UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

(Check One)

☐ **Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934**

or

☒ **Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2016 Commission file number: 001-35783

ALAMOS GOLD INC.

(Exact name of registrant as specified in its charter)

Ontario	**1040**	**Not Applicable**
(Province or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number (if applicable))	(I.R.S. Employer Identification Number)

Brookfield Place, 181 Bay Street, Suite 3910
Toronto, Ontario, Canada, M5J 2T3
(416) 368-9932

(Address and Telephone Number of Registrant's Principal Executive Offices)

Torys LLP
1114 Avenue of the Americas
23rd Floor
New York, New York 10036
Attention: Mile T. Kurta
(212) 880-6000

(Name, Address (Including Zip Code) and Telephone Number (Including Area Code) of Agent For Service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of Each Class	Name Of Exchange On Which Registered
Common Shares, Without Par Value	**The New York Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Act:**None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:**Common Shares, Without Par Value**

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual Information Form ☒ Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 267,076,495 Common Shares, Without Par Value.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes ☐ No ☐

FORM 40-F

Principal Documents

The following documents, filed as Exhibits 99.1 through 99.3 hereto, are hereby incorporated by reference into this Annual Report on Form 40-F (this "Form 40-F"):

(a) Annual Information Form, dated March 15, 2017 for the Year Ended December 31, 2016 (filed as Exhibit 99.1 hereto);

(b) Management's Discussion and Analysis for the Year Ended December 31, 2016 (filed as Exhibit 99.2 hereto); and

(c) Annual Audited Consolidated Financial Statements for the Year Ended December 31, 2016, including Consolidated Statements of Financial Position as at December 31, 2016 and December 31, 2015 and Consolidated Statements of Comprehensive Loss, Changes in Equity and Cash Flows for the Years Ended December 31, 2016 and December 31, 2015 and Related Notes, together with the auditors' report thereon and the auditors' report on the effectiveness of internal control over financial reporting as of December 31, 2016, contained therein (filed as Exhibit 99.3 hereto).

FORWARD-LOOKING STATEMENTS

This Form 40–F and the exhibits attached hereto contain "forward–looking statements" within the meaning of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), and applicable Canadian securities laws, concerning Alamos Gold Inc.'s (" Alamos" or the "registrant") plans for its properties and other matters. All statements other than statements of historical fact included in this Form 40–F and the exhibits attached hereto, including, without limitation, statements regarding forecast gold production, gold grades, recoveries, waste-to-ore ratios, total cash costs, potential mineralization and reserves, exploration results, and future plans and objectives of Alamos, are forward-looking statements that involve various risks and uncertainties. These forward-looking statements include, but are not limited to, statements with respect to mining and processing of mined ore, achieving projected recovery rates, anticipated production rates and mine life, operating efficiencies, costs and expenditures, changes in mineral resources and conversion of mineral resources to proven and probable reserves, and other information that is based on forecasts of future operational or financial results, estimates of amounts not yet determinable, and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements are subject to a variety of risks and uncertainties that could cause actual events or results to differ from those reflected in the forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Alamos's expectations include risks related to the on-going business of Alamos, including risks related to international operations; the actual results of current exploration activities; conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as future prices of gold and silver, as well as those risk factors described in the section entitled "Risk Factors" in Alamos's Annual Information Form, dated March 15, 2017 for the Year Ended December 31, 2016, attached hereto as Exhibit 99.1. Although Alamos has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially

from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

ADDITIONAL DISCLOSURE

Certifications and Disclosure Regarding Controls and Procedures

(a) Certifications. See Exhibits 99.4 through 99.7 to this Form 40-F.

(b) Disclosure Controls and Procedures.

As of the end of Alamos's fiscal year ended December 31, 2016, Alamos's principal executive officer and principal financial officer carried out an evaluation of the effectiveness of Alamos's "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based upon that evaluation, Alamos's principal executive officer and principal financial officer have concluded that as of the end of that fiscal year Alamos's disclosure controls and procedures were effective to ensure that information required to be disclosed by Alamos in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission (the "SEC") rules and forms and (ii) accumulated and communicated to the registrant's management, including its principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

It should be noted that, while Alamos's principal executive officer and principal financial officer believe that Alamos's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that Alamos's disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

(c) Management's Annual Report on Internal Control Over Financial Reporting. Management's annual report on internal control over financial reporting appears under the heading "Internal Control over Financial Reporting" in Management's Discussion and Analysis for the Year Ended December 31, 2016 (filed as Exhibit 99.2 hereto), and is hereby incorporated by reference herein.

(d) Attestation Report of the Registered Public Accounting Firm. KPMG LLP ("KPMG"), the independent registered public accounting firm that audited Alamos's consolidated financial statements for the fiscal year ended December 31, 2016, has issued its opinion on the effectiveness of Alamos's internal control over financial reporting as of December 31, 2016 (the "Attestation Report"). The Attestation Report is included in Exhibit 99.3 attached hereto, which is incorporated by reference into this Form 40-F.

(e) Changes in Internal Control over Financial Reporting. During the fiscal year ended December 31, 2016, there were no changes in Alamos's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, Alamos's internal control over financial reporting.

Notices Pursuant to Regulation BTR

None.

Audit Committee Financial Experts

Alamos's board of directors has determined that each of Ronald Smith, David Fleck and Patrick Downey, members of its audit committee, is an "audit committee financial expert" (as such term is defined in Form 40-F) and that each of Ronald Smith, David Fleck and Patrick Downey is "independent" (as defined in the listing standards of the New York Stock Exchange (the "NYSE")).

Code of Ethics

Alamos has adopted a "code of ethics" (as that term is defined in Form 40-F), entitled Code of Business Conduct and Ethics (the " Code of Ethics"), that applies to all of its directors, officers and employees.

The Code of Ethics is available for viewing on Alamos's website at www.alamosgold.com and is available in print to any shareholder who requests it. Requests for copies of the Code of Ethics should be made by contacting: Nils Engelstad, Vice President, General Counsel of Alamos, Brookfield Place, 181 Bay Street, Suite 3910, Toronto, Ontario, Canada M5J 2T3, telephone: (416) 368-9932. Alternatively, requests may be sent by e-mail to notice@alamosgold.com.

The Code of Ethics, and all waivers of the Code of Ethics with respect to any director, officer or employee of Alamos, will be posted promptly on Alamos's website.

Principal Accountant Fees and Services

KPMG is Alamos's external auditor.

The information set forth under the heading "External Auditor Service Fees (By Category)" of Alamos's annual information form for the fiscal year ended December 31, 2016, attached hereto as Exhibit 99.1, is incorporated by reference herein.

The audit committee of Alamos's board of directors has determined that the provision of these services is compatible with the maintenance of the independence of KPMG.

Pre-Approval Policies and Procedures

The Audit Committee shall pre-approve all audit and non-audit services provided by the independent auditors and not engage the independent auditors to perform the specific non-audit services prohibited by law or regulation.

Off-Balance Sheet Arrangements

Alamos does not have any off-balance sheet arrangements (as defined in General Instruction B.(11) of Form 40-F).

Disclosure of Contractual Obligations

The information provided under the heading 'Commitments' in the management's discussion and analysis for the year ended December 31, 2016 included in Exhibit 99.2 attached hereto, incorporated by reference in this Form 40-F contains Alamos's disclosure of contractual obligations and is incorporated by reference herein.

Identification of the Audit Committee

Alamos has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The members of Alamos's audit committee are: David Fleck, Patrick Downey and Ronald Smith (Chairman).

DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

Alamos is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare documents incorporated by reference in this Form 40-F in accordance with Canadian disclosure requirements, which are different from those of the United States.

The documents incorporated by reference into this Form 40-F have been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. Unless otherwise indicated, all resource and reserve estimates included in the documents incorporated by reference into this Form 40-F have been prepared in accordance with National Instrument 43-101 -

Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (the " CIM") - *CIM Definition Standards on Mineral Resources and Mineral Reserves*, adopted by the CIM Council, as amended. NI 43-101 is a rule developed by the Canadian Securities Administrators, which established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with NI 43-101 and the CIM standards. These definitions differ from the definitions in SEC Industry Guide 7 ("SEC Industry Guide 7") under the United States Securities Act of 1933, as amended, and the Exchange Act. Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101 and the CIM standards; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre–feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this Form 40-F and the documents incorporated by reference herein containing descriptions of Alamos's mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

TAX MATTERS

Purchasing, holding or disposing of Alamos's securities may have tax consequences under the laws of the United States, Canada and other jurisdictions that are not described in this Form 40-F.

NYSE CORPORATE GOVERNANCE

Alamos's common shares are listed on the NYSE. Sections 103.00 and 303A.11 of the NYSE Listed Company Manual permit "foreign private issuers" (as defined in Rule 3b-4 under the Exchange Act) to follow home country practices in lieu of certain provisions of the NYSE Listed Company Manual. A foreign private issuer that follows home country practices in lieu of certain provision of the NYSE Listed Company Manual must disclose any significant ways in which its corporate governance practices differ from those followed by domestic companies either on its website or in the annual report that it distributes to shareholders in the United States. A description of the significant ways in which Alamos's corporate governance practices differ from those followed by domestic companies pursuant to NYSE standards is as follows:

Shareholder Meeting Quorum Requirement: The NYSE is of the opinion that the quorum required for any meeting of shareholders should be sufficiently high to insure a representative vote. Alamos's quorum requirement is set forth in its Articles. A quorum for a meeting of Alamos's shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the shares entitled to be voted at the meeting.

