DETOUR GOLD

Q2 2019

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30, 2019

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

	Note	June 30 2019	December 31 2018
ASSETS			
Current assets			
Cash and cash equivalents		**$ 203.4**	$ 131.9
Receivables and other assets		**11.3**	17.3
Prepaid expenses and deposits		**6.4**	7.5
Inventories	4	**78.1**	92.5
Derivative assets	14	**5.4**	0.8
Total current assets		**304.6**	250.0
Non-current assets			
Long-term inventories	4	**16.1**	16.1
Long-term deposits	5	**38.2**	36.8
Long-term derivative assets	14	**0.1**	-
Right-of-use assets	5	**11.2**	-
Property, plant and equipment	5	**2,173.1**	2,165.1
Total non-current assets		**2,238.7**	2,218.0
Total assets		**$ 2,543.3**	$ 2,468.0
LIABILITIES			
Current liabilities			
Trade and other payables	7	**$ 97.0**	$ 54.3
Derivative liabilities	14	**13.8**	9.4
Lease liabilities - current portion	6 (b)	**1.8**	-
Total current liabilities		**112.6**	63.7
Non-current liabilities			
Long-term debt	6 (a)	**199.7**	248.8
Decommissioning liabilities		**34.8**	31.1
Long-term derivative liabilities	14	**2.6**	-
Lease liabilities - non-current portion	6 (b)	**9.5**	-
Deferred tax liability		**158.2**	162.1
Total non-current liabilities		**404.8**	442.0
Total liabilities		**517.4**	**505.7**
EQUITY			
Shareholders' equity			
Issued capital	8	**2,326.4**	2,313.8
Accumulated deficit		**(388.0)**	(442.9)
Share-based payment reserve		**87.5**	91.4
Total shareholders' equity		**2,025.9**	1,962.3
Total liabilities and equity		**$ 2,543.3**	**$ 2,468.0**

Commitments and contingencies (note 12)

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

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

	Note	Three months ended June 30		Six months ended June 30	
		2019	2018	**2019**	2018
Revenues					
Metal sales		**$ 202.0**	$ 191.8	**$ 408.1**	$ 393.2
Cost of sales					
Production costs		**123.4**	106.7	**240.5**	219.6
Depreciation and depletion		**45.0**	38.6	**90.2**	76.1
Earnings from mine operations		**33.6**	46.5	**77.4**	97.5
Corporate administration		**10.8**	8.5	**17.4**	12.9
Exploration and evaluation		**0.5**	1.3	**2.0**	2.6
Other losses		**0.7**	0.4	**0.7**	0.4
Earnings before finance items and taxes		**21.6**	36.3	**57.3**	81.6
Net finance cost	11	**11.0**	5.9	**6.3**	12.6
Earnings before taxes		**10.6**	30.4	**51.0**	69.0
Income and mining tax expense (recovery)	15	**(5.4)**	21.6	**(3.9)**	50.3
Net earnings and comprehensive earnings		**$ 16.0**	$ 8.8	**$ 54.9**	$ 18.7
Earnings per share	9				
Basic		**$ 0.09**	$ 0.05	**$ 0.31**	$ 0.11
Diluted		**$ 0.09**	$ 0.05	**$ 0.31**	$ 0.11

