the first nine months of 2017, the Company renounced the tax attributes of its February 22, 2016 flow-through shares to its subscribers resulting in the release of the related share premium liability of \$1.4 million to finance income and costs.

Convertible Notes

The Company recorded a fair value gain on the Convertible notes of \$0.9 million during the first nine months of 2017 compared to a \$17.6 million loss in the prior year period. The increase is primarily driven by fluctuations in the Company's share price and the remaining term of the convertible notes maturing on November 30, 2017.

Income and mining tax

During the first nine months of 2017, an income and mining tax recovery of \$12.2 million was recognized (first nine months of 2016 - \$34.3 million recovery). The deferred tax recovery recognized is primarily due to the strengthening of the Canadian dollar since year-end and the resulting impact on the foreign exchange translation of non-monetary assets, mainly property, plant and equipment for tax purposes; offset by the utilization of discretionary tax deductions. The Company's functional currency for financial reporting purposes differs from its tax filing currency. As a result, the tax basis of non-monetary assets and liabilities that are denominated in a foreign currency, other than the U.S. dollar, are subject to re-measurement for changes in currency exchange rates at each reporting period. This can have a significant impact on the Company's net earnings or loss in a period. All else being equal, if the Canadian dollar weakens against the U.S. dollar, the Company would recognize additional deferred tax expense. In the event the Canadian dollar appreciates against the U.S. dollar, a deferred tax recovery would be expected.

Net earnings

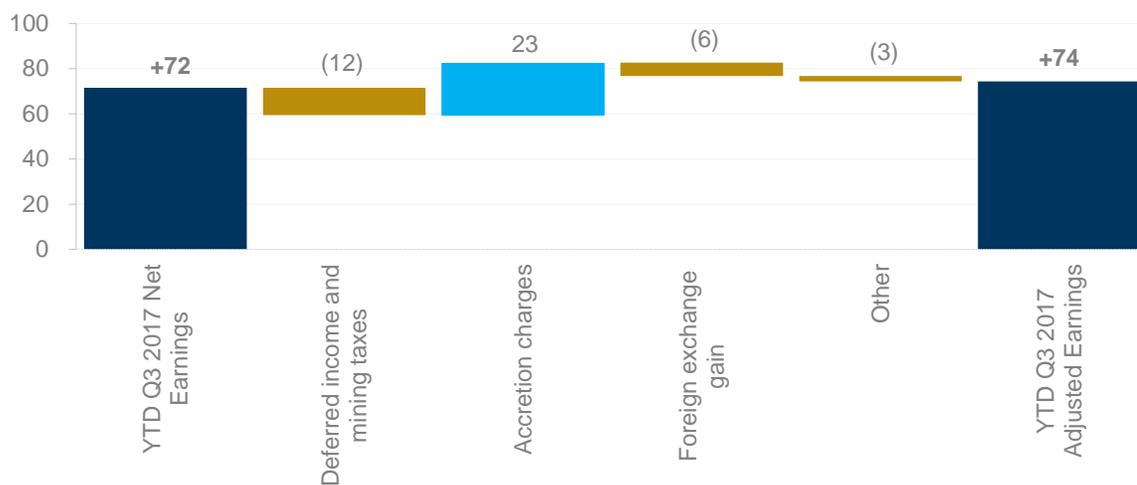
Net earnings for the first nine months of 2017 were \$71.5 million, or \$0.41 per basic share, compared to net earnings of \$6.6 million, or \$0.04 per basic share in the first nine months of 2016. The increase in net earnings reflects increased earnings from mine operations and lower corporate administration and net finance cost.

Adjusted earnings

Adjusted earnings for the first nine months of 2017 amounted to \$74.4 million or \$0.43 per basic share, an increase from adjusted earnings of \$16.5 million or \$0.10 per basic share in the prior year period, reflecting an increase in earnings from mine operations and lower share-based compensation expense.