Proxy Delivery Requirement: The NYSE requires the solicitation of proxies and delivery of proxy statements for all shareholder meetings, and requires that these proxies shall be solicited pursuant to a proxy statement that

conforms to the SEC's proxy solicitation and disclosure rules. As a foreign private issuer, Alamos is exempt from the proxy solicitation and disclosure rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Exchange Act. Alamos solicits proxies in accordance with applicable rules and regulations in Canada.

Shareholder Approval Requirement: Alamos intends to follow Toronto Stock Exchange ("TSX") rules for shareholder approval of new issuances of its common shares. In accordance with TSX rules, shareholder approval is required for certain issuances of shares that: (i) materially affect control of Alamos; or (ii) provide consideration to insiders in aggregate of 10% or greater of the market capitalization of the listed issuer and have not been negotiated at arm's length. Shareholder approval is also required, pursuant to TSX rules, in the case of private placements: (x) for an aggregate number of listed securities issuable greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction if the price per security is less than the market price; or (y) that during any six-month period are to insiders for listed securities or options, rights or other entitlements to listed securities greater than 10% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the closing of the first private placement to an insider during the six-month period.

Equity Compensation Plans: Unlike the NYSE rules, there is no requirement in Canada for shareholder approval of compensation arrangements settled solely in cash or with shares purchased in the open market at fair value or for amendments to such arrangements. Alamos intends to comply with the TSX rules that require a listed company to obtain shareholder approval of any share compensation arrangement that involves the issuance of shares from treasury or to make amendments to such arrangements that require shareholder approval (in accordance with the TSX rules and the terms of such arrangement).

The foregoing are consistent with Canadian laws, customs and practices.

Independence of Directors

Alamos's board of directors has determined that eight of its nine directors, comprising a majority of the board, are "independent directors," as that term is defined in the rules of the NYSE, and that none of these eight directors has a material relationship with Alamos that would impair his independence from management or otherwise compromise his ability to act as an independent director.

The directors who have been determined to be independent on this basis are: Paul J. Murphy, Mark J. Daniel, Patrick D. Downey, David Fleck, David Gower, Claire M.C. Kennedy, Ronald E. Smith and Kenneth Stowe.

Presiding Director at Meetings of Independent Directors

Alamos schedules regular meetings in which its independent directors meet without the participation of management and non-independent directors. Paul Murphy, the chair of the board of directors, serves as the chair at such sessions.

Communication with Independent Directors

Shareholders may send communications to the registrant's independent directors by contacting Amber Howell, Assistant Corporate Secretary of Alamos, Brookfield Place, 181 Bay Street, Suite 3910, Toronto, Ontario, Canada M5J 2T3, telephone: (416) 368-9932. Alternatively, communications may be sent by e-mail to notice@alamosgold.com. Communications will be referred to Nils Engelstad, Vice President, General Counsel of Alamos, for appropriate action. The status of all outstanding concerns will be reported to the board of directors as appropriate.

Corporate Governance Guidelines

The rules of the NYSE require listed companies to adopt and disclose a set of corporate governance guidelines with respect to specified topics. Such guidelines are required to be posted on the listed company's website. Alamos's

corporate governance principles are available for viewing on its web site at www.alamosgold.com under *Corporate Responsibility*.

Board and Committee Charters

Alamos's board of directors mandate and the charters for its audit committee, human resources committee, technical and sustainability committee, and corporate governance and nominating committee are available for viewing on its web site at www.alamosgold.com under *About Us – Our Governance* and are available in print to any shareholder who requests them. Requests for copies of these documents should be made by contacting Nils Engelstad, Vice President, General Counsel of Alamos, Brookfield Place, 181 Bay Street, Suite 3910, Toronto, Ontario, Canada M5J 2T3, telephone: (416) 368-9932. Alternatively, requests may be sent by e-mail to notice@alamosgold.com.

MINE SAFETY DISCLOSURE

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities under the regulation of the Federal Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977, as amended (the "Mine Act"). During the fiscal year ended December 31, 2016, Alamos did not have any mines in the United States subject to regulation by MSHA under the Mine Act.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

A. Undertaking.

The registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by the SEC staff, information relating to: the securities registered pursuant to Form 40-F, the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

B. Consent to Service of Process.

(1) The registrant has previously filed a Form F-X in connection with the class of securities in relation to which the obligation to file this report arises.

(2) Any change to the name or address of the agent for service of the registrant shall be communicated promptly to the SEC by amendment to Form F-X referencing the file number of the registrant.

SIGNATURES

Pursuant to the requirements of the United States Securities Exchange Act of 1934, as amended, the registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

Date: March 15, 2017

ALAMOS GOLD INC.

By: */s/ James Porter*

Name: James Porter

Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit	Description
	Annual Information
99.1	Annual Information Form, dated March 15, 2017, for the Year Ended December 31, 2016
99.2	Management's Discussion and Analysis for the Year Ended December 31, 2016
99.3	Annual Audited Consolidated Financial Statements for the Year Ended December 31, 2016, including Consolidated Statements of Financial Position as at December 31, 2016 and December 31, 2015 and Consolidated Statements of Comprehensive Loss, Changes in Equity and Cash Flows for the Years Ended December 31, 2016 and December 31, 2015 and Related Notes, together with the auditors' report thereon and the auditors' report on the effectiveness of internal control over financial reporting as of December 31, 2016, contained therein
99.4	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934
99.5	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934
99.6	Section 1350 Certification of Chief Executive Officer
99.7	Section 1350 Certification of Chief Financial Officer
99.8	Consent of KPMG LLP
99.9	Consent of Jeffrey Volk
99.10	Consent of Christopher Bostwick
99.11	Consent of Marc Jutras
99.12	Consent of Herbert Welhener
99.13	Consent of Aoife McGrath



ALAMOS GOLD INC.

TSX:AGI | NYSE:AGI

Brookfield Place, 181 Bay Street, Suite 3910
Toronto, Ontario, M5J 2T3
416-368-9932

ANNUAL INFORMATION FORM

for the year ended December 31, 2016

March 15, 2017

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ANNUAL INFORMATION FORM
("AIF")

ALAMOS GOLD INC.
(the "Company")

PRELIMINARY NOTES

Effective Date of Information

The information in this AIF is current as of March 15, 2017, unless otherwise stated herein.

Currency and Exchange Rates

All dollar amounts in this AIF are expressed in United States dollars, unless otherwise indicated (" **CAD**" denotes Canadian dollars). The following table sets forth the value of the Canadian dollar expressed in United States dollars on December 31 of each year and the average, high and low exchange rates during the year indicated based on the noon rate of exchange as reported by the Bank of Canada:

Canadian Dollars into United States Dollars	2016	2015	2014
Closing	$0.745	$0.723	$0.862
Average	$0.755	$0.783	$0.905
High	$0.797	$0.862	$0.942
Low	$0.685	$0.714	$0.859

The noon rate of exchange on March 15, 2017, as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars was USD$0.743 equals CAD$1.00.

Imperial Equivalents

For ease of reference, the following factors for converting metric measurements to imperial equivalents are provided:

To Convert From Metric	To Imperial	Multiply by
Hectares	Acres	2.471
Metres	Feet (ft.)	3.281
Kilometres (km.)	Miles	0.621
Tonnes	Tons (2000 pounds)	1.102
Grams/tonne	Ounces (troy/ton)	0.029

Forward-Looking Statements

This AIF contains forward-looking statements within the meaning of the United States *Securities Exchange Act* of 1934, as amended (the "**Exchange Act**"), and applicable Canadian securities laws, concerning the Company's plans for its properties and other matters. All statements other than statements of historical fact included in this AIF, including, without limitation, statements regarding forecasted gold production, gold grades, achieving projected recovery rates, anticipated production rates and mine life, operating efficiencies, costs and expenditures, changes in mineral resources and conversion of mineral resources to proven and probable reserves, waste-to-ore ratios, expected project development timelines (including permitting timelines)

and other information that is based on forecasts of future operational or financial results, estimates of amounts not yet determinable, and assumptions of management.

Exploration results that include geophysics, sampling, and drill results on wide spacing may not be indicative of the occurrence of a mineral deposit. Such results do not provide assurance that further work will establish sufficient grade, continuity, metallurgical characteristics and economic potential to be classed as a category of mineral resource. A mineral resource that is classified as “inferred” or “indicated” has a great amount of uncertainty as to its existence and economic and legal feasibility. It cannot be assumed that any or part of an “indicated mineral resource” or “inferred mineral resource” will ever be upgraded to a higher category of resource. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into proven and probable reserves.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be “forward-looking statements”. Forward-looking statements are subject to a variety of risks and uncertainties that could cause actual events or results to differ from those reflected in the forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company’s expectations include risks related to the on-going business of the Company, including risks related to international operations; the actual results of current exploration activities; conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as future prices of gold and silver, as well as those risk factors described in the section entitled “Risk Factors” in this AIF. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Mineral Reserve and Resource Estimates

Unless otherwise indicated, all resource and reserve estimates included in this AIF have been prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“**NI 43-101**”) and the Canadian Institute of Mining, Metallurgy and Petroleum (the “ **CIM**”) - *CIM Definition Standards on Mineral Resources and Mineral Reserves* , adopted by the CIM Council, as amended (the “ **CIM Standards**”). NI 43-101 is a rule developed by the Canadian Securities Administrators, which established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The terms “mineral reserve”, “proven mineral reserve” and “probable mineral reserve” are Canadian mining terms as defined in accordance with NI 43-101 and the CIM Standards. These definitions differ materially from the definitions in SEC Industry Guide 7 (“**SEC Industry Guide 7**”) under the United States *Securities Exchange Act of 1934* , as amended. Under SEC (defined below) Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. In addition, the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in and required to be disclosed by NI 43-101 and the CIM Standards; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the U.S. Securities and Exchange Commission (the “**SEC**”). Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre–feasibility studies, except in very limited circumstances. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without reference to unit measures.