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 June 30 2019	Three months ended June 30 2018	Six months ended June 30 2019	Six months ended June 30 2018
Operating activities					
Net earnings		**$ 16.0**	$ 8.8	**$ 54.9**	$ 18.7
Adjustments for:					
Depreciation and depletion		**45.0**	38.6	**90.6**	76.2
Other losses		**0.7**	0.4	**0.7**	0.4
Share-based payments		**3.8**	0.1	**3.8**	(1.8)
Net finance cost	11	**12.0**	6.2	**8.0**	13.4
Income and mining tax expense (recovery)	15	**(5.4)**	21.6	**(3.9)**	50.3
		72.1	75.7	**154.1**	157.2
Changes in non-cash working capital items:					
Receivable and other assets and prepaid expenses		**(3.2)**	(8.4)	**7.8**	(6.1)
Accounts payable and accrued liabilities		**21.4**	6.8	**33.1**	6.1
Inventories		**5.1**	(8.8)	**8.9**	(23.5)
Net cash generated by operating activities		**95.4**	65.3	**203.9**	133.7
Investing activities					
Purchase of property, plant and equipment		**(44.9)**	(54.3)	**(85.3)**	(92.2)
Other proceeds		**-**	0.1	**-**	0.9
Interest received		**1.1**	0.5	**1.8**	0.9
Net cash used in investing activities		**(43.8)**	(53.7)	**(83.5)**	(90.4)
Financing activities					
Net credit facility repayments	6	**(50.0)**	(10.0)	**(50.0)**	(20.0)
Payment of lease liabilities		**(0.5)**	-	**(1.0)**	-
Issuance of common shares on exercise of options	8	**3.4**	1.1	**8.3**	1.7
Interest paid		**(3.4)**	(3.0)	**(6.8)**	(5.7)
Net cash used in financing activities		**(50.5)**	(11.9)	**(49.5)**	(24.0)
Effect of exchange rates on cash and cash equivalents		**1.2**	(1.9)	**0.6**	(3.1)
Increase (decrease) in cash and cash equivalents		**2.3**	(2.2)	**71.5**	16.2
Cash and cash equivalents, beginning of period		**201.1**	152.5	**131.9**	134.1
Cash and cash equivalents, end of period		**$ 203.4**	$ 150.3	**$ 203.4**	$ 150.3

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	Six months ended June 30 2019	2018
Issued capital			
Balance, beginning of year		**$ 2,313.8**	$ 2,308.5
Issued on exercise of options		**12.6**	2.4
Balance, end of period	8	**2,326.4**	2,310.9
Accumulated deficit			
Balance, beginning of year		**(442.9)**	(441.9)
Net earnings for the period		**54.9**	18.7
Balance, end of period		**(388.0)**	(423.2)
Share-based payment reserve			
Balance, beginning of year		**91.4**	90.5
Share-based payment expense		**0.4**	0.9
Exercise of options	10	**(4.3)**	(0.7)
Balance, end of period		**87.5**	90.7
Total shareholders' equity		**$ 2,025.9**	$ 1,978.4

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 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 July 30, 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 below.

New standards adopted by the Company

The following accounting standards were effective and implemented 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 payments relating to that lease.

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

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 June 30, 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 that there was no impact on the financial statements as the Company had already complied with this guidance.

4. INVENTORIES

		June 30 2019		December 31 2018
Ore stockpiles	**$**	**22.5**	$	25.5
In-circuit		**25.7**		24.0
Finished metal		**3.8**		20.4
Materials and supplies		**42.2**		38.7
		94.2		108.6
Less: Long-term ore stockpiles		**(7.7)**		(7.7)
Less: Long-term materials and supplies		**(8.4)**		(8.4)
Inventories	**$**	**78.1**	$	92.5

The amount of depreciation included in inventories at June 30, 2019 was $13.2 million (December 31, 2018 - $18.6 million).

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.

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

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 (ii)	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	-	27.1	20.9	49.1	97.1	12.2	109.3
Disposals	-	-	(13.6)	-	(13.6)	-	(13.6)
Transfers in (out)	-	-	32.5	(32.5)	-	-	-
As at June 30, 2019	**$ 1.4**	**$ 349.5**	**$ 2,586.9**	**$ 65.6**	**$ 3,003.4**	**$ 12.2**	**$ 3,015.6**
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	-	4.9	83.6	-	88.5	1.0	89.5
Disposals	-	-	(13.0)	-	(13.0)	-	(13.0)
As at June 30, 2019	**$ -**	**$ 32.8**	**$ 797.5**	**$ -**	**$ 830.3**	**$ 1.0**	**$ 831.3**
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 June 30, 2019	**$ 1.4**	**$ 316.7**	**$ 1,789.4**	**$ 65.6**	**$ 2,173.1**	**$ 11.2**	**$ 2,184.3**

i. The Company incurred deferred stripping costs of $27.1 million during the six months ended June 30, 2019 (year ended December 31, 2018 - $59.7 million), which are included in mining properties.

ii. At June 30, 2019, the Company's ROU assets relating to producing facilities and vehicles had a net book value of $10.7 million. The Company's ROU assets relating to other facilities had a net book value of $0.5 million.

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 June 30, 2019, the long-term deposit balance was $38.2 million (December 31, 2018 - $36.8 million) on the condensed consolidated interim statements of financial position.

