
DETOUR GOLD

Q1 2019

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

FOR THE QUARTER ENDED MARCH 31, 2019

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

	Note	March 31 2019	December 31 2018
ASSETS			
Current assets			
Cash and cash equivalents		\$ 201.1	\$ 131.9
Receivables and other assets		10.2	17.3
Prepaid expenses and deposits		3.9	7.5
Inventories	4	86.2	92.5
Derivative assets	13	0.5	0.8
Total current assets		301.9	250.0
Non-current assets			
Long-term inventories	4	16.1	16.1
Long-term deposits	5(ii)	37.2	36.8
Right-of-use assets	5	11.7	-
Property, plant and equipment	5	2,162.5	2,165.1
Total non-current assets		2,227.5	2,218.0
Total assets		\$ 2,529.4	\$ 2,468.0
LIABILITIES			
Current liabilities			
Trade and other payables		\$ 64.1	\$ 54.3
Derivative liabilities	13	1.8	9.4
Lease liabilities - current portion	6 (b)	1.2	-
Total current liabilities		67.1	63.7
Non-current liabilities			
Long-term debt	6 (a)	249.0	248.8
Provisions		33.2	31.1
Lease liabilities - non-current portion	6 (b)	10.5	-
Deferred tax liability		163.6	162.1
Total non-current liabilities		456.3	442.0
Total liabilities		523.4	505.7
EQUITY			
Shareholders' equity			
Issued capital	7	2,321.1	2,313.8
Accumulated deficit		(404.0)	(442.9)
Share-based payment reserve		88.9	91.4
Total shareholders' equity		2,006.0	1,962.3
Total liabilities and equity		\$ 2,529.4	\$ 2,468.0

Commitments and contingencies (note 11)

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 millions of U.S. dollars, except per share amounts)

	Note	Three months ended March 31	
		2019	2018
Revenues			
Metal sales		\$ 206.1	\$ 201.4
Cost of sales			
Production costs		117.1	112.9
Depreciation and depletion		45.2	37.5
Earnings from mine operations		43.8	51.0
Corporate administration		6.6	4.4
Exploration and evaluation		1.5	1.3
Earnings before finance items and taxes		35.7	45.3
Net finance (income) cost	10	(4.7)	6.7
Earnings before taxes		40.4	38.6
Income and mining tax expense	14	1.5	28.7
Net earnings and comprehensive earnings		\$ 38.9	\$ 9.9
Earnings per share			
	8		
Basic		\$ 0.22	\$ 0.06
Diluted		\$ 0.22	\$ 0.06

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 millions of U.S. dollars)

	Note	Three months ended March 31	
		2019	2018
Operating activities			
Net earnings		\$ 38.9	\$ 9.9
Adjustments for:			
Depreciation and depletion		45.5	37.6
Share-based payments		-	(1.9)
Net finance (income) cost	10	(4.0)	7.1
Income and mining tax expense	14	1.5	28.7
		<u>81.9</u>	<u>81.4</u>
Changes in non-cash working capital items:			
Receivable and other assets and prepaid expenses		11.0	2.3
Accounts payable and accrued liabilities		11.6	(0.7)
Inventories		3.8	(14.7)
Net cash generated by operating activities		<u>108.3</u>	<u>68.3</u>
Investing activities			
Purchase of property, plant and equipment		(40.4)	(37.9)
Other proceeds		-	0.8
Interest received		0.7	0.4
Net cash used in investing activities		<u>(39.7)</u>	<u>(36.7)</u>
Financing activities			
Net credit facility borrowings (repayments)	6	-	(10.0)
Payment of lease liabilities		(0.5)	-
Issuance of common shares on exercise of options	7	4.8	0.6
Interest paid		(3.4)	(2.7)
Net cash generated by (used in) financing activities		<u>0.9</u>	<u>(12.1)</u>
Effect of exchange rates on cash and cash equivalents		(0.3)	(1.1)
Increase in cash and cash equivalents		69.2	18.4
Cash and cash equivalents, beginning of year		131.9	134.1
Cash and cash equivalents, end of period		<u>\$ 201.1</u>	<u>\$ 152.5</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 millions of U.S. dollars)