Non-GAAP Measures and Additional GAAP Measures

The Company has included certain non-GAAP financial measures to supplement its Consolidated Financial Statements, which are presented in accordance with IFRS, including the following:

- total cash cost per ounce of gold sold;
- mine-site all-in sustaining cost per ounce of gold sold; and
- all-in sustaining cost ("**AISC**") per ounce of gold sold;

The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-GAAP financial measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is 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. Management's determination of the components of non-GAAP and additional measures are evaluated on a periodic basis influenced by new items and transactions, a review of investor uses and new regulations as applicable. Any changes in to the measures are dully noted and retrospectively applied as applicable.

Total Cash Costs per ounce

Total cash costs per ounce is a non-GAAP term typically used by gold mining companies to assess the level of gross margin available to the Company by subtracting these costs from the unit price realized during the period. This non-GAAP term is also used to assess the ability of a mining company to generate cash flow from operations. Total cash costs per ounce includes mining and processing costs plus applicable royalties, and net of by-product revenue and net realizable value adjustments. Total cash costs per ounce is exclusive of exploration costs.

Total cash costs per ounce is intended to provide additional information only and does not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other mining companies. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measure is not necessarily indicative of cash flow from operations under IFRS or operating costs presented under IFRS.

All-in Sustaining Cost per ounce and Mine-site All-in Sustaining Cost

The Company adopted an "all-in sustaining costs per ounce" non-GAAP performance measure in accordance with the World Gold Council published in June 2013. The Company believes the measure more fully defines the total costs associated with producing gold; however, this performance measure has no standardized meaning. Accordingly, there may be some variation in the method of computation of "all-in sustaining costs per ounce" as determined by the Company compared with other mining companies. In this context, "all-in sustaining costs per ounce" for the consolidated Company reflects total mining and processing costs, corporate and administrative costs, share-based compensation, exploration costs, sustaining capital, and other operating costs.

For the purposes of calculating "mine-site all-in sustaining costs" at the individual mine-sites, the Company does not include an allocation of corporate and administrative costs and share-based compensation, as detailed in the reconciliations below.

Sustaining capital expenditures are expenditures that do not increase annual gold ounce production at a mine site and excludes all expenditures at the Company's development projects as well as certain expenditures at the Company's operating sites that are deemed expansionary in nature. For each mine-site reconciliation, corporate and administrative costs, and non-site specific costs are not included in the all-in sustaining cost per ounce calculation.

All-in sustaining costs per gold ounce is intended to provide additional information only and does not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other mining companies. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The measure is not necessarily indicative of cash flow from operations under IFRS or operating costs presented under IFRS.

Detailed reconciliations of the non-GAAP measures to measures under IFRS for the years ended December 31, 2016 and 2015 can be found in the Company's MD&A for the year ended December 31, 2016 on pages 25-30.

GLOSSARY OF TECHNICAL TERMS

In this AIF unless otherwise defined or unless there is something in the subject matter or context inconsistent therewith, the following terms have the meanings set forth herein or therein:

"**Ag**"	Silver.
"**Au**"	Gold.
"**CIM Definition Standards**"	Mineral Resources and Mineral Reserves prepared by the CIM Standing Committee on Reserve Definitions adopted by CIM Council on May 10, 2014.
"**Cu**"	Copper.
"**dacite**"	The extrusive (volcanic) equivalent of quartz-diorite.
"**dome**"	An uplift or anticlinal structure, either circular or elliptical in outline, in which the rocks dip gently away in all directions.
"**doré**"	Unrefined gold and silver bullion bars, which will be further refined to almost pure metal.
"**grade**"	Term used to indicate the concentration of an economically desirable mineral or element in its host rock as a function of its relative mass. With gold, this term may be expressed as grams per tonne ("**g/t**") or ounces per tonne ("**opt**").
"**g/t Au**"	Grams per tonne of gold.
"**HQ diameter**"	2.4 inch diameter drill hole.
"**IFRS**"	International financial reporting standards, the accounting principles used by the Company.
"**indicated resource**" or "**indicated mineral resource**"	That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.
"**inferred resource**" or "**inferred mineral resource**"	That part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
"**km**"	Kilometres.
"**leaching**"	The separation, selective removal or dissolving-out of soluble constituents from a rock or ore body by the natural actions of percolating solutions.
"**m**"	Metres.
"**Mineral Reserve**"	The economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. The study must include adequate information on mining, processing, metallurgical, economics and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that occur when the material is mined and processed.
"**measured resource**" or "**measured mineral resource**"	That part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

"**Mineral Resource**"	A concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the earth's crust in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. The term "mineral resource" covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which mineral reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. The phrase "reasonable prospects for economic extraction" implies a judgment by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. A mineral resource is an inventory of mineralization that under realistically assumed and justifiable technical and economic conditions might become economically extractable. The term "mineral resource" used in this AIF is a Canadian mining term as defined in accordance with NI 43-101 under the guidelines set out in the CIM Standards.
"**Modifying Factors**"	Modifying Factors are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
"**NSR**"	Net smelter return royalty, consisting of a payment made by a producer of metals based on the value of the gross metal production from the property, less deduction of certain limited costs including, but not necessarily limited to, smelting, refining, transportation and insurance costs.
"**NI 43-101**"	National Instrument 43-101 – "Standards of Disclosure for Mineral Projects" of the Canadian Securities Administrators".
"**NQ diameter**"	1.75 inch diameter drill hole.
"**ore**"	A natural aggregate of one or more minerals which, at a specified time and place, may be mined and sold at a profit, or from which some part may be profitably separated.
"**ounces**" or "**oz**"	A measure of weight in gold and other precious metals, correctly troy ounces, which weigh 31.2 grams as distinct from an imperial ounce which weighs 28.4 grams.
"**ppm**"	Parts per million.
"**ppb**"	Parts per billion.
"**PQ diameter**"	3.2-inch drill hole diameter.
"**Probable Mineral Reserve**"	A Probable Mineral Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.
"**Proven Mineral Reserve**"	A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.
"**QA/QC**"	Quality assurance/quality control.
"**Qualified Person**"	Has the meaning given to such term in NI 43-101.
"**RQD**"	Rock quality designation.
"**tpd**"	Tonnes per day.

CORPORATE STRUCTURE

Name and Incorporation

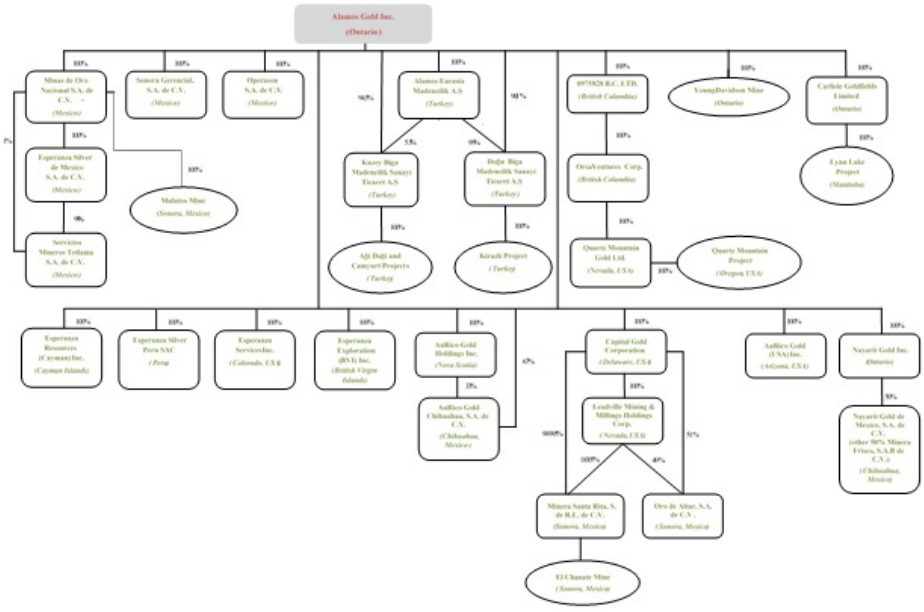
The name of the Company is Alamos Gold Inc. The Company's principal place of business and registered office is Brookfield Place, 181 Bay Street, Suite 3910, Toronto, Ontario M5J 2T3.

AuRico Gold Inc. ("**AuRico**") amalgamated with Alamos Gold Inc. (" **Former Alamos**") under section 182 of the *Business Corporations Act* (Ontario) ("**OBCA**") pursuant to Articles of Arrangement dated July 2, 2015 with the resulting amalgamated company continuing under the name Alamos Gold Inc. ("**Alamos**" or the "**Company**").

Alamos is a public company listed on the Toronto Stock Exchange (" **TSX**") and the New York Stock Exchange (" **NYSE**") under the symbol "AGI" and has a quoted market value of approximately CAD$3.06 billion as of March 15, 2017.