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

6. LONG-TERM DEBT

Contractual undiscounted debt and lease repayments

		2019		2020		2021		2022		Thereafter
Repayment of term loan	$	-	$	200.0	$	-	$	-	$	-
Interest on the credit facility		5.9		9.3		1.8		0.3		-
Lease payments		1.1		2.0		1.4		1.4		7.8
Total	**$**	**7.0**	**$**	**211.3**	**$**	**3.2**	**$**	**1.7**	**$**	**7.8**

(a) Credit Facility

		June 30 2019		December 31 2018
Term loan	**$**	**199.7**	$	199.5
Revolving credit facility		**-**		49.3
Long-term debt	**$**	**199.7**	$	248.8

In July 2017, the Company entered into a $500 million Senior Secured Credit Facility (the "Credit Facility"). The Credit Facility is comprised of a $300 million Revolving Credit Facility (the "Revolver") with a tenor of four years and a $200 million non-revolving Term Loan (the "Term Loan") with a tenor of three years. The Company paid $2.5 million 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 syndicate. 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 million.

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.

In June 2019, the Company repaid $50.0 million of principal on the Revolver, resulting in a drawn balance of nil at period end. As at June 30, 2019, the Company has drawn the full amount of the Term Loan (December 31, 2018 - full Term Loan) and issued $29.9 million (Cdn$39.1 million) (December 31, 2018 - $28.7 million (Cdn$39.1million)) of letters of credit under the Revolver. The Company had $270.1 million of undrawn liquidity on the Revolver as at June 30, 2019 (December 31, 2018 - $221.3 million).

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 June 30, 2019.

The Company is in active discussions with the bank syndicate with regards to reviewing and amending the Credit Facility.

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)
Balance, December 31, 2018	$	199.5	$	49.3	$	248.8
Principal repayments		-		(50.0)		(50.0)
Accretion		0.2		0.7		0.9
Balance, June 30, 2019	**$**	**199.7**	**$**	**-**	**$**	**199.7**

The Company recorded interest expense of $3.3 million and $6.8 million and paid interest of $3.4 million and $6.8 million on the Credit Facility for the three and six months ended June 30, 2019.

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

In the prior year period, the Company recorded interest expense of $3.1 million and $6.0 million and paid interest of $3.0 million and $5.7 million on the Credit Facility for the three and six months ended June 30, 2018.

(b) Lease Liabilities

Balance, January 1, 2019 (Note 3)	$	12.2
Interest expense		0.1
Lease payments		(1.0)
Balance, June 30, 2019		11.3
Less: current portion		(1.8)
Balance, June 30, 2019 - non-current portion	**$**	**9.5**

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 million over the remaining term. There are no extension or termination options related to these leases, nor are there residual value guarantees. As at June 30, 2019, the Company is committed to leasing vehicles and mobile equipment but the leases have not yet begun. These commitments are included in Note 12 "Commitments and Contingencies."

7. TRADE AND OTHER PAYABLES

	Note		**June 30 2019**		December 31 2018
Trade payables		**$**	**49.8**	$	18.7
Accruals			**37.9**		29.9
Cash settled share-based payments	10		**7.0**		3.5
Interest payable			**2.3**		2.2
Trade and other payables		**$**	**97.0**	$	54.3

8. ISSUED CAPITAL

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

	Note	Millions of shares		Amount
Balance, January 1, 2018		174.9	$	2,308.5
Shares issued under the share option plan	10(a)	0.5		5.3
Balance, December 31, 2018		175.4		2,313.8
Shares issued under the share option plan	10(a)	1.0		12.6
Balance, June 30, 2019		**176.4**	**$**	**2,326.4**

9. BASIC AND DILUTED EARNINGS PER SHARE

	Three months ended June 30				Six months ended June 30			
Number of shares in millions		**2019**		2018		**2019**		2018
Net earnings for the period	**$**	**16.0**	$	8.8	**$**	**54.9**	$	18.7
Weighted average basic number of shares outstanding		**176.1**		175.0		**175.9**		175.0
Weighted average shares dilution adjustments:								
Share options		**0.1**		0.1		**0.1**		0.2
Share units		**-**		0.7		**-**		0.7
Weighted average diluted number of shares outstanding		**176.2**		175.8		**176.0**		175.9
Earnings per share								
Basic	**$**	**0.09**	$	0.05	**$**	**0.31**	$	0.11
Diluted	**$**	**0.09**	$	0.05	**$**	**0.31**	$	0.11

Excluded from the computation of diluted earnings per share is 1.2 million and 1.3 million share options for the three and six months ended June 30, 2019 (three and six months ended June 30, 2018 – 3.6 million and 2.6 million) as the exercise price of these share options exceeded the weighted average market price of the Company's common shares.