	Note	Three months ended March 31	
		2019	2018
Issued capital			
Balance, beginning of year		\$ 2,313.8	\$ 2,308.5
Issued on exercise of options		7.3	0.9
Balance, end of period	7	2,321.1	2,309.4
Accumulated deficit			
Balance, beginning of year		(442.9)	(441.9)
Net earnings for the period		38.9	9.9
Balance, end of period		(404.0)	(432.0)
Share-based payment reserve			
Balance, beginning of year		91.4	90.5
Share-based payment expense		-	0.5
Exercise of options	9	(2.5)	(0.3)
Balance, end of period		88.9	90.7
Total shareholders' equity		\$ 2,006.0	\$ 1,968.1

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 common 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 information required for 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, 2018. 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 audited annual consolidated financial statements.

These financial statements were authorized for issuance by the Company’s Board of Directors on May 2, 2019.

(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, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

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, 2018 except as related to the adoption of IFRS 16 *Leases*, as described in these condensed consolidated interim financial statements.

New standards adopted as of January 1, 2019

IFRS 16 - Leases

The Company has adopted IFRS 16 using the modified retrospective approach with an initial application date of January 1, 2019. The modified retrospective approach does not require restatement of prior period financial information as it recognizes the cumulative effect as an adjustment to asset and liability accounts and applies the standard prospectively.

On adoption of IFRS 16, the Company has recognized lease liabilities in relation to all lease arrangements measured at the present value of the remaining lease payments. The associated right-of-use assets were measured at the amount equal to the lease liability on January 1, 2019, adjusted by the amount of any prepaid or accrued lease

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payments relating to that lease.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company has elected to apply the exemptions not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The impacts of the adoption of IFRS 16 as at January 1, 2019 are as follows:

Office lease commitment at December 31, 2018 as disclosed in the Company's consolidated financial statements	\$	1.3
Office lease commitment discounted using the incremental borrowing rate at January 1, 2019	\$	1.2
Variable lease payments	\$	(0.6)
Additional lease liabilities	\$	11.6
Lease liabilities recognized at January 1, 2019	\$	12.2

The Company has recognized lease liabilities in relation to all lease arrangements measured at the present value of the remaining lease payments from commitments disclosed as at March 31, 2019 at the weighted average incremental borrowing rate of 3.4%.

IFRIC 23 – Uncertainty over Tax Treatments

The Company has adopted IFRIC 23 *Uncertainty over Income Tax Treatments* with an initial application date of January 1, 2019. 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 Company assessed the implication of IFRIC 23 on current and deferred taxes and concluded no impact on the financial statements.

4. INVENTORIES

	March 31 2019	December 31 2018
Ore stockpiles	\$ 24.3	\$ 25.5
In-circuit	20.8	24.0
Finished metal	16.8	20.4
Materials and supplies	40.4	38.7
	102.3	108.6
Less: Long-term ore stockpiles	(7.7)	(7.7)
Less: Long-term materials and supplies	(8.4)	(8.4)
Inventories	\$ 86.2	\$ 92.5

The amount of depreciation included in inventories at March 31, 2019 was \$16.2 (December 31, 2018 - \$18.6).

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Long-term ore stockpiles represents ore that is expected to be processed beyond the next 12 months. Long-term materials and supplies represent materials and supplies that are expected to be used beyond the next 12 months.

5. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Land	Mining properties (i)	Plant & equipment	Capital work-in-progress	Sub-total	ROU assets - facilities and vehicles	Total
Cost							
As at January 1, 2018	\$ 1.4	\$ 262.7	\$ 2,438.4	\$ 32.4	\$ 2,734.9	\$ -	\$ 2,734.9
Additions	-	59.7	101.0	70.1	230.8	-	230.8
Disposals	-	-	(42.0)	-	(42.0)	-	(42.0)
Transfers in (out)	-	-	53.5	(53.5)	-	-	-
Decommissioning and restoration	-	-	(3.8)	-	(3.8)	-	(3.8)
As at December 31, 2018	\$ 1.4	\$ 322.4	\$ 2,547.1	\$ 49.0	\$ 2,919.9	\$ -	\$ 2,919.9
Additions	-	11.5	10.5	17.9	39.9	12.2	52.1
Disposals	-	-	(5.2)	-	(5.2)	-	(5.2)
Transfers in (out)	-	-	14.5	(14.5)	-	-	-
Decommissioning and restoration	-	-	2.1	-	2.1	-	2.1
As at March 31, 2019	\$ 1.4	\$ 333.9	\$ 2,569.0	\$ 52.4	\$ 2,956.7	\$ 12.2	\$ 2,968.9
Accumulated depreciation							
As at January 1, 2018	-	\$ 20.0	\$ 592.3	\$ -	\$ 612.3	\$ -	\$ 612.3
Depreciation	-	7.9	176.1	-	184.0	-	184.0
Disposals	-	-	(41.5)	-	(41.5)	-	(41.5)
As at December 31, 2018	-	\$ 27.9	\$ 726.9	\$ -	\$ 754.8	\$ -	\$ 754.8
Depreciation	-	2.4	42.2	-	44.6	0.5	45.1
Disposals	-	-	(5.2)	-	(5.2)	-	(5.2)
As at March 31, 2019	\$ -	\$ 30.3	\$ 763.9	\$ -	\$ 794.2	\$ 0.5	\$ 794.7
Net book value							
As at December 31, 2018	\$ 1.4	\$ 294.5	\$ 1,820.2	\$ 49.0	\$ 2,165.1	\$ -	\$ 2,165.1
As at March 31, 2019	\$ 1.4	\$ 303.6	\$ 1,805.1	\$ 52.4	\$ 2,162.5	\$ 11.7	\$ 2,174.2

- i. The Company incurred deferred stripping costs of \$11.5 during the three months ended March 31, 2019 (year ended December 31, 2018 - \$59.7), which are included in mining properties.
- ii. The Company's long-term deposits balance represents down payments on equipment including significant components of mobile equipment and is transferred to property, plant and equipment when fully paid and the related equipment is available for use. At March 31, 2019, the long-term deposit balance was \$37.2 (December 31, 2018 - \$36.8) on the condensed consolidated interim statements of financial position.
- iii. At March 31, 2019, the Company's ROU assets relating to producing facilities and vehicles had a net book value of \$11.1. The Company's ROU assets relating to other facilities had a net book value of \$0.6.

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6. LONG-TERM DEBT

Contractual undiscounted debt and lease repayments

	2019	2020	2021	2022	Thereafter
Repayment of term loan	\$ -	\$ 200.0	\$ -	\$ -	\$ -
Repayment of revolving credit facility	-	-	-	50.0	-
Interest on the credit facility	10.4	11.5	3.9	1.7	-
Lease payments	1.5	1.9	1.4	1.3	7.7
Total	\$ 11.9	\$ 213.4	\$ 5.3	\$ 53.0	\$ 7.7

(a) Credit Facility

	March 31 2019	December 31 2018
Term loan	\$ 199.6	\$ 199.5
Revolving credit facility	49.4	49.3
Long-term debt	\$ 249.0	\$ 248.8

In July 2017, the Company entered into a \$500 Senior Secured Credit Facility (the "Credit Facility"). The Credit Facility is comprised of a \$300 Revolving Credit Facility (the "Revolver") with a tenor of four years and a \$200 non-revolving Term Loan (the "Term Loan") with a tenor of three years. The Company paid \$2.5 in transaction costs and upfront fees on closing, which were recorded against the Term Loan and Revolver and are amortized over their respective terms. The Revolver has a provision that allows the Company to request an extension of its term by one year, subject to approval by the bank group. On September 5, 2018, the Company amended its Revolver to extend the maturity date by one year from July 2021 to July 2022 and paid fees of \$0.4.