Intercorporate Relationships

In this AIF, unless the context otherwise requires, the terms "we", "us", "our", and similar terms as well as references to "Alamos" or the "Company" refer to Alamos Gold Inc. The following diagram sets forth the Company's intercorporate relationships with its active subsidiaries including the jurisdiction of incorporation or organization and the Company's respective percentage ownership of each subsidiary.



GENERAL DEVELOPMENT OF THE BUSINESS

Alamos is a mining company engaged in the mining and extraction of, and exploration for, precious metals, primarily gold. Alamos owns and operates the Young-Davidson mine (the "**Young-Davidson Mine**") in Ontario, Canada and the Mulatos mine (the "**Mulatos Mine**") and El Chanate (the "**El Chanate Mine**") mine in the state of Sonora, Mexico. In 2016, the Young-Davidson Mine produced 170,000 ounces of gold, the Mulatos Mine produced 154,000 ounces of gold and the El Chanate Mine produced 68,000 ounces of gold for total gold production of 392,000 ounces. Alamos also owns the development-stage Ağı Dağı, Kirazlı and Çamyurt Projects in the Biga district of northwestern Turkey (acquired 2010); the Esperanza Gold Project in Morelos State, Mexico (acquired 2013), the Quartz Mountain Property in Oregon, USA (acquired 2013), and the Lynn Lake Gold Project in Lynn Lake, Manitoba (100% interest acquired on January 7, 2016).

Three-Year History

Former Alamos

- In May 2014, Former Alamos announced an agreement to acquire the surface rights to the Cerro Pelon and La Yaqui satellite gold projects.

- In August 2014, Former Alamos received approval of the Environmental Impact Assessment (" **EIA**") for its Ağı Dağı gold project.

AuRico

- On March 27, 2014, AuRico completed an offering of $315 million senior secured notes due in 2020. The notes were issued with a coupon of 7.75% and sold at 96.524% of par, resulting in net proceeds to AuRico of $304.1 million.
- On April 3, 2014, AuRico paid $173 million to complete the cash tender offer initially announced on March 6, 2014 to redeem all of the outstanding convertible senior notes. The consideration offered and paid was $1,040 per $1,000 note outstanding plus accrued and unpaid interest to the payment date. AuRico received tender offers for $166.4 million of the $167 million principal amount outstanding.
- On November 20, 2014, AuRico completed a private placement with Carlisle Goldfields Limited (" **Carlisle**") in which AuRico invested CAD$5.6 million in exchange for 19.9% of the outstanding common shares of Carlisle. In conjunction with the private placement, AuRico entered into a joint venture agreement on November 11, 2014 with respect to Carlisle's Lynn Lake Gold Camp, located in Lynn Lake, Manitoba, pursuant to which AuRico acquired a 25% interest in the project for an initial cash contribution of CAD$5.0 million.

Alamos

- On April 13, 2015, AuRico and Former Alamos announced that they had entered into a definitive agreement to combine their respective companies. Under the terms of the merger, holders of Former Alamos shares received, for each share held, 1 Alamos share and USD$0.0001 in cash, and holders of AuRico shares received, for each AuRico share held, 0.5046 Alamos shares. Upon completion of the merger, Former Alamos and AuRico shareholders each owned approximately 50% of Alamos. In addition, a new company named AuRico Metals Inc. ("**AuRico Metals**"), was created to hold AuRico's Kemess project, a 1.5% net smelter return royalty (" **NSR**") on the Young-Davidson Mine and AuRico's Fosterville and Stawell royalties, and was capitalized with USD$20 million of cash. Upon completion of the merger, Alamos owned a 4.9% equity interest in AuRico Metals. The remaining shares of AuRico Metals were distributed approximately 50% each to Former Alamos and AuRico shareholders.
- AuRico amalgamated with Former Alamos under section 182 of the OBCA pursuant to Articles of Arrangement dated July 2, 2015 with the resulting amalgamated company continuing under the name "Alamos Gold Inc."
- On January 7, 2016 Alamos completed the acquisition of Carlisle, and its 100% ownership of the Lynn Lake Gold Project located in Lynn Lake, Manitoba. Alamos issued approximately 5.5 million shares and issued approximately 5.5 million share purchase warrants in consideration for Carlisle.
- On March 22, 2016, the Company amended and restated its existing $150 million senior secured credit facility, extending the maturity from April 26, 2016 to February 29, 2020. The facility consists of a committed $150 million revolving credit facility (the "**Facility**"), with an option to draw an additional $70 million, subject to commitments from existing and/or new lenders. The terms of the Facility resulted in more favorable pricing and removal of a minimum tangible net worth test and a proven and probable reserves test, compared to the previous facility. The Facility is secured by a first-ranking lien on all present and future material assets, property and undertaking of the Company, with certain exclusions.
- On September 12, 2016, the Company reported a significant interim increase in mineral resources for its La Yaqui Project.
- On October 6, 2016, Alamos reported it has received final approval of the Environmental Impact Assessment (" **EIA**") for Phase I of its La Yaqui Project.
- On January 5, 2017, the Company announced the receipt of Forestry Permits for its Kirazlı Project, Turkey.
- On January 6, 2017, the Company announced production of 392,000 ounces of gold for the year 2016.

- On February 9, 2017, the Company completed a USD$250 million bought-deal equity financing, along with an announcement that it would use proceeds of the such financing (along with current cash reserves) to retire in full its 7.75% Senior Secured Notes.
- In February 2017, the Company announced updated positive studies on each of its Turkish Projects, including feasibility studies on both its Kirazlı and Ağı Dağı Projects; as well, an updated preliminary economic assessment on its Çamyurt Project.
- On February 23, 2017, the Company reported its updated mineral reserves and resources as of December 31, 2016.

Risk Factors

The following is a discussion of risk factors relevant to the Company's operations and future financial performance. Additional risks not currently known by the Company, or that the Company currently deems immaterial, may also impair the Company's operations. You should carefully consider the risks and uncertainties described below as well as the other information contained and incorporated by reference in this AIF.

The financing, exploration, development and mining of any of the Company's properties is subject to a number of risk factors, including, among other things, the price of gold, laws and regulations, political conditions, currency fluctuations, and the ability to hire qualified people and to obtain necessary services in jurisdictions where the Company operates. Before deciding to invest in securities of the Company, investors should consider carefully such risks and uncertainties.

Commodity and Currency Risk

In recent years financial conditions have been characterized by volatility, which in turn has resulted in volatility in commodity prices and foreign exchange rates, tightening of the credit market, increased counterparty risk, and volatility in the prices of publicly traded entities. The volatility in commodity prices and foreign exchange rates directly impacts the Company's revenues, earnings and cash flow.

The volatility of the price of gold and the price of other metals could have a negative impact on the Company's future operations.

The value of the Company's mineral resources and future operating profit and loss is significantly impacted by fluctuations in gold prices, over which the Company has no control. A reduction in the price of gold may prevent the Company's properties from being economically mined or result in the write-off of assets whose value is impaired as a result of low gold prices. The price of gold may also have a significant influence on the market price of the Company's common shares. The price of gold is affected by numerous factors beyond the Company's control, such as the level of inflation, fluctuation of the United States dollar and foreign currencies, global and regional demand, sale of gold by central banks and the political and economic conditions of major gold producing countries throughout the world. The price of gold has decreased significantly in the past several years.

In addition to adversely affecting the Company's reserve and resource estimates and financial condition, declining metal prices can impact operations by requiring a reassessment of the feasibility of a particular project, and the Company may determine that it is not feasible to continue commercial production at some or all of its current projects. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays and/or may interrupt operations until the reassessment can be completed, which may have a material adverse effect on the results of operations and financial condition.

From time to time the Company may engage in commodity hedging transactions intended to reduce the risk associated with fluctuations in commodity prices, but there is no assurance that any such commodity-hedging transactions designed to reduce the risk associated with fluctuations in metal prices will be successful. Hedging may not protect adequately against declines in the price of the hedged metal. Furthermore, although hedging may protect the Company from a decline in the price of the metal being hedged, it may also prevent it from benefiting from price increases.

The Company is subject to currency fluctuations that may adversely affect the financial position of the Company.

The Company is subject to currency risks. The Company's functional currency is the U.S. dollar, which is exposed to fluctuations against other currencies. The Company's mining operations are located in Canada and Mexico, with additional development stage assets in Canada, the United States, Mexico and Turkey, and as such many of its expenditures and obligations are denominated in Canadian dollars, Mexican pesos, Turkish lira and Euros. The Company maintains its principal office in Toronto (Canada), maintains cash accounts in U.S. dollars, Mexican pesos, Turkish lira and Canadian dollars and has monetary assets and liabilities in U.S. dollars and Canadian dollars, Mexican pesos and Turkish lira.

The Company's operating results and cash flow are significantly affected by changes in the U.S./Canadian dollar and U.S./Mexican peso exchange rates. Revenues are denominated in U.S. dollars, while most expenses are currently denominated in Canadian dollars and Mexican pesos. Exchange rate movements can therefore have a significant impact on most of the Company's costs. The appreciation of non-U.S. dollar currencies against the U.S. dollar can increase the costs of production at Alamos' mines, making these mines less profitable.

From time to time the Company may engage in foreign exchange hedging transactions intended to reduce the risk associated with fluctuations in foreign exchange rates, but there is no assurance that any such hedging transactions designed to reduce the risk associated with fluctuations in exchange rates will be successful and as such, operating costs and capital expenditures may be adversely impacted.