Reconciliation of Nine Months 2017 Adjusted Earnings

Millions of U.S. dollars



Net earnings were adjusted to exclude specific items that are significant, and not reflective of the underlying operations of the Company, including: fair value change of the convertible notes, the impact of foreign exchange gains and losses, including the foreign exchange impact on deferred income and mining taxes, non-cash unrealized gains and losses on derivative instruments, accretion on long-term debt and decommissioning and restoration provisions. Adjusting for these items provides an additional measure to evaluate the underlying operating performance of the Company as a whole for the reporting periods presented. Refer to section “Non-IFRS Financial Performance Measures” for a reconciliation of the net earnings to adjusted earnings.

FINANCIAL CONDITION REVIEW

In thousands of dollars	September 30 2017	December 31 2016
Cash and cash equivalents	\$ 113,721	\$ 129,360
Restricted cash	329,314	-
Investments	216	26
Other receivables	7,152	7,150
Other assets	37,312	29,091
Current and long-term inventories	123,300	119,935
Property, plant and equipment	2,119,924	2,084,515
Total assets	\$ 2,730,939	\$ 2,370,077
Trade and other payables	\$ 74,974	\$ 60,710
Current debt	315,284	328,575
Long-term debt	297,506	-
Other liabilities	33,376	34,776
Deferred tax liability	70,551	82,701
Total liabilities	\$ 791,691	\$ 506,762
Total equity	\$ 1,939,248	\$ 1,863,315

Total assets were \$2.7 billion at September 30, 2017, an increase of \$360.9 million compared to December 31, 2016. The Company's asset base is primarily comprised of non-current assets, property, plant and equipment, reflecting the capital intensive nature of mining. The net increase in total assets primarily reflects restricted cash of \$329.3 million to defease the convertible notes and an increase in property, plant and equipment due to additions exceeding depreciation expense.

At September 30, 2017, inventories included \$34.0 million of stockpiled ore (December 31, 2016 - \$36.5 million), \$44.7 million of gold in-circuit (December 31, 2016 - \$17.9 million), \$8.5 million of finished metal inventory (December 31, 2016 - \$17.6 million), and \$36.0 million of materials and supplies (December 31, 2016 - \$47.9 million). As of September 30, 2017, \$16.4 million of the stockpiled ore was classified as long-term on the expectation that it will be processed beyond September 30, 2018.

As of September 30, 2017, ROM stockpiles stood at 5.7 Mt grading 0.68 g/t Au, equivalent to approximately 126,000 contained ounces of gold (December 31, 2016 - 7.0 Mt grading 0.65 g/t Au, equivalent to approximately 145,000 contained ounces of gold).

Other receivables primarily relate to Harmonized Sales Tax (HST) refunds of \$6.3 million. At any period end, the Company expects to have one or two months of HST refunds outstanding. The Company does not carry any trade receivables.

Property, plant and equipment increased by net \$35.4 million during the first nine months of 2017. Additions to property, plant and equipment amounted to \$143.1 million, which primarily relate to the expansion of the mobile fleet and construction costs associated with the TMA. This balance was partially offset by \$107.7 million of depreciation charges.

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

The Company's current debt consists of its convertible notes, which mature in November 2017. During the third quarter of 2017, the Company placed \$329.3 million, which includes the principal of \$320.5 million and final interest

payment of \$8.8 million, in escrow to repurchase the convertible notes upon maturity. The escrowed funds are recorded separately from the convertible note liability under the caption “Restricted cash”.

The Company’s long-term debt consists of its new Credit Facility of which \$300 million was drawn as at September 30, 2017. Refer to section “Liquidity and capital resources” for additional details.

Trade and other payables increased to \$75.0 million from \$60.7 million due to a \$7.0 million increase in unpaid accrued interest, as well as an increase in accounts payables related to capital acquisitions.

The Company’s decommissioning and restoration provisions are included within Other liabilities in the table above. Significant restoration and rehabilitation activities include land rehabilitation, demolition of buildings and mine facilities, ongoing care and maintenance and other costs. At September 30, 2017, the provision was \$33.2 million compared to \$32.2 million at December 31, 2016. The increase is primarily related to the impact of foreign exchange fluctuations in valuation of the liability. There have been no changes to the underlying mine site closure activities or future cash flows.