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 Credit Facility agreement.

As at March 31, 2019, the Company has drawn the full Term Loan (December 31, 2018 - full Term Loan), drawn \$50 of the Revolver (December 31, 2018 - \$50), and issued \$29.3 (Cdn\$39.1) (December 31, 2018 - \$28.7 (Cdn\$39.1)) of letters of credit under the Revolver. The Company had \$220.7 of undrawn liquidity on the Revolver as at March 31, 2019 (December 31, 2018 - \$221.3).

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, each as defined in the Credit Facility agreement. The Company is in compliance with all covenants as at March 31, 2019.

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The changes in obligations related to the Credit Facility are summarized below:

	Term Loan	Revolver	Total Credit Facility
Balance, January 1, 2018	\$ 199.3	\$ 68.4	\$ 267.7
Principal repayments	-	(20.0)	(20.0)
Accretion	0.2	1.1	1.3
Extension adjustment	-	(0.2)	(0.2)
Accrued interest payable	1.9	0.3	2.2
Credit Facility	201.4	49.6	251.0
Less: interest payable included in Trade and other payables	(1.9)	(0.3)	(2.2)
Balance, December 31, 2018	\$ 199.5	\$ 49.3	\$ 248.8
Accretion	0.1	0.1	0.2
Accrued interest payable	2.0	0.3	2.3
Credit Facility	201.6	49.7	251.3
Less: interest payable included in Trade and other payables	(2.0)	(0.3)	(2.3)
Balance, March 31, 2019	\$ 199.6	\$ 49.4	\$ 249.0

The Company recorded interest expense of \$3.5 (three months ended March 31, 2018 - \$2.9) and paid interest of \$3.4 (three months ended March 31, 2018 - \$2.7) on the Credit Facility for the three months ended March 31, 2019.

(b) Lease Liabilities

	Three months ended March 31, 2019
Opening balance (note 3)	\$ 12.2
Interest expense	-
Lease payments	(0.5)
Ending balance	11.7
Less: current portion	(1.2)
Ending balance - non-current portion	\$ 10.5

The Company's recognized lease liabilities relate to its head office facilities as well as consumable-producing facilities and vehicles. The head office lease contains variable payments that are expected to amount to \$0.8 over the remaining term. There are no extension or termination options related to these leases, nor are there residual value guarantees. As at March 31, 2019 there are no leases not yet commenced to which the Company is committed.

7. 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.

	Note	Millions of shares	Amount
Balance, January 1, 2018		174.9	\$ 2,308.5
Shares issued under the share option plan	9(a)	0.5	5.3
Balance, December 31, 2018		175.4	2,313.8
Shares issued under the share option plan	9(a)	0.6	7.3
Balance, March 31, 2019		176.0	\$ 2,321.1

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8. BASIC AND DILUTED EARNINGS PER SHARE

<i>Number of shares in millions</i>	Three months ended March 31	
	2019	2018
Net earnings for the year	\$ 38.9	\$ 9.9
Weighted average basic number of shares outstanding	175.6	174.9
Weighted average shares dilution adjustments:		
Share options	0.1	0.3
Share units	-	0.7
Weighted average diluted number of shares outstanding	175.7	175.9
Earnings per share		
Basic	\$ 0.22	\$ 0.06
Diluted	\$ 0.22	\$ 0.06

Excluded from the computation of diluted earnings per share is 0.8 million share options (three months ended March 31, 2018 – 2.4 million) as the exercise price of these share options exceeded the weighted average market price of the Company's common shares.