Financial, Finance and Tax Risks

The Company's activities expose it to a variety of financial risks including interest rate risk, credit risk and liquidity risk. The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company may use derivative financial instruments to hedge certain risk exposures. The Company does not purchase derivative financial instruments for speculative investment purposes.

The Company's revolving credit facility contains a number of restrictive covenants that impose significant operating and financial restrictions on the Company and may limit its ability to engage in acts that may be in the Company's long-term best interest.

The Company's failure to comply with covenants in its revolving credit facility could result in an event of default which, if not cured or waived, could result in a cross-default under other debt instruments and the acceleration of all its debt. The restrictions include, without limitation, restrictions on its ability to:

- Incur additional indebtedness;
- Pay dividends or make other distributions or repurchase or redeem its capital stock;
- Prepay, redeem or repurchase certain debt;
- Make loans and investments;
- Sell, transfer or otherwise dispose of assets;
- Incur or permit to exist certain liens;
- Enter into transactions with affiliates;
- Enter into agreements restricting its subsidiaries' ability to pay dividends; and
- Consolidate, amalgamate, merge or sell all or substantially all of the Company's assets.

The Company's ability to raise funds through the issuance of debt instruments could be adversely impacted by the credit rating of the Company's existing debt.

The Company's debt currently has a non-investment grade rating, and any rating assigned could be lowered or withdrawn entirely by a rating agency, if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Any future lowering of the Company's ratings likely would make it more difficult or more expensive for it to obtain additional debt financing.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available cash reserves and credit in order to meet its liquidity requirements at any point in time. The total cost and planned timing of acquisitions and/or other development or construction projects is not currently determinable and it is not currently known whether the Company will require external financing in future periods.

In order to finance future operations, the Company may raise funds through the issuance of shares or the issuance of debt instruments or other securities convertible into shares.

The Company cannot predict the potential need or size of future issuances of common shares or the issuance of debt instruments or other securities convertible into shares or the effect, if any, that this would have on the market price of the Company's common shares. Any transaction involving the issuance of shares, or securities convertible into shares, could result in dilution, possibly substantial, to present and prospective security holders.

The Company is subject to taxation in multiple jurisdictions and adverse changes to the taxation laws of such jurisdictions could have a material adverse effect on its profitability.

The Company has operations and conducts business in multiple jurisdictions and it is subject to the taxation laws of each such jurisdiction. These taxation laws are complicated and subject to change. The Company may also be subject to review, audit and assessment in the ordinary course. Any such changes in taxation law or reviews and assessments could result in higher taxes being payable or require payment of taxes due from previous years, which could adversely affect the Company's profitability. Taxes may also adversely affect the Company's ability to repatriate earnings and otherwise deploy its assets.

The Company may not be able to obtain the external financing necessary to continue its exploration and development activities on its mineral properties.

The ability of the Company to continue the exploration and development of its property interests will be dependent upon its ability to increase revenues from its existing production and planned expansions, and potentially raise significant additional financing thereafter. The sources of external financing that the Company may use for these purposes may include project debt, corporate debt or equity offerings. There is no assurance that the financing alternative chosen by the Company will be available to the Company, on favourable terms or at all. Depending on the alternative chosen, the Company may have less control over the management of its projects. There is no assurance that the Company will successfully increase revenues from existing and expanded production. Should the Company not be able to obtain such financing and increase its revenues, it may become unable to acquire and retain its exploration properties and carry out exploration and development on such properties, and its title interests in such properties may be adversely affected or lost entirely.

Production, Mining and Operating Risks

The Company is, and expects to continue to be, dependent on three mines for all of its commercial production.

The Young-Davidson, Mulatos and El Chanate Mines accounted for all of the Company's commercial production in 2016 and are expected to continue to account for all of its commercial production in the near term. Any adverse condition affecting mining, processing conditions, expansion plans or ongoing permitting at Young-Davidson, Mulatos or El Chanate could have a material adverse effect on the Company's financial performance and results of operations.

Forecasts of future production are estimates based on interpretation and assumptions and actual production may be less than estimated.

The Company prepares estimates of future production for its operating mines. The Company cannot give any assurance that it will achieve its production estimates. The failure of the Company to achieve its production estimates could have a material and adverse effect on future cash flows, profitability, results of operations and financial condition. These production estimates are

dependent on, among other things, the accuracy of mineral reserve estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions, physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics and the accuracy of estimated rates and costs of mining and processing.

The Company's actual production may vary from its estimates for a variety of reasons, including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors such as the need for sequential development of orebodies and the processing of new or different ore grades from those planned; mine failures, slope failures or equipment failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for operation, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; labour shortages or strikes; civil disobedience and protests; and restrictions or regulations imposed by government agencies or other changes in the regulatory environments. Such occurrences could result in damage to mineral properties, interruptions in production, injury or death to persons, damage to property of the Company or others, monetary losses and legal liabilities. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable, forcing the Company to cease production. It is not unusual in new mining operations to experience unexpected problems during the start-up phase. Depending on the price of gold or other minerals, the Company may determine that it is impractical to commence or, if commenced, to continue commercial production at a particular site.

Mining operations and facilities are intensive users of electricity and carbon-based fuels. Energy prices can be affected by numerous factors beyond the Company's control, including global and regional supply and demand, political and economic conditions, and applicable regulatory regimes. The prices of various sources of energy may increase significantly from current levels. An increase in energy prices for which the Company is not hedged could materially adversely affect the results of operations and financial condition.

The Company's production costs are also affected by the prices of commodities consumed or used in operations, such as lime, cyanide and explosives. The prices of such commodities are influenced by supply and demand trends affecting the mining industry in general and other factors outside the Company's control. Increases in the price for materials consumed in mining and production activities could materially adversely affect the Company's results of operations and financial condition.

Risks and costs relating to development, ongoing construction and changes to existing mining operations and development projects.

The Company's ability to meet development and production schedules and cost estimates for its development and expansion projects cannot be assured. Without limiting the generality of the foregoing, the Company is in the process of completing a ramp-up and expansion at the Young-Davidson Mine and development at its Cerro Pelon and La Yaqui deposits near the Mulatos Mine in Mexico. In addition, the Company is undertaking permitting efforts with respect to expanded tailings dam facilities at the Young-Davidson Mine. Technical considerations, delays in obtaining governmental approvals, inability to obtain financing or other factors – including specifically to the foregoing - could cause delays in current mining operations or in developing properties. Such delays could materially affect the financial performance of the Company.

The Company prepares estimates of operating costs and/or capital costs for each operation and project. No assurance can be given that such estimates will be achieved. Failure to achieve cost estimates or material increases in costs could have an adverse impact on future cash flows, profitability, results of operations and financial condition.

Development projects are uncertain and it is possible that actual capital and operating costs and economic returns will differ significantly from those estimated for a project prior to production.

Alamos has a number of development stage projects in Canada, Mexico, the United States and Turkey. Mine development projects require significant expenditures during the development phase before production is possible. Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and availability of adequate financing. The economic feasibility of development projects is based on many factors such as: estimation of mineral reserves, anticipated metallurgical recoveries, environmental considerations and permitting, future gold prices, and anticipated capital and operating costs of these projects. Our development projects have no operating history upon which to base estimates of future production and cash operating costs. Particularly for development projects, estimates of

proven and probable mineral reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of gold from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual capital and operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

Any of the following events, among others, could affect the profitability or economic feasibility of a project: unanticipated changes in grade and tonnes of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems, incorrect data on which engineering assumptions are made, availability of labour, costs of processing and refining facilities, availability of economic sources of power, adequacy of water supply, availability of surface on which to locate processing and refining facilities, adequate access to the site, unanticipated transportation costs, government regulations (including regulations with respect to the environment, prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, environmental), fluctuations in gold prices, and accidents, labour actions and force majeure events.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production. It is likely that actual results for our projects will differ from current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favourable than currently estimated, our business, results of operations, financial condition and liquidity could be materially adversely affected.

The figures for the Company's reserves and resources are estimates based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated.

The Company must continually replace reserves depleted by production to maintain production levels over the long term. Reserves can be replaced by expanding known orebodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature. Alamos' exploration projects involve many risks and are frequently unsuccessful. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change.

The Company's mineral reserve and mineral resource estimates are estimates only and no assurance can be given that any particular level of recovery of gold or other minerals from mineral resources or mineral reserves will in fact be realized. There can also be no assurance that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited. Additionally, no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. These estimates may require adjustments or downward revisions based upon further exploration or development work or actual production experience.

Estimates of mineral resources and mineral reserves can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ dramatically from that indicated by results of drilling, sampling and other similar examinations. Short term factors relating to mineral resources and mineral reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations.

Material changes in mineral resources and mineral reserves, grades, stripping ratios or recovery rates may affect the economic viability of projects. There is a risk that depletion of reserves will not be offset by discoveries, acquisitions or the conversion of mineral resources into mineral reserves. The mineral base of Alamos' mines may decline if reserves are mined without adequate replacement and the Company may not be able to sustain production beyond the current mine lives, based on current production rates.

Mineral resources and mineral reserves are reported as general indicators of mine life. Mineral resources and mineral reserves should not be interpreted as assurances of mine life or of the profitability of current or future operations. There is a degree of

uncertainty attributable to the calculation and estimation of mineral resources and mineral reserves and corresponding grades being mined or dedicated to future production. Until ore is actually mined and processed, mineral reserves and grades must be considered as estimates only.