10. SHARE-BASED PAYMENTS

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

		Equity-settled plans		Cash settled plans						
		Share option plan (a)		**DSU plan (b)**		**RSU plan (b)**		**PSU plan (b)**		**Total**
Production costs	i	**$ -**	**$**	**-**	**$**	**0.7**	**$**	**-**	**$**	**0.7**
Corporate administration	ii	**0.3**		**2.9**		**0.7**		**0.9**		**4.8**
Six months ended June 30, 2019		**$ 0.3**	**$**	**2.9**	**$**	**1.4**	**$**	**0.9**	**$**	**5.5**
Production costs	i	$ 0.3	$	-	$	-	$	-	$	0.3
Corporate administration	ii	0.6		(0.8)		0.5		0.1		0.4
Six months ended June 30, 2018		$ 0.9	$	(0.8)	$	0.5	$	0.1	$	0.7

i. Total share-based payment expense for the three months ended June 30, 2019 was $0.7 million (2018 - $0.3 million).
ii. Total share-based payment expense for the three months ended June 30, 2019 was $3.9 million (2018 - $0.1 million).

(a) Share option plan

The Company's Share Option Plan was amended and restated on March 18, 2019 and May 2, 2019, and approved by Detour Gold's shareholders on June 5, 2019. The share options are settled in the Company's common shares. Movements in the share options are summarized below:

	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		11.31		14.81
Granted	0.3		9.83		12.88
Exercised	(1.0)		8.76		11.47
Forfeited	-		-		-
Expired	(0.3)		18.30		23.97
Balance, June 30, 2019	**2.0**	**$**	**11.12**	**$**	**14.57**

i. At June 30, 2019, the U.S. dollar weighted average exercise price was calculated using the period end U.S. to Canadian dollar exchange rate of 1.31 (December 31, 2018 – 1.36).

The weighted average share price on the date of exercise of share options for the six months ended June 30, 2019 was Cdn$13.45 (year ended December 31, 2018 - Cdn$12.38).

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

		Six months ended June 30		
		2019		2018
Number of stock options granted in millions		**0.3**		0.3
Grant price (Cdn$)	**$**	**12.88**	$	12.12
Expected volatility		**53%**		53%
Risk free interest rate		**1.62%**		1.88%
Expected dividend yield		**$nil**		$nil
Expected life in years		**4.8**		3.5
Fair value (weighted average)	Cdn **$**	**5.92**	$	4.84
	U.S. (i) **$**	**4.43**	$	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 June 30, 2019 are:

	Options Outstanding				Options Exercisable			
Exercise price (Cdn$)	Number of options (millions)	Weighted average exercise price (i)	Weighted average exercise price (Cdn$)	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	$ 6.87	$ 9.00	0.39	0.1	$ 6.87	$ 9.00	0.39
$10.01 - $15.00	1.1	$ 9.95	$ 13.04	2.99	0.9	$ 9.99	$ 13.09	2.15
$15.01 - $20.00	0.7	$ 12.30	$ 16.11	2.15	0.7	$ 12.30	$ 16.11	2.15
$20.01 - $29.00	0.1	$ 18.38	$ 24.08	1.02	0.1	$ 18.38	$ 24.08	1.08
	2.0	**$ 11.12**	**$ 14.57**	**2.54**	**1.8**	**$ 11.27**	**$ 14.77**	**2.05**

i. The U.S. dollar weighted average exercise price was calculated using the period end U.S. to Canadian dollar exchange rate of 1.31.

(b) Share unit plans

Share unit plan liabilities are:

	June 30 2019	December 31 2018
Deferred share units ("DSU")	**$ 4.7**	$ 3.5
Restricted share units ("RSU")	**1.4**	-
Performance restricted share units ("PSU")	**0.9**	-
Total	**$ 7.0**	$ 3.5

The Company's PSU/RSU plan was amended and restated March 18, 2019 and May 2, 2019 and approved by Detour Gold's shareholders on June 5, 2019. RSU and PSU grants in 2019 are under the amended and restated plan.