9. SHARE-BASED PAYMENTS

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

	Equity-settled plans		Cash settled plans				Total
	Share option plan (a)		DSU plan (b)	RSU plan (b)	PSU plan (b)		
Production costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate administration	-	-	0.8	0.1	-	-	0.9
Three months ended March 31, 2019	\$ -	\$ -	\$ 0.8	\$ 0.1	\$ -	\$ -	\$ 0.9
Production costs	\$ 0.2	\$ -	\$ -	\$ (0.1)	\$ (0.1)	\$ -	\$ -
Corporate administration	0.3	-	(0.3)	0.2	0.1	-	0.3
Three months ended March 31, 2018	\$ 0.5	\$ -	\$ (0.3)	\$ 0.1	\$ -	\$ -	\$ 0.3

In March 2019, Share Option, Restricted Share Unit ("RSU"), Performance Restricted Share Unit ("PSU"), and Deferred Share Unit ("DSU") grants were made. DSUs fully vest immediately, which resulted in an expense recognized in the first quarter of 2019 and an additional liability recognized at March 31, 2019. RSUs, PSUs, and Share Options vest over a period of time, which resulted in minimal expense recognized in the first quarter of 2019 or liability recognized at March 31, 2019.

(a) Share option plan

The Company's Share Option Plan was amended and restated on March 18, 2019, replacing the version of the Share Option Plan that was approved by Detour Gold's shareholders on May 5, 2016. The share options are settled in the Company's common shares. Movements in the share options are summarized below:

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	Number of options (millions)	Weighted average exercise price (i)	Weighted average exercise price (Cdn\$)
Balance, January 1, 2018	4.2	\$ 13.45	\$ 16.92
Granted	0.3	8.91	12.12
Exercised	(0.5)	6.94	9.44
Forfeited	(0.1)	11.43	15.54
Expired	(0.9)	20.26	27.55
Balance, December 31, 2018	3.0	10.89	14.81
Granted	0.2	9.73	13.04
Exercised	(0.6)	8.60	11.52
Forfeited	-	-	-
Expired	(0.2)	20.92	28.03
Balance, March 31, 2019	2.4	\$ 10.92	\$ 14.63

- i. At March 31, 2019, the U.S. dollar weighted average exercise price was calculated using the period end U.S. to Canadian dollar exchange rate of 1.34 (December 31, 2018 – 1.36).

The weighted average share price on the date of exercise of share options for the three months ended March 31, 2019 was Cdn\$13.22 (year ended December 31, 2018 - Cdn\$12.38).

The options granted were valued using the following inputs in the Black-Scholes option pricing model:

	Three months ended March 31	
	2019	2018
Number of stock options granted in millions	0.2	0.3
Grant price (Cdn\$)	\$ 13.04	\$ 12.12
Expected volatility	54%	53%
Risk free interest rate	1.65%	1.88%
Expected dividend yield	\$nil	\$nil
Expected life in years	4.8	3.5
Fair value (weighted average)	Cdn \$ 6.02	\$ 4.84
	U.S. (i) \$ 4.51	\$ 3.74

- i. 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.

Share options outstanding and exercisable at March 31, 2019 are:

Exercise price (Cdn\$)	Options Outstanding				Options Exercisable			
	Number of options (millions)	Weighted average exercise price (i)	Weighted average exercise price (Cdn\$)	Weighted average remaining contractual life (years)	Number of options (millions)	Weighted average exercise price (i)	Weighted average exercise price (Cdn\$)	Weighted average remaining contractual life (years)
\$8.00 - \$10.00	0.1	\$ 6.89	\$ 9.23	0.57	0.1	\$ 6.89	\$ 9.23	0.57
\$10.01 - \$15.00	1.4	\$ 9.52	\$ 12.76	2.30	1.2	\$ 9.49	\$ 12.72	1.65
\$15.01 - \$20.00	0.7	\$ 12.01	\$ 16.10	2.40	0.7	\$ 12.01	\$ 16.10	2.40
\$20.01 - \$29.00	0.2	\$ 17.75	\$ 23.79	0.57	0.2	\$ 17.75	\$ 23.79	0.57
	2.4	\$ 10.92	\$ 14.63	2.09	2.2	\$ 11.01	\$ 14.75	1.59

- i. The U.S. dollar weighted average exercise price was calculated using the period end U.S. to Canadian dollar exchange rate of 1.34.