In addition, the quantity of mineral resources and mineral reserves may vary depending on mineral prices. Extended declines in market prices for gold, silver and copper may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material change in mineral resources and mineral reserves, grades or stripping ratios may affect the economic viability of the Company's projects.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. The SEC does not permit mining companies in their filings with the SEC to disclose estimates other than mineral reserves. However, because the Company prepares its reserve and resource estimates in accordance with Canadian disclosure requirements, it contains resource estimates, which are required by NI 43-101. Mineral resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill hole information, which is not necessarily indicative of the conditions between and around drill holes. Accordingly, such mineral resource estimates may require revision as more drilling information becomes available or as actual production experience is gained. No assurance can be given that any part or all of mineral resources constitute or will be converted into reserves.

Legal, Permitting, Regulatory, Title and Political Risk

The Company's operating and development properties are located in jurisdictions that are subject to changes in economic and political conditions and regulations in those countries.

The economics of the mining and extraction of precious metals are affected by many factors, including the costs of mining and processing operations, variations of grade of ore discovered or mined, fluctuations in metal prices, foreign exchange rates and the prices of goods and services, applicable laws and regulations, including regulations relating to royalties, allowable production and importing and exporting goods and services. Depending on the price of minerals, the Company may determine that it is neither profitable nor advisable to acquire or develop properties, or to continue mining activities.

The Company's mineral properties are located in Canada, Mexico, Turkey and the USA. Economic and political conditions in these countries could adversely affect the business activities of the Company. These conditions are beyond the Company's control, and there can be no assurances that any mitigating actions by the Company will be effective.

Changing laws and regulations relating to the mining industry or shifts in political conditions may increase the costs related to the Company's activities including the cost of maintaining its properties. Operations may also be affected to varying degrees by changes in government regulations with respect to restrictions on production, price controls, export controls, income taxes, royalties, expropriation of property, environmental legislation (including specifically legislation enacted to address climate change) and mine safety. The effect of these factors cannot be accurately predicted. Economic instability could result from current global economic conditions and could contribute to currency volatility and potential increases to income tax rates, both of which could significantly impact the Company's profitability.

The Company's activities are subject to extensive laws and regulations governing worker health and safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters. Regulators have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards.

Risk factors specific to certain jurisdictions are described throughout, including specifically: "Risks related to development stage assets in Turkey", "Water Management at the Company's Mining operations", "Security in Mexico" and "The Company will be unable to undertake its required drilling and other development work on its properties if all necessary permits and licenses are not granted." The occurrence of the various factors and uncertainties related to economic and political risks of operating in the Company's jurisdictions cannot be accurately predicted and could have a material adverse effect on our operations or profitability.

Risk related to development stage assets in Turkey

The Company has development stage mineral properties located in Turkey. Economic and political conditions in Turkey could adversely affect the business activities of the Company.

These conditions are beyond the Company's control, and there can be no assurances that any mitigating actions by the Company will be effective. In the past year, Turkey has experienced significant political, social, legal and regulatory instability, including an attempted coup. The impact of the change in political climate in Turkey is yet unknown, but may include heightened control of the judiciary, bureaucracy, media and the private business sector. Changes to existing governmental regulations may affect the Company's ability to conduct business and mineral exploration and mining activities more broadly and the Company's ability to generate cash flow and profits from operations. Associated risks include, but are not limited to, resource nationalism, terrorism, corruption, extreme fluctuations in currency exchange rates and high rates of inflation.

Changing laws and regulations relating to the mining industry or shifts in political conditions may increase the costs related to the Company's activities including the cost of maintaining its properties. Operations may also be affected to varying degrees by changes in government regulations with respect to restrictions on production, price controls, export controls, income taxes, royalties, expropriation of property, environmental legislation (including specifically legislation enacted to address climate change) and mine safety. The effect of these factors cannot be accurately predicted. Economic instability could result from current r economic conditions and could contribute to currency volatility and potential increases to income tax rates, both of which could significantly impact the Company's profitability.

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Security in Mexico

In recent years, criminal activity and violence has increased in parts of Mexico. The mining sector has not been immune to the impact of criminal activity and violence, including in the form of kidnapping for ransom and extortion by organized crime, as well as direct armed robberies of mining operations. The Company takes measures to protect employees, property and production facilities from these and other security risks. There can be no assurance, however, that security incidents, in the future, will not have a material adverse effect on our operations.

The Company will be unable to undertake its required drilling and other development work on its properties if all necessary permits and licenses are not granted.

A number of approvals, licenses and permits are required for various aspects of exploration, development and expansion projects. The Company is uncertain if all necessary permits will be maintained or obtained on acceptable terms or in a timely manner. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration and development activities or any other projects with which the Company becomes involved. Any failure to comply with applicable laws and regulations or failure to obtain or maintain permits, even if inadvertent, could result in the interruption of production, exploration or development, or material fines, penalties or other liabilities. It remains uncertain if the Company's existing permits may be affected in the future or if the Company will have difficulties in obtaining all necessary permits that it requires for its proposed or existing mining activities.

On January 5, 2017, the Company announced that it had received its forestry permit in connection with its Kirazlı Project in Turkey. The Company is pursuing the GSM (Business Opening and Operation) permit which is granted by the Çanakkale Governorship. It remains uncertain if the Company will be able to maintain its existing permits and/or obtain all additional permits that it requires for its proposed mining activities. Although the Company has reason to expect the GSM permit in the first half of 2017, there can be no certainty with respect to permitting timelines.

In order to maintain mining concessions in good standing, concession holders must advance their projects efficiently, including by obtaining the necessary permits prior to stipulated deadlines. The Company has implemented plans to obtain all necessary permits prior to the relevant deadlines. While the Company is confident in its ability to meet all required deadlines or milestones

so as to maintain its concessions in good standing, there is risk that the relevant permitting and licensing authorities will not respond in a timely manner. If these deadlines are not met, the Company believes that extensions to deadlines for obtaining the required approvals and permits could be negotiated so that the concessions would remain in good standing. However, there is no guarantee that the Company will be able to obtain the approvals and permits as planned or, if unable to meet such deadlines, that negotiations for an extension will be successful in order to maintain its concessions in good standing. If the concessions were to expire, this could have a material adverse impact on the Company and its ability to control and develop its Turkish projects.

Litigation could be brought against the Company and the resolution of legal proceedings or disputes may have a material adverse effect on the Company's future cash flows, results of operations or financial condition.

The Company could be subject to legal claims and/or complaints and disputes with other parties that result in litigation, including unexpected environmental remediation costs, arising out of the normal course of business. The results of litigation cannot be predicted with certainty. The costs of defending and settling litigation can be significant, even for claims that have no merit. There is a risk that if such claims are determined adversely to the Company, they could have a material adverse effect on the Company's financial performance, cash flow and results of operations.

Some of the Company's mineral assets are located outside Canada and are held indirectly through foreign affiliates.

It may be difficult if not impossible to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of the securities laws of certain provinces against substantially all of the Company's assets which are located outside Canada.

Failure of the Company to comply with laws and regulations could negatively impact current or planned mining activities and exploration and developmental activities.

The Company's mining, exploration and development activities are subject to extensive laws and regulations concerning the environment, worker health and safety, employment standards, waste disposal, mine development, mine operation, mine closure and reclamation and other matters. The Company requires permits and approvals from various regulatory authorities for many aspects of mine development, operation, closure and reclamation. In addition to meeting the requirements necessary to obtain such permits and approvals, they may be invalidated if the applicable regulatory authority is legally challenged that it did not lawfully issue such permits and approvals. The ability of the Company to obtain and maintain permits and approvals and to successfully develop and operate mines may be adversely affected by real or perceived impacts associated with its activities that affect the environment and human health and safety at its development projects and operations and in the surrounding communities. The real or perceived impacts of the activities of other mining companies may also adversely affect our ability to obtain and maintain permits and approvals. The Company is uncertain as to whether all necessary permits will be maintained on acceptable terms or in a timely manner. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively affect current or planned mining, exploration and developmental activities on the projects in which the Company is or may become involved. Any failure to comply with applicable laws and regulations or to obtain or maintain permits, even if inadvertent, could result in the interruption of mining, exploration and developmental operations or in material fines, penalties, clean-up costs, damages and the loss of key permits or approvals. While the Company has taken great care to ensure full compliance with its legal obligations, there can be no assurance that the Company has been or will be in full compliance with all of these laws and regulations, or with all permits and approvals that it is required to have. Environmental and regulatory review has also become a long, complex and uncertain process that can cause potentially significant delays.

The Company cannot guarantee that title to its properties will not be challenged.

The validity of the Company's mining claims and access rights can be uncertain and may be contested. Although the Company is satisfied it has taken reasonable measures to acquire the rights needed to undertake its operations and activities as currently conducted, some risk exists that some titles and access rights may be defective. No assurance can be given that such claims are not subject to prior unregistered agreements or interests or to undetected or other claims or interests which could be materially adverse to the Company. While the Company has used its best efforts to ensure title to all its properties and secured access to surface rights, these titles or rights may be disputed, which could result in costly litigation or disruption of operations. From time to time, a land possessor may dispute the Company's surface access rights, and as a result the Company may be barred from its legal occupation rights. Surface access issues have the potential to result in the delay of planned exploration programs,

and these delays may be significant. The Company expects that it will be able to resolve these issues, however, there can be no assurance that this will be the case.