The Company’s derivatives are included in Other assets and Other liabilities in the table above. The movement in these balances is due to the change in open contracts and market rates at period end. A summary of the derivative positions and settlements during the first nine months of 2017 and 2016 are included in section “Liquidity and Capital Resources – Derivative Instruments” for details on the Company’s derivative activities.

The Company recognized deferred tax liabilities of \$70.6 million in respect of income and mining taxes, a decrease of \$12.2 million from December 31, 2016. The deferred tax recovery recognized is primarily due to strengthening of the Canadian dollar since year-end and the resulting impact on the foreign exchange translation of non-monetary assets, mainly property, plant and equipment for tax purposes, offset by the utilization of discretionary tax deductions.

Total equity was \$1.9 billion at September 30, 2017, an increase of \$75.9 million compared to December 31, 2016, primarily due to net income of \$71.5 million for the first nine months of 2017.

LIQUIDITY AND CAPITAL RESOURCES

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

Liquidity and capital resources

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

As at September 30, 2017, the Company had cash and cash equivalents of \$113.7 million compared to \$129.4 million at December 31, 2016. The funds are maintained in interest bearing accounts at select Canadian chartered banks.

In July 2017, the Company replaced its Cdn\$135 million Facility with the Credit Facility, as described in the "Corporate Developments" section.

Upon closing of the Credit Facility, the Company drew the full Term Loan and \$100 million of the Revolver and together with cash on-hand of \$29.3 million defeased the outstanding convertible notes in accordance with the trust indenture governing the convertible notes. The funds of \$329.3 million, which includes the \$320.5 million principal payments and the final \$8.8 million interest payment, were placed on deposit with the convertible notes trustee and the holders of the convertible notes will be paid at maturity (November 2017).

In addition, the Company has used the Credit Facility to issue \$30.6 million (Cdn\$38.2 million) of letters of credit that were previously issued under the Cdn\$135 million Facility.

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

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

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

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

Cash flows

In thousands of dollars	Three months ended		Nine months ended	
	September 30		September 30	
	2017	2016	2017	2016
Cash flow from operating activities	\$ 61,324	\$ 38,256	\$ 190,891	\$ 135,032
Cash flow used in investing activities	(45,504)	(22,024)	(130,935)	(65,742)
Cash flow used in financing activities	(31,371)	(54,672)	(78,655)	(114,376)
Effect of foreign exchange rates on cash	1,021	386	3,060	59
Net decrease in cash	(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	\$ 113,721	\$ 115,576	\$ 113,721	\$ 115,576

Cash flow from operating activities

The Company generated \$61.3 million of operating cash flow during the third quarter of 2017 compared to \$38.3 million in the prior year period. The increase is due to the higher volume of gold ounces sold combined with the lower production costs on a per ounce sold basis (see the financial results third quarter of 2017 Total cash costs discussion). In both periods there was a significant negative inventory working capital movement due to a build-up of gold in-circuit; however, in the prior year period, this negative impact was partially offset by favourable accounts payable working capital movements.

During the first nine months of 2017, the Company generated \$190.9 million of operating cash flow compared to \$135.0 million in the prior year period. The increase is related to a higher volume of gold ounces sold in the current period combined with lower working capital movements (current period negative \$5.3 million working capital compared to negative \$40.9 million in the prior year period).

Cash flow used in investing activities

Cash outflows from investing activities amounted to \$45.5 million and \$130.9 million for the three and nine months ended September 30, 2017 (\$22.0 million and \$65.7 million for the three and nine months ended September 30, 2016). Cash used in investing activities is primarily for sustaining capital expenditures at the Detour Lake mine.

Compared to prior year periods, the increased spend in 2017 was due to higher capital budget related to the planned expansion of the mining fleet, the construction of a new contractor camp and increased deferred stripping costs.

Deferred stripping costs were \$6.3 million in the third quarter of 2017 and \$18.3 million in the first nine months of 2017 compared to \$1.6 million and \$2.7 million for the third quarter and nine months of 2016 as a result of the higher strip ratio in certain months.