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(b) Share unit plans

Share unit plan liabilities are:

	March 31	December 31
	2019	2018
Deferred share units ("DSU")	\$ 3.4	\$ 3.5
Restricted share units ("RSU")	0.1	-
Performance restricted share units ("PSU")	-	-
Total	\$ 3.5	\$ 3.5

The Company's RSU plan was amended and restated on March 18, 2019. RSU and PSU grants in the first quarter of 2019 are under the amended and restated plan.

Changes to the number of share units are:

	DSU	RSU	PSU
	(000s)	(000s)	(000s)
Balance, January 1, 2018	292	622	387
Granted	208	792	223
Forfeited	-	(85)	(59)
Performance factor	-	-	(39)
Released	(97)	(1,329)	(512)
Balance, December 31, 2018	403	-	-
Granted	25	440	186
Forfeited	-	-	-
Performance factor	-	-	-
Released	(71)	-	-
Balance, March 31, 2019	357	440	186

During the three months ended March 31, 2019, share units settled in cash were \$0.9. During the year ended December 31, 2018, share units settled in cash were \$15.2, with \$12.3 settled in December 2018 after the deemed change of control.

On December 13, 2018, a change of control was deemed to have occurred when a majority of the Board which management of the Company had not nominated for election were elected to the Board at a Special Meeting of Shareholders. The Company's Share Option Plan and Restricted Share Unit Plan in place at this date provided that, upon a change of control, all Options, RSUs and PSUs previously granted that have not yet vested "will be deemed to have immediately vested and become exercisable immediately before the occurrence of the change of control". The Company will not incur any future expenses related to Stock Option, RSU and PSU grants issued prior to the change of control.

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10. NET FINANCE (INCOME) COSTS

	Note	Three months ended March 31	
		2019	2018
Finance income			
Interest income		\$ (0.7)	\$ (0.4)
Finance costs			
Interest expenses and other bank charges		3.9	2.9
Accretion on debt		0.2	0.8
Accretion on decommissioning and restoration provisions		0.1	0.1
Foreign exchange (gain) loss		(1.0)	1.2
Unrealized and realized (gain) loss on derivative instruments	13	(7.2)	2.0
		(4.0)	7.1
Net finance (income) Costs		\$ (4.7)	\$ 6.7

11. COMMITMENTS AND CONTINGENCIES

(a) Purchase commitments

As at March 31, 2019, total purchase commitments for capital expenditures for the Detour Lake mine amounted to \$18.8 (December 31, 2018 - \$17.5).

(b) 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 months ended March 31, 2019, the Company accrued or paid in-kind 3,100 ounces of gold (three months ended March 31, 2018 - 3,019 ounces of gold).

(c) Mine site closure surety bond and letter of credit obligation

The Company has issued \$15.1 (Cdn\$20.1) of surety bonds, and a letter of credit for \$21.2 (Cdn\$28.3) under the Credit Facility (note 6) in favor of the Ontario Ministry of Energy, Northern Development and Mines in support of the closure plan of the Detour Lake mine as at March 31, 2019.

(d) Claims

In April 2019, Prism Resources Inc. ("Prism") filed a Statement of Claim against the Company in the Ontario Superior Court of Justice seeking: (i) a declaration that Prism is entitled to 7.5% net profit interest on the Company's Aurora (Zone 58N is located on this property) and Sunday Lake properties, and (ii) \$7.5 (Cdn\$10.0) in damages for interference in their economic interests. Detour Gold believes that Prism's claims are without merit and intends to vigorously defend its interests.

In connection with the Company's operating activities, claims may be made against the Company from time to time. The Company records provisions for such claims when considered material and an outflow of resources is considered probable. No such provisions have been recorded by the Company.

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12. FAIR VALUE MEASUREMENTS

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

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

Cash settled share units represents DSUs, RSUs and PSUs. These liabilities are included in Trade and other payables on the condensed consolidated interim statements of financial position.

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

There were no transfers among levels during the three months ended March 31, 2019 and year ended December 31, 2018. The Company does not have any financial assets or liabilities measured at fair value based on unobservable inputs (level 3).