Additional future property acquisitions, relocation benefits, legal and related costs may be material. The Company cannot currently determine the expected timing, outcome of negotiations or costs associated with the relocation of the remaining property owners and possessors and potential land acquisitions. The Company may need to enter into negotiations with landowners and other groups in the host communities where our projects are located in order to conduct future exploration and development work. There is no assurance that future discussions and negotiations will result in agreements with landowners or other local community groups so as to enable the Company to conduct exploration and development work on these projects.

The Company provides significant economic and social benefits to our host communities and countries, which facilitates broad stakeholder support for our operations and projects. There is no guarantee however that local residents will support our operations or projects.

Relationships with Key Stakeholders

Aboriginal title claims, rights to consultation/accommodation, and the Company's relationship with local communities may affect the Company's existing operations and development projects.

Governments in many jurisdictions must consult with aboriginal peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of Aboriginal people may require accommodations, including undertakings regarding employment, royalty payments and other matters. This may affect the Company's ability to acquire, within a reasonable time frame, effective mineral titles in these jurisdictions, including in some parts of Canada, in which aboriginal title is claimed, and may affect the timetable and costs of development of mineral properties in these jurisdictions. The risk of unforeseen aboriginal title claims also could affect existing operations as well as development projects. These legal requirements may also affect the Company's ability to expand or transfer existing operations or to develop new projects.

The Company's relationship with the communities in which it operates are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Adverse publicity relating to the mining industry generated by non-governmental organizations and others could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Company is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this regard will mitigate this potential risk.

The inability of the Company to maintain positive relationships with local communities may result in additional obstacles to permitting, increased legal challenges, or other disruptive operational issues at any of our operating mines, and could have a significant adverse impact on the Company's ability to generate cash flow, with a corresponding adverse impact to the Company's share price and financial condition.

The Company's directors and officers may have interests that conflict with the Company's interests.

Certain of the Company's directors and officers serve as directors or officers of other public companies and as such it is possible that a conflict may arise between their duties as the Company's directors or officers and their duties as directors or officers of these other companies.

Exploration, development and production at the Company's mining operations are dependent upon the efforts of its key personnel and its relations with its employees and any labor unions that represent employees.

The Company's success is heavily dependent on its key personnel and on the ability to motivate, retain and attract highly skilled employees.

Relations between the Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by Mexican or Canadian governmental authorities in whose jurisdictions the Company carries on operations. Changes

in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations and financial condition.

In addition, the Company anticipates that as it expands its existing production and brings additional properties into production, and as the Company acquires additional mineral rights, the Company may experience significant growth in its operations. This growth may create new positions and responsibilities for management personnel and increase demands on its operating and financial systems, as well as require the hiring of a significant number of additional operations personnel. There can be no assurance that the Company will successfully meet these demands and effectively attract and retain any such additional qualified personnel. The failure to attract and retain such qualified personnel to manage growth effectively could have a material adverse effect on the Company's business, financial condition or results of operations.

As a result of social media and other web-based applications, companies today are at much greater risk of losing control over how they are perceived.

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Although the Company places a great emphasis on protecting its image and reputation, it does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence and act as an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, cash flows and growth prospects.

Environmental Risks

The Company's activities are subject to environmental laws and regulations that may increase its costs of doing business and restrict its operations.

The Company's exploration and production activities are subject to regulation by governmental agencies under various environmental laws. These laws address noise, emissions, water discharges, waste management, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Environmental legislation in many countries is evolving and the trend has been towards stricter standards and enforcement, increased fines, penalties and potential for facilities to be shut-down for non- compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. There can be no assurance that future changes in environmental regulations will not adversely affect the Company's business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of the Company's business, causing the Company to re-evaluate those activities at that time.

Failure to comply with such laws and regulations can have serious consequences, including damage to the Company's reputation, stopping the Company from proceeding with the development of a project, negatively impacting the operation or further development of a mine, increasing the cost of development or production and litigation and regulatory actions against the Company. The Company cannot give any assurance that, notwithstanding its precautions, breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition and its results from operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. The Company may also acquire properties with known or undiscovered environmental risks. Any indemnification from the entity from which the Company has acquired such properties may not be adequate to pay all the fines, penalties and costs (such as clean-up and restoration costs) incurred related to such properties. Some of the Company's properties also have been used for mining and related operations for many years before acquisition and were acquired as is or with assumed environmental liabilities from previous owners or operators.

The Company's failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include

corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Production at certain of the Company's mines involves the use of various chemicals, including cyanide, which is a toxic material. Should cyanide or other toxic chemicals leak or otherwise be discharged from the containment system, the Company may become subject to liability for cleanup work that may not be insured. While appropriate steps will be taken to prevent discharges of pollutants into the ground water and the environment, the Company may become subject to liability for hazards that it may not be insured against and such liability could be material.

Actual costs of reclamation are uncertain, and higher than expected costs could negatively impact the results of operations and financial position.

Land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance, and the Company is subject to such requirements at its mineral properties. Decommissioning liabilities include requirements to control dispersion of potentially deleterious effluents; and, reasonably re-establish pre-disturbance land forms and vegetation.

In order to carry out reclamation obligations arising from exploration and potential development activities, the Company must allocate financial resources that might otherwise be spent on further exploration and development programs. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required. If the Company is required to carry out unanticipated reclamation work, its financial position could be adversely affected.

Water management at the Company's mining operations

The water collection, treatment and disposal operations at the Company's mines are subject to substantial regulation and involve significant environmental risks. If collection or management systems fail, overflow or do not operate properly, untreated water or other contaminants could spill onto nearby properties or into nearby streams and rivers, causing damage to persons or property, injury to aquatic life and economic damages. This risk is most acute at the Mulatos Mine during periods of substantial rainfall or flooding, which can be the main causes of overflow and system failures.

Environmental and regulatory authorities in Mexico and Canada conduct periodic or annual inspections of the Young-Davidson, Mulatos and El Chanate mines. As a result of these inspections, the Company is from time to time required to modify its water management program, complete additional monitoring work or take remedial actions with respect to the Company's operations as it pertains to water management.

Liabilities resulting from damage, regulatory orders or demands, or similar, could adversely and materially affect the Company's business, results of operations and financial condition. Moreover, in the event that the Company is deemed liable for any damage caused by overflow, the Company's losses or consequences of regulatory action might not be covered by insurance policies.

Problems with water sources could have a negative impact on the Company's exploration programs and future operations.

The Company may not be able to secure the water necessary to conduct its activities as planned. The Company will strive to ensure that its activities do not adversely impact community water sources. Future operations and activities may require that alternate water sources be provided to potentially affected communities at the Company's expense.

Climate Change Risks

The Company's mining and processing operations are energy intensive, resulting in a significant carbon footprint. The Company acknowledges climate change as an international and community concern. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impacts of climate change. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. We expect that in the long term this may result in increased costs at our Canadian and Mexican operations. While the Company has taken

measures to manage the use of energy, the inability to achieve required energy efficiencies could have an adverse impact on the Company's ability to achieve cost guidance.

In addition, the physical risks of climate change may also have an adverse effect on our operations. These may include extreme weather events, changes in rainfall and storm patterns and intensities, water shortages, and changing temperatures. In particular, the Company's producing assets are located in northwest Mexico and Canada. Extended periods of high rainfall or drought conditions are typical in this part of Mexico. In Canada, cold temperatures and heavy snowfall may impact the Company's ability to achieve production forecasts, including anticipated recoveries. While the Company has taken measures to mitigate the impact of weather on its operations, severe rainfall or drought conditions could have an adverse impact on the Company's ability to achieve production forecasts.

Insurance and Compliance Risks

We may not have sufficient insurance coverage.

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

The Company's policies of insurance may not provide sufficient coverage for losses related to these or other risks. The Company's insurance does not cover all risks that may result in loss or damages and may not be adequate to reimburse the Company for all losses sustained. In particular, the Company does not have coverage for certain environmental losses or certain types of earthquake damage. The occurrence of losses or damage not covered by insurance could have a material and adverse effect on the Company's cash flows, results of operation and financial condition.

The Company's business involves uninsurable risks.

In the course of exploration, development and production of mineral properties, certain risks and, in particular, unexpected or unusual geological operating conditions including cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

The Company may fail to maintain the adequacy of internal control over financial reporting as per the requirements of the Sarbanes-Oxley Act of 2002 ("SOX").

The Company has documented and tested, during its most recent fiscal year, its internal control procedures in order to satisfy the requirements of Section 404 of SOX. Both SOX and Canadian legislation require an annual assessment by management of the effectiveness of the Company's internal control over financial reporting.

The Company may fail to maintain the adequacy of its internal control over financial reporting as such standards are modified, supplemented, or amended from time to time, and the Company may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting. The Company's failure to satisfy the requirements of Section 404 of SOX and equivalent Canadian legislation on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm the Company's business and negatively impact the trading price of the Company's common shares or market value of its other securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations.

The Company may be impacted by Anti-Bribery laws.