Cash flow used in financing activities

Net financing cash outflows for the third quarter of 2017 amounted to \$31.4 million compared to \$54.7 million in the prior year period. The financing cash flows in the current period primarily relate to the \$300.0 million drawdown of the Credit Facility, which was placed, along with \$29.3 million of the Company's cash on hand, in escrow for the final settlement of the convertible notes in November 2017. In the prior year period, the net cash outflows related to the repurchase of \$62.1 million of convertible notes, partially offset by \$8.4 million of proceeds from stock option exercises.

Net financing cash outflows for first nine months of 2017 amounted to \$78.7 million compared to \$114.4 million in the prior year. The lower cash outflows relate to lower debt repayments of \$38.1 million in the first nine months of 2017

compared to \$146.2 million, partially offset by lower cash inflows of \$44.6 million from the issuance of common shares.

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

In thousands of dollars	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 \$52.0 million 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.

Gains (losses) on derivative instruments

In thousands of dollars	Three months ended		Nine months ended	
	September 30 2017	2016	September 30 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
In thousands of dollars	due to +/-10% Rate change
Gold contracts	-/+\$2,700
Currency contracts	-\$2,500/\$+\$6,000
Diesel contracts	+/- \$300

COMMITMENTS

Purchase commitments

As at September 30, 2017, total purchase commitments for capital expenditures for the Detour Lake mine amounted to \$22.0 million (December 31, 2016 - \$51.6 million).

Operating leases

The Company has operating lease agreements involving office space and equipment. Future minimum lease payments required to meet obligations that have initial or remaining non-cancelable lease terms are \$0.2 million in 2017, \$0.7 million each year from 2018 to 2020, and \$0.1 million thereafter.

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).

Mine site closure obligations

The Company has issued \$16.1 million (Cdn\$20.1 million) surety bonds and a letter of credit for \$22.7 million (Cdn\$28.3 million) under the Credit Facility in favour of the Ministry of Northern Development and Mines in support of the closure plan of the Detour Lake mine as at September 30, 2017.

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 \$1.1 million (Cdn\$1.4 million) 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.

OFF-BALANCE SHEET ARRANGEMENTS

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

SUMMARY OF QUARTERLY FINANCIAL RESULTS

In thousands of dollars, except per share and ounce amounts	2017				2016			2015
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Gold ounces produced	139,861	150,138	131,418	143,512	127,758	139,359	127,136	146,417
Gold ounces sold ¹	128,498	142,970	134,213	144,668	113,845	131,606	137,608	132,209
Metal sales ¹	\$ 163,987	\$ 180,067	\$ 163,712	\$ 176,570	\$ 152,046	\$ 166,656	\$ 163,014	\$ 145,689
Cost of sales								
Production costs	86,799	101,815	106,435	123,922	91,348	93,419	89,384	92,523
Depreciation and depletion	30,478	35,646	35,103	47,817	35,458	39,230	42,812	44,109
Total cost of sales	117,277	137,461	141,538	171,739	126,806	132,649	132,196	136,632
Earnings from mine operations	46,710	42,606	22,174	4,831	25,240	34,007	30,818	9,057
Expenses ²	(7,686)	(10,167)	(6,105)	(4,539)	(8,247)	(16,169)	(9,962)	(4,147)
Net finance income (cost)	(6,505)	(9,375)	(12,271)	3,007	(823)	(51,391)	(31,210)	(17,331)
Income tax recovery (expense)	8,586	1,352	2,212	(16,791)	(6,491)	2,834	37,974	(28,426)
Net earnings (loss)	\$ 41,105	\$ 24,416	\$ 6,010	\$ (13,492)	\$ 9,679	\$ (30,719)	\$ 27,620	\$ (40,847)
Earnings (loss) per share								
Basic	\$ 0.24	\$ 0.14	\$ 0.03	\$ (0.08)	\$ 0.06	\$ (0.18)	\$ 0.16	\$ (0.24)
Diluted	\$ 0.23	\$ 0.14	\$ 0.03	\$ (0.08)	\$ 0.06	\$ (0.18)	\$ 0.16	\$ (0.24)

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

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

NON-IFRS FINANCIAL PERFORMANCE MEASURES

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

Total cash costs

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

Total cash costs include production costs such as mining, processing, refining and site administration, agreements with 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. Other companies may calculate this measure differently.

