

# DETOUR GOLD

## Important Letter from the President and CEO

January 17, 2020

Dear Fellow Detour Gold Shareholders,

Your vote is important. Shareholders of Detour Gold Corporation (“Detour Gold”) have a compelling opportunity to participate in the creation of a diversified, low-cost and growth-oriented senior gold producer with enhanced financial flexibility. On behalf of the board of directors of Detour Gold (the “Board”), I would like to remind you of the important upcoming vote to approve a plan of arrangement (the “Transaction”) pursuant to which Detour Gold shareholders will become shareholders of Kirkland Lake Gold Ltd. (“Kirkland Lake Gold”) and gain exposure to the many benefits of the proposed Transaction. The special meeting of Detour Gold’s shareholders to approve the Transaction will be held at 10:00 a.m. (Toronto time) on January 28, 2020. Pursuant to the Transaction, all of the issued and outstanding common shares of Detour Gold would be exchanged at a ratio of 0.4343 of a Kirkland Lake Gold common share per Detour Gold share held.

**The Board of Directors Recommends that Detour Gold shareholders vote FOR the Transaction.**

### Benefits of the Transaction

The Board and its special committee of independent directors (the “Special Committee”) – formed to oversee and direct the process relating to the evaluation and negotiation of strategic alternatives available to Detour Gold – identified a number of factors in respect of their recommendations that Detour Gold determined that the combined company would be better positioned to pursue a growth and value maximizing strategy as compared to the risks of Detour Gold continuing to operate on a standalone basis. Specifically, benefits of the combined company for Detour Gold shareholders include, among others, the following:

- ✓ **Exposure to High Quality Portfolio of Mines** - Current shareholders will maintain exposure to the Detour Lake Mine and will gain exposure to Kirkland Lake Gold’s high-quality portfolio of low-cost, high-grade mines, with further potential upside from the district-scale exploration potential of the combined company and organic mineral reserve growth.
- ✓ **Participation in Kirkland Lake Gold’s Capital Return Program** - Current shareholders will benefit from Kirkland Lake Gold’s capital return program, including its anticipated payment of a quarterly dividend to all of the Kirkland Lake Gold shareholders currently set at US\$0.06 per share, supported by the stronger free cash flow characteristics of the combined company.
- ✓ **Value Creation Through Operational Synergies** - The Special Committee and the Board anticipate that the Transaction will result in value creation from corporate, tax and other operational synergies attributable to the increased scale of the combined company’s business. This is primarily the results of the geographic proximity of the combined assets and enhanced financial flexibility of the combined company through its strong pro forma balance sheet and robust cash flow and is expected to support the combined company’s growth initiatives and shareholder returns.

**Leading independent proxy advisory firms, Glass Lewis & Co., LLC (“Glass Lewis”) and Institutional Shareholder Services Inc., (“ISS”) have recommended that Detour Gold Shareholders vote FOR the Transaction.**

*“...having considered Detour’s status as a single-asset, high-cost producer, the current industry and market conditions which are supportive of consolidation, the strategic and financial benefits associated with the proposed combination for existing Detour shareholders, as well as the generally favorable terms of the arrangement for such holders, we believe the proposed transaction likely represents the best path forward to enhance shareholder value at this time.”*

- Glass Lewis Report, January 15, 2020

*“Ultimately, the proposed deal is the product of a robust process led by a Detour board that has executed a remarkable turnaround, and the merger provides for participation in a diversified company.... The expected diversification of risk will protect shareholders against the significant loss that could result from having all of Detour’s business in just one asset...”*

- ISS Report, January 16, 2020

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- ✓ **Implied Valuation in Line with Similar Transactions** - The implied valuation of the Transaction is in line with other transactions in the sector and places Detour Gold substantially ahead of its peers' median valuation multiples
- ✓ **Premium Exchange Ratio** - Under the terms of the arrangement agreement, the exchange ratio implied consideration of C\$27.50 per Detour Gold share based on the closing price of Kirkland Lake Gold shares on the Toronto Stock Exchange ("TSX") on November 22, 2019, the last trading day before the Transaction was announced, representing a premium of approximately 24% based on the closing price of Detour Gold shares on the TSX on November 22, 2019 and approximately 29% based on the 20-day volume weighted average share price of the Kirkland Lake Gold shares and the Detour Gold shares on the TSX up to November 22, 2019.

Shareholders are encouraged to visit Detour Gold's website at [www.detourgold.com](http://www.detourgold.com) for more information about the Transaction and related matters and the management information circular of Detour Gold filed with the Canadian securities regulatory authorities on December 23, 2019.

## Vote Today to Approve the Transaction

Each Shareholder's vote is important, regardless of the number of shares owned. We encourage you to vote well in advance of the proxy voting deadline of Friday, January 24, 2020 at 10:00 a.m. (Toronto time).

We would like to thank all shareholders for your continuing support.

Sincerely

(Signed) "*Mick McMullen*"

Mick McMullen  
President and CEO  
Detour Gold Corporation



### YOUR VOTE IS IMPORTANT!

Vote online or by telephone by following the instructions provided in the voting instruction form enclosed.

The Board of Directors recommends that shareholders vote FOR the Transaction.  
Submit your vote well in advance of the proxy voting deadline of January 24, 2020 at 10:00 a.m. (Toronto time)

If you have any questions or require assistance with voting your shares, please contact  
Detour Gold's Proxy Solicitation Agent and Shareholder Communications Advisor:

**Laurel Hill Advisory Group**  
North American Toll-Free Number: 1-877-452-7184  
Calls Outside North America: 416-304-0211  
Email: [assistance@laurelhill.com](mailto:assistance@laurelhill.com)

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## Cautionary Note regarding Forward-Looking Information

This letter contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). Forward-looking statements reflect current expectations or beliefs regarding future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates”, “targets” or “believes”, or variations of, or the negatives of, such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company’s actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. All forward-looking statements, including those herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this letter speak only as of the date of this letter or as of the date or dates specified in such statements.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company’s ability to predict or control, as described in the sections entitled “Part I — The Arrangement — Risk Factors Related to the Arrangement”, “Part I — The Arrangement — Risk Factors Related to the Operations of the Combined Company”, Appendix G, “Information Concerning Detour Gold — Risk Factors”, Part I — The Arrangement — Certain Canadian Federal Income Tax Considerations” and “Part I — The Arrangement — Certain United States Federal Income Tax Considerations to U.S. Holders” in Detour’s management information circular dated December 20, 2019 and in the continuous disclosure documents filed by Detour Gold on and available on SEDAR at [www.sedar.com](http://www.sedar.com). Readers are cautioned that the factors described in such documents are not exhaustive of the factors that may affect forward-looking statements. Actual results and developments and the results of the 2018 LOM Plan are likely to differ, and may differ materially or materially and adversely, from those expressed or implied by forward-looking statements, including those contained in this letter. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for exploration and development activities; operating and capital costs; results of operations; the Company’s available cash resources; the Company’s ability to attract and retain skilled staff; the mine development and production schedule and related costs; dilution control; sensitivity to metal prices and other sensitivities; the supply and demand for, and the level and volatility of the price of, gold; timing of the receipt of regulatory and governmental approvals for development projects and other operations; the timing and results of consultations with the Company’s Indigenous 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 mineral reserve and mineral resource estimates, production estimates and capital and operating cost estimates and the assumptions on which such estimates are based; market competition; ongoing relations with employees and impacted communities and general business and economic conditions.

The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.