Changes to the number of share units are:

	DSU (000s)	RSU (000s)	PSU (000s)
Balance, January 1, 2018	292	622	387
Granted	208	792	223
Forfeited	-	(85)	(59)
Company's performance factor	-	-	(39)
Released	(97)	(1,329)	(512)
Balance, December 31, 2018	403	-	-
Granted	112	529	313
Forfeited	-	(27)	(33)
Released	(157)	(15)	(55)
Balance, June 30, 2019	**358**	**487**	**225**

During the six months ended June 30, 2019, share units settled in cash were $1.7 million. During the year ended December 31, 2018, share units settled in cash were $15.2 million, with $12.3 million settled in December 2018 after the deemed change of control of the Company (described below).

On December 13, 2018, a change of control was deemed to have occurred when a majority of the Board whom 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 Share Option, RSU and PSU grants issued prior to the deemed change of control.

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

11. NET FINANCE COSTS

	Note	Three months ended June 30 2019	Three months ended June 30 2018	Six months ended June 30 2019	Six months ended June 30 2018
Finance income					
Interest income		**$ (1.1)**	$ (0.5)	**$ (1.8)**	$ (0.9)
Finance costs					
Interest expenses and other bank charges		**2.8**	3.1	**6.7**	6.0
Accretion on debt		**0.7**	0.2	**0.9**	1.0
Accretion on decommissioning and restoration provisions		**-**	-	**0.1**	0.1
Foreign exchange (gain) loss		**(1.2)**	2.2	**(2.1)**	3.4
Unrealized and realized loss on derivative instruments	14	**9.8**	0.9	**2.5**	2.9
Unrealized and realized loss on investments		**-**	-	**-**	0.1
		12.1	6.4	**8.1**	13.5
Net finance costs		**$ 11.0**	$ 5.9	**$ 6.3**	$ 12.6

12. COMMITMENTS AND CONTINGENCIES

(a) Purchase commitments

As at June 30, 2019, total purchase commitments for capital expenditures amounted to $31.1 million (December 31, 2018 - $17.5 million).

(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 and six months ended June 30, 2019, the Company accrued or paid in-kind 2,827 and 5,927 ounces of gold (three and six months ended June 30, 2018 – 3,019 and 5,856 ounces of gold).

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

The Company has issued $15.4 million (Cdn$20.1 million) of surety bonds, and a letter of credit for $21.6 million (Cdn$28.3 million) 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 June 30, 2019.

(d) Claims

In the ordinary course of business, the Company is involved in and potentially subject to legal actions and proceedings. 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.

Prism Resources

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) $7.6 million (Cdn$10.0 million) in damages for interference in their economic interests. Detour Gold believes that Prism’s claims are without merit. In June 2019, the Company filed a response to this claim. No amounts have been recorded for any potential liability under this matter.

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

Tax Claims

The Company is subject to tax audits from various tax authorities on an ongoing basis. As a result, from time to time, tax authorities may disagree with the positions and conclusions taken by the Company in its tax filings or legislation could be amended or interpretations of current legislation could change, any of these events could lead to reassessments. 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.

13. 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 June 30, 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)
June 30, 2019					
Financial assets					
Cash and cash equivalents	$ -	$ 203.4	$ -	$ -	$ -
Receivables and other assets	-	0.3	-	-	-
Derivative assets	5.5	-	-	-	5.5
Total financial assets	$ 5.5	$ 203.7	$ -	$ -	$ 5.5
Financial liabilities					
Trade and other payables	$ -	$ 90.0	$ -	$ -	$ -
Cash settled share units	7.0	-	-	-	7.0
Long-term debt	-	199.7	-	-	200.0
Derivative liabilities	16.4	-	-	-	16.4
Total financial liabilities	$ 23.4	$ 289.7	$ -	$ -	$ 223.4

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

	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					
Financial assets					
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
Financial liabilities					
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