All-in sustaining costs

The Company believes that AISC more fully defines the total costs associated with producing gold. The Company calculates AISC as the sum of total cash costs (as described above), share-based compensation, corporate general and administrative expense, exploration and evaluation expenditures 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 gold ounces sold to arrive at a per ounce figure.

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

Total cash costs and All-in sustaining costs reconciliation

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

In thousands of dollars, except where noted	Three months ended		Nine months ended	
	2017	September 30 2016	2017	September 30 2016
Gold ounces sold	128,498	113,845	405,681	383,059
Total Cash Costs Reconciliation				
Production costs	\$ 86,799	\$ 91,348	295,049	\$ 274,151
Less: Share-based compensation	(558)	172	(1,303)	(3,196)
Less: Silver sales	(378)	(248)	(1,239)	(1,053)
Total cash costs	\$ 85,863	\$ 91,272	\$ 292,507	\$ 269,902
Total cash costs per ounce sold	\$ 668	\$ 802	\$ 721	\$ 705
All-in Sustaining Costs Reconciliation				
Total cash costs	\$ 85,863	\$ 91,272	\$ 292,507	\$ 269,902
Sustaining capital expenditures ¹	45,568	21,385	134,235	64,899
Accretion on decommissioning and restoration provision	51	31	150	124
Share-based compensation	558	(172)	1,303	3,196
Realized (gain) loss on operating hedges ²	(5,145)	69	(4,437)	1,725
Corporate administration expense ³	5,288	5,146	17,755	25,600
Sustaining exploration expenditures ⁴	461	931	1,646	2,259
Total all-in sustaining costs	\$ 132,644	\$ 118,662	\$ 443,159	\$ 367,705
All-in sustaining costs per ounce sold	\$ 1,032	\$ 1,042	\$ 1,092	\$ 960

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 includes the value of fully commissioned assets with deferred payment terms. Non-sustaining capital expenditures primarily relate to West Detour.

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

³Includes the sum of corporate administration expense, which includes share-based compensation, per the statement of comprehensive earnings, excluding depreciation 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.

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 loss 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.

In thousands of dollars, except where noted	Three months ended		Nine months ended	
	September 30		September 30	
	2017	2016	2017	2016
Metal sales	\$ 163,987	\$ 152,046	\$ 507,766	\$ 481,716
Realized loss on gold contracts	(76)	(5,988)	(70)	(11,651)
Silver sales	(378)	(248)	(1,239)	(1,053)
Revenues from gold sales	\$ 163,533	\$ 145,810	\$ 506,457	\$ 469,012
Gold ounces sold	128,498	113,845	405,681	383,059
Average realized price	\$ 1,273	\$ 1,281	\$ 1,248	\$ 1,224
Less: Total cash costs per gold ounce sold	(668)	(802)	(721)	(705)
Average realized margin per gold ounce sold	\$ 605	\$ 479	\$ 527	\$ 519

Adjusted earnings and Adjusted basic earnings per share

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

Adjusted 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: fair value change of the convertible notes, the impact of foreign exchange gains and losses, deferred income and mining taxes, non-cash unrealized gains and losses on derivative instruments, accretion on long-term debt and decommissioning and restoration provisions, impairment provisions and reversals thereof, and other non-recurring items. Adjusted basic earnings per share is calculated using the weighted average number of shares outstanding under the basic method of loss per share as determined under IFRS.