	Carrying value			Fair value	
	Fair value through profit or loss	Amortized cost	Fair value through OCI	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)
March 31, 2019					
<i>Financial assets</i>					
Cash and cash equivalents	\$ -	\$ 201.1	\$ -	\$ -	\$ -
Receivables and other assets	-	0.3	-	-	-
Derivative assets	0.5	-	-	-	0.5
Total financial assets	\$ 0.5	\$ 201.4	\$ -	\$ -	\$ 0.5
<i>Financial liabilities</i>					
Trade and other payables	\$ -	\$ 60.6	\$ -	\$ -	\$ -
Cash settled share units	3.5	-	-	-	3.5
Long-term debt	-	249.0	-	-	250.0
Derivative liabilities	1.8	-	-	-	1.8
Total financial liabilities	\$ 5.3	\$ 309.6	\$ -	\$ -	\$ 255.3

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

13. DERIVATIVE INSTRUMENTS

Fair values of derivative instruments

	Balance sheet classification	March 31 2019	December 31 2018
Currency contracts	Derivative assets	\$ -	\$ 0.8
Currency contracts	Derivative liabilities	\$ (1.2)	\$ (6.7)
Gold contracts	Derivative assets	\$ 0.3	\$ -
Gold contracts	Derivative liabilities	\$ (0.2)	\$ -
Diesel contracts	Derivative assets	\$ 0.2	\$ -
Diesel contracts	Derivative liabilities	\$ (0.4)	\$ (2.7)
Total derivative assets		\$ 0.5	\$ 0.8
Total derivative liabilities		\$ (1.8)	\$ (9.4)

All derivatives outstanding as at March 31, 2019 and December 31, 2018 mature or expire within one year from the period end date.

As at March 31, 2019, the Company had \$325.0 of zero-cost foreign exchange collars to hedge its Canadian dollar denominated costs; whereby it can sell U.S. dollars at an average rate of 1.28 and can participate up to an average rate of 1.35.

As at March 31, 2019, the Company had a total of 25 million litres of diesel hedged at an average rate of \$0.53 per litre (Cdn\$0.85 per litre), which will settle on a net basis.

As at March 31, 2019, the Company had 204,000 ounces of gold collars outstanding. The collars protect an average gold price of \$1,250 per ounce and allow participation up to an average gold price of \$1,425 per ounce.

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(Gains) losses on derivative instruments

	Three months ended March 31	
	2019	2018
Unrealized (gain) loss		
Gold contracts	\$ -	\$ -
Currency contracts	(4.7)	2.1
Diesel contracts	(2.6)	-
Total	\$ (7.3)	\$ 2.1
Realized (gain) loss		
Gold contracts	\$ -	\$ -
Currency contracts	(0.1)	(0.1)
Diesel contracts	0.2	-
Total	\$ 0.1	\$ (0.1)
Total unrealized and realized (gain) loss on derivative instruments	\$ (7.2)	\$ 2.0

Sensitivities

The following table sets forth the impact on the Company's net income for the first quarter of 2019 of a 10% increase or decrease in rates/prices used in the fair value calculation of the derivative instruments with all other variables remaining constant.

At March 31, 2019	Change in Fair Value +/-10%
Currency contracts	+\$23.3 / -\$23.9
Gold contracts	+\$15.6 / -\$9.1
Diesel contracts	+/- \$1.3

14. CURRENT AND DEFERRED TAXES

	Three months ended March 31	
	2019	2018
Current tax expense	\$ -	\$ -
Deferred tax expense (recovery)		
Ontario mining tax	1.9	5.6
Income tax	(0.4)	23.1
Total current and deferred tax expense	\$ 1.5	\$ 28.7

The deferred tax expense recognized is primarily due to utilization of accelerated discretionary tax deductions offset by a slightly smaller deferred tax recovery on foreign exchange translation of non-monetary assets, resulting from a strengthened Canadian dollar since year-end.