14. DERIVATIVE INSTRUMENTS

Fair values of derivative instruments

	Balance sheet classification	**June 30 2019**	December 31 2018
Current:			
Currency contracts	Derivative assets	**$ 1.5**	$ 0.8
Currency contracts	Derivative liabilities	**-**	(6.7)
Gold contracts	Derivative assets	**3.5**	-
Gold contracts	Derivative liabilities	**(13.5)**	-
Diesel contracts	Derivative assets	**0.4**	-
Diesel contracts	Derivative liabilities	**(0.3)**	(2.7)
Current derivative assets		**$ 5.4**	$ 0.8
Current derivative liabilities		**$ (13.8)**	$ (9.4)
Long-term:			
Gold contracts	Derivative assets	**$ -**	$ -
Gold contracts	Derivative liabilities	**(2.6)**	-
Diesel contracts	Derivative assets	**0.1**	-
Diesel contracts	Derivative liabilities	**-**	-
Long-term derivative assets		**$ 0.1**	$ -
Long-term derivative liabilities		**$ (2.6)**	$ -
Total derivative assets		**$ 5.5**	$ 0.8
Total derivative liabilities		**$ (16.4)**	$ (9.4)

As at June 30, 2019, the Company had $282.0 million of zero-cost European foreign exchange collars to hedge its Canadian dollar denominated costs whereby it can sell U.S. dollars at an average rate of 1.29 and can participate up to an average rate of 1.36. These zero-cost European collars with a weekly maturity expire throughout the remainder of 2019 and first half of 2020. The Canadian dollar denominated Asian gold collars noted above provide protection against margin fluctuations over the second half of 2020 and therefore the Company did not take out any additional foreign exchange hedges. The coverage ratio is approximately 65% of the Company's remaining 2019 Canadian dollar exposure and 30% for 2020.

As at June 30, 2019, the Company had 405,000 ounces of gold collars outstanding, of which 111,000 ounces were denominated in Canadian dollars, on 45% to 50% of the Company's remaining 2019 and 2020 gold sales. The U.S. dollar denominated gold collars protects an average gold price of $1,269 per ounce and allow participation up to an average gold price of $1,452 per ounce. The Canadian dollar denominated gold collars protects an average gold price of Cdn$1,743 per ounce and allow participation up to an average gold price of Cdn$2,009 per ounce.

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

As at June 30, 2019, the Company had a total of 30 million litres of heating oil SWAP contracts at an implied average dye diesel price of Cdn$0.85 per litre for 2019 and Cdn$0.80 per litre for 2020 to hedge against dye diesel exposure. The SWAP contracts mature monthly and represent approximately 50% and 10% of the Company's dye diesel consumption for the remainder of 2019 and 2020 respectively. The SWAP contracts settle net in cash.

In July 2019, the Company added 15,000 ounces of Canadian dollar denominated zero Asian gold collars, which protect an average floor price of Cdn$1,825 per ounce with participation up to an average ceiling price of Cdn$2,016 per ounce for the fourth quarter of 2020.

In July 2019, the Company added a total of 7.8 million litres of heating oil SWAP contracts denominated in Canadian dollars at an implied average dye diesel price of Cdn$0.80 per litre for 2020. These agreements settle net in cash.

(Gains) losses on derivative instruments

	Three months ended June 30		Six months ended June 30	
	2019	2018	**2019**	2018
Changes in unrealized (gain) loss				
Gold contracts	**$ 12.7**	$ -	**$ 12.6**	$ -
Currency contracts	**(2.7)**	0.7	**(7.4)**	2.8
Diesel contracts	**(0.3)**	-	**(2.9)**	-
Total	**$ 9.7**	$ 0.7	**$ 2.3**	$ 2.8
Realized loss				
Gold contracts	**$ -**	$ -	**$ -**	$ -
Currency contracts	**0.1**	0.2	**-**	0.1
Diesel contracts	**-**	-	**0.2**	-
Total	**$ 0.1**	$ 0.2	**$ 0.2**	$ 0.1
Total unrealized and realized (gain) loss on derivative instruments	**$ 9.8**	$ 0.9	**$ 2.5**	$ 2.9

Sensitivities

The following table sets forth the impact on the Company's net income for the second 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 June 30, 2019	**Change in Fair Value +/-10%**
Currency contracts	+$23.4 / -$15.4
Gold contracts	+$15.4 / -$33.8
Diesel contracts	+/-$1.5

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

15. CURRENT AND DEFERRED TAXES

	Three months ended June 30		Six months ended June 30	
	2019	2018	**2019**	2018
Current tax expense	**$ -**	$ -	**$ -**	$ -
Deferred tax expense (recovery)				
Ontario mining tax	**0.5**	4.2	**2.4**	9.8
Income tax	**(5.9)**	17.4	**(6.3)**	40.5
Total current and deferred tax expense (recovery)	**$ (5.4)**	$ 21.6	**$ (3.9)**	$ 50.3

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