In thousands of dollars, except where noted	Three months ended		Nine months ended	
	September 30		September 30	
	2017	2016	2017	2016
Basic weighted average shares outstanding	174,735,263	174,487,277	174,652,096	173,180,274

Adjusted earnings and Adjusted basic earnings per share reconciliation

Net earnings	\$ 41,105	\$ 9,679	\$ 71,531	\$ 6,580
Adjusted for:				
Fair value (gain) loss of the convertible notes ¹	(10)	(16,787)	(862)	17,577
Accretion on long-term debt ¹	7,731	7,913	23,081	24,249
Accretion on decommissioning and restoration provision ¹	51	31	150	124
Non-cash unrealized (gain) loss on derivative instruments ²	330	(6,220)	(1,505)	2,810
Foreign exchange (gain) loss ¹	(3,194)	214	(5,872)	(551)
Deferred income and mining taxes	(8,586)	6,491	(12,150)	(34,317)
Adjusted earnings	\$ 37,427	\$ 1,321	\$ 74,373	\$ 16,472
Adjusted basic earnings per share	\$ 0.21	\$ 0.01	\$ 0.43	\$ 0.10

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.

ADDITIONAL IFRS FINANCIAL PERFORMANCE MEASURES

The Company has included the additional IFRS measure “Earnings from mine operations” in the financial statements. Management noted that “Earnings 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, other operating (income) expenses, finance cost, and taxation.

CRITICAL ACCOUNTING ESTIMATES

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

The critical accounting estimates and judgments applied in preparation of the Company’s condensed consolidated interim financial statements for the three and nine months ended September 30, 2017 are consistent with those applied and disclosed in the Company’s audited annual consolidated financial statements for the year ended December 31, 2016.

ACCOUNTING POLICIES

(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.

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 standards and interpretations 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.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

There was no material change in the Company's internal controls over financial reporting that occurred during the third quarter of 2017 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Disclosure controls and procedures

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure. The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the design of the disclosure controls and procedures as of September 30, 2017, which disclosure controls and procedures provide reasonable assurance that material information is made known to them by others within the Company are appropriately designed.

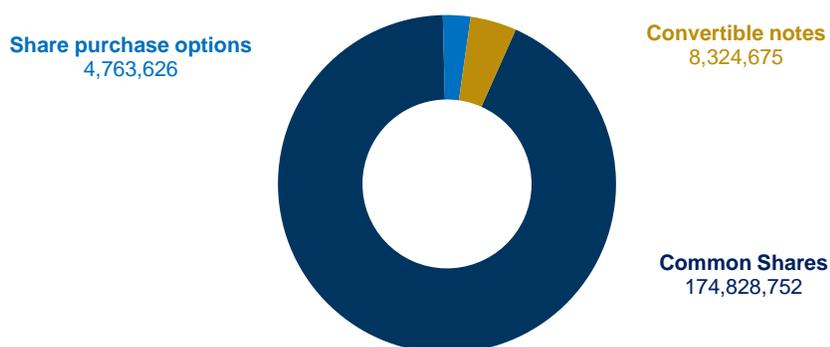
Since the December 31, 2016 evaluation, there have been no material changes to the Company's disclosure controls and procedures.

Limitations of controls and procedures

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

OUTSTANDING SHARES

As at October 25, 2017, the date of this MD&A, the Company had the following number of securities outstanding:



RISKS AND UNCERTAINTIES

The Company's major risk factors are disclosed in the Annual Information Form (AIF) for the year ended December 31, 2016, filed with the Canadian provincial securities regulatory authorities. The risk factors disclosed should be given special consideration when evaluating trends, risks and uncertainties relating to the Company's business. Any of the risk factors could cause circumstances to differ materially from those described in forward-looking statements relating to the Company, and could have a material adverse effect upon the Company, its business, operations, results of operations, financial condition and prospects. Although these are the major risk factors identified by management, they do not comprise a definitive list of all risk factors related to the Company. In addition, other risks and uncertainties not presently known by management could impair the Company and its business, operations, results of operations, financial condition and future prospects in the future.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). Forward-looking statements relate to future events or future performance and reflect current expectations or beliefs regarding future events and include, but are not limited to, statements with respect to: (i) the amount of mineral resources and mineral reserves and exploration targets; (ii) the amount of future production over any period; (iii) net present value and internal rates of return of mining operations; (iv) assumptions relating to recovered grade, average ore recovery, internal dilution, mining dilution and other mining parameters set out in the technical reports, studies and disclosure of the Company; (v) assumptions relating to revenues, operating cash flow and other revenue metrics set out in the Company's disclosure materials; (vi) mine expansion potential and expected mine life; (vii) expected time frames for completion of permitting and regulatory approvals; (viii) future capital and operating expenditures; (ix) future exploration plans; (x) future gold prices; and (xi) sources of and anticipated financing requirements. 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 actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date or dates specified in such statements.

Specifically, this document contains forward-looking statements regarding the Company's expectation of strong fourth quarter gold production to meet the mid-range of annual guidance; having flexibility of further reducing debt in the fourth quarter; gold in-circuit to return to normal levels in the fourth quarter at approximately 25,000 ounces of gold; holders of the convertible notes being paid on November 30, 2017; attaining the mid-range of annual guidance for production, total cash costs, and AISC; achieving 100 Mt mined from the Detour Lake pit in 2017; Company's seventh shovel and two haul trucks arriving at site at year-end; capital expenditures of approximately \$160 to \$180 million; and provincial approval for the West Detour project targeted for mid-2018.

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: a constant gold price of \$1,200 per ounce in 2017, a constant diesel fuel price of Cdn\$0.70 per litre in 2017, a constant U.S./Cdn exchange rate of 1.30 in 2017 and a constant power cost of Cdn\$0.03 per kilowatt hour in 2017; the availability of financing for exploration and development activities; operating and capital costs; the Company's available cost resources in 2017; 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 returns; the accuracy of reserve and 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.

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.

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, a reduction of the Company's available cash resources, the uncertainties involved in interpreting geological data, risks relating to variations in recovered grades and mining dilution, variations in rates of recovery, changes or delays in mining development and exploration plans, the success of mining, development and exploration plans, changes in project parameters, risks related to the receipt of regulatory approvals, increases in costs, environmental compliance and changes in environmental legislation and regulation delays in the consultation and permitting process for West Detour, 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 2016 AIF and in the continuous disclosure documents filed by Detour Gold on and available on SEDAR at www.sedar.com.

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 and Guy MacGillivray, P.Geo., Exploration Manager, Qualified Persons as defined by Canadian Securities Administrators National Instrument 43-101 "Standards of Disclosure for Mineral Projects."

CORPORATE INFORMATION



Directors

Michael Kenyon	Chairman
Paul Martin	President and Chief Executive Officer
Lisa Colnett ^{(4), (5)}	Corporate Director
Edward Dowling ^{(3), (5)}	Corporate Director
Robert Doyle ^{(2), (3)}	Corporate Director
Andre Falzon ^{(1), (2)}	Corporate Director
Ingrid Hibbard ^{(1), (5)}	Corporate Director
Alex Morrison ^{(2), (3), (4)}	Corporate Director
Jonathan Rubenstein ^{(1), (4)}	Corporate Director

Board Committees

- (1) Corporate Governance and Nominating Committee
- (2) Audit Committee
- (3) Technical Committee
- (4) Human Resources and Compensation Committee
- (5) Corporate Social Responsibility Committee

Management

Paul Martin	President and Chief Executive Officer
James Mavor	Chief Financial Officer
Julie Galloway	General Counsel and Corporate Secretary
Drew Anwyll	Senior Vice President, Technical Services
Derek Teevan	Senior Vice President, Corporate and Aboriginal Affairs
Laurie Gaborit	Vice President, Investor Relations
Ruben Wallin	Vice President, Environment and Health and Safety
Charles Hennessey	Mine General Manager
Alberto Heredia	Controller

Company Information

Corporate Office
Commerce Court West
199 Bay Street, Suite 4100
Toronto, ON M5L 1E2
t: 416.304.0800
f: 416.304.0184

Investor Relations
Laurie Gaborit, Vice President
Investor Relations
t: 416.304.0581
e: lgaborit@detourgold.com

Media Inquiries
t: 416.304.0800
e: info@detourgold.com

Transfer Agent

Computershare Investor Services
tf: 1.800.564.6253
t: 416.263.9701

Auditors
KPMG LLP