The *Canadian Corruption of Foreign Public Officials Act* and the *U.S. Foreign Corrupt Practices Act* and anti-bribery laws in other jurisdictions, prohibit companies and their intermediaries from making improper payments for the purposes of obtaining or retaining business or other commercial advantage. The Company's policies mandate compliance with these anti-bribery laws, which often carry substantial penalties. The Company operates in jurisdictions that have experienced governmental and private sector corruption to some degree, and, in certain circumstances, strict compliance with anti-bribery laws may conflict with certain

local customs and practices. There can be no assurances that the Company's internal control policies and procedures will always protect it from reckless or other inappropriate acts committed by the Company's affiliates, employees or agents. Violations of these laws, or allegations of such violations, could have a material adverse effect on the Company's business, financial position and results of operations.

Alamos' critical operating systems may be compromised.

Cyber threats have evolved in severity, frequency and sophistication in recent years, and target entities are no longer primarily from the financial or retail sectors. Individuals engaging in cybercrime may target corruption of systems or data, or theft of sensitive data. While we invest in robust security systems to detect and block inappropriate or illegal access to our key systems, including supervisory control and data acquisition operating systems at our operations, and regularly review policies, procedures and protocols to ensure data and system integrity, there can be no assurance that critical systems will not be not inadvertently or intentionally breached and compromised. This may result in business interruption losses, equipment damage, or loss of critical or sensitive information.

Mining Industry Risks

The Company is in competition with other mining companies that have greater resources and experience.

The Company competes with other mining companies, many of which have greater resources and experience. Competition in the precious metals mining industry is primarily for: mineral rich properties which can be developed and produced economically; the technical expertise to find, develop, and produce such properties; the labour to operate the properties; and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a world-wide basis and some of these companies have much greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to successfully compete with other mining companies for these mineral deposits could have a material adverse effect on the Company's results of operations.

The Company may be unable to identify opportunities to grow its business or replace depleted reserves, and it may be unsuccessful in integrating new businesses and assets that it may acquire in the future.

As part of the Company's business strategy, it has sought and will continue to seek new operating, development and exploration opportunities in the mining industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses into its business. The Company cannot provide assurance that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favorable terms, if at all, or that any acquisitions or business arrangements completed will ultimately benefit its business. Further, any acquisition the Company makes will require a significant amount of time and attention of its management, as well as resources that otherwise could be spent on the operation and development of its existing business.

Any future acquisitions would be accompanied by risks, such as a significant decline in the relevant metal price after the Company commits to complete an acquisition on certain terms; the quality of the mineral deposit acquired proving to be lower than expected; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of its ongoing business; the inability of management to realize anticipated synergies and maximize its financial and strategic position; the failure to maintain uniform standards, controls, procedures and policies; and the potential for unknown or unanticipated liabilities associated with acquired assets and businesses, including tax, environmental or other liabilities. There can be no assurance that any business or assets acquired in the future will prove to be profitable, that the Company will be able to integrate the acquired businesses or assets successfully or that the Company will identify all potential liabilities during the course of due diligence. Any of these factors could have a material adverse effect on its business, expansion, results of operations and financial condition.

Mining is inherently dangerous and subject to conditions or events beyond the Company's control, which could have a material adverse effect on its business and which conditions and events may not be insurable.

Mining involves various types of risks and hazards, including, but not limited to:

- Environmental hazards;
- Industrial accidents;
- Metallurgical and other processing problems;
- Unusual or unexpected rock formations;
- Rock falls, pit wall failures and cave-ins;
- Seismic activity;
- Flooding;
- Fires;
- Periodic interruptions due to inclement or hazardous weather conditions;
- Variations in grade, deposit size, continuity and other geological problems;
- Mechanical equipment performance problems;
- Unavailability of materials and equipment;
- Theft of equipment, supplies and bullion;
- Labour force disruptions;
- Civil strife; and
- Unanticipated or significant changes in the costs of supplies.

Most of these risks are beyond the Company's control and could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, loss of key employees, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

The business of exploration for minerals and mining involves a high degree of risk, as few properties that are explored are ultimately developed into producing mines.

The Company is engaged in exploration, mine development and the mining and production of precious metals, primarily gold, and is exposed to a number of risks and uncertainties that are common to other companies in the same business. Unusual or unexpected ground movements, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable adequate machinery, equipment or labour are risks involved in the operation of mines and the conduct of exploration programs. The Company has relied on and may continue to rely upon consultants and others for mine operating and exploration expertise. Few properties that are explored are ultimately developed into producing mines. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineral deposit, the Company may not be able to raise sufficient funds for development. The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Where expenditures on a property have not led to the discovery of mineral reserves, spent costs will not usually be recoverable.

The trading price of the Company's common shares may be subject to large fluctuations and may increase or decrease in response to a number of events and factors.

These factors may include:

- The price of gold and other metals;
- The Company's operating performance and the performance of competitors and other similar companies;
- The public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities;
- Changes in earnings estimates or recommendations by research analysts who track the Company's common shares or the shares of other companies in the resource sector;

- Changes in general economic conditions;
- The arrival or departure of key personnel; and
- Acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Company's shares are affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Company's shares, and the attractiveness of alternative investments. In addition, securities markets have recently experienced an extreme level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The effect of these and other factors on the market price of the common shares on the exchanges in which the Company trades has historically made the Company's share price volatile and suggests that the Company's share price will continue to be volatile in the future.

MINERAL PROPERTIES

The Company considers its Young-Davidson Mine and Mulatos Mine material mineral projects for purposes of NI 43-101. Set forth below is certain mining and technical information in relation to those mines and certain of the Company's other mines and projects.

YOUNG-DAVIDSON MINE

Summary

The Young-Davidson Mine is located near the town of Matachewan, approximately 60 kilometres west of Kirkland Lake in Northern Ontario. The property consists of contiguous mineral leases and claims totaling 11,000 acres and is situated on the site of two past producing mines that produced almost one million ounces of gold between 1934 and 1957. The Young-Davidson Mine consists of an underground mine, currently mining at a rate of between 6,500 and 7,500 tonnes per day, a conventional flotation and carbon-in-leach (CIL) mill and associated infrastructure. The mine has been in continuous operation since 2012.

Property Description, Location and Access

The Young-Davidson Mine is located in northern Ontario, Canada, centrally located between Timmins, Kirkland Lake, North Bay and Sudbury, each of which have businesses that service the mining industry. The property is accessed by paved Highway 566, 3 kilometres west of the town of Matachewan.

The Company owns 100% of the mineral rights to all of the mineral resource related claims at the former Young-Davidson Mine and the adjoining Matachewan Consolidated Mines Limited Mine (the "**MCM Mine**"), which together comprise the modern day Young-Davidson Mine. The Company also holds the mineral rights to 200 tenures from mining leases to exploration claims covering 4,734 hectares surrounding and including the Young-Davidson Mine. The contiguous claim block that covers the Young-Davidson Mine is hereinafter referred to as "Young-Davidson". These tenures were acquired either through staking, application, or option agreements.

Collectively, Young-Davidson is subject to nine separate agreements with different obligations and royalties for each agreement. Based on the currently defined mineral reserves and resources, the only royalties to apply are:

(i) a sliding scale royalty held by Matachewan Consolidated Mines Limited that relates to the eastern portion of the open pit and a small portion of the underground resource, which together total approximately 1,000,000 tonnes;

(ii) a per ton royalty held by the Welsh Estate that affects almost 424,000 tonnes; and

(iii) a 1.5% net smelter return due to AuRico Metals Inc., applicable since July 2015.

The Company controls sufficient surface rights to cover the sites required for all project buildings and fixed installations for the life of mine. The Company believes it has all of the necessary surface rights to dispose of waste rock and tailings on additional

areas of the property. Alamos' land ownership and mineral tenures are registered with the Government of Ontario. All permits required to operate the Young-Davidson Mine are currently in place.

As Young-Davidson was the site of two former producing gold mines there is existing surface disturbance in the form of old workings, building foundations and tailings sites. Although there is no clean up order on these sites, infrastructure was designed to incorporate these sites where possible so that they are remediated as part of the mine closure plan.

Other than as described above, the Company is not aware of any rights, agreements or encumbrances to which Young-Davidson is subject, which would adversely affect the value of the property or Alamos' ownership.

The daily average mean temperature in nearby Kirkland Lake, Ontario is 1.7°C. The extreme maximum recorded temperature is 38.9°C and the extreme minimum temperature is -47°C. The average annual precipitation is 884 millimetres, comprising 590 millimetres as rainfall and 294 millimetres as snowfall. Given this climate, exploration and mining development activities can be carried out at all times of the year.

The surface rights possessed by the Company are sufficient for planned mining operations, availability of sources of power, water, mining personnel, potential tailings storage areas, and potential waste disposal. Electricity is provided from the provincial grid through a transmission line that was upgraded prior to commercial production.

The property is typical of northern Ontario with forest covered low rolling hills, small lakes and wetlands with numerous gravel roads providing access to all areas of the property. Average elevation on the property is 330 metres above sea level.

History

The initial discovery of gold in the project area was made by prospector Jake Davidson in 1916 on what became the former Young-Davidson Mine. This sparked a staking rush that resulted in a second discovery by Samuel Otisse on what became the MCM Mine property. Surface prospecting, trenching and outcrop stripping continued intermittently for the next seventeen years on both properties. During this time a joint venture was established between Hollinger Corporation and Young-Davidson Mines Limited and underground mine production was initiated in 1934 and continued until 1957, over which time a total of 5.6 million tonnes were mined producing 585,690 ounces of gold (3.22 g/t recovered grade). Production from the MCM Mine property over the period 1934-1954 totaled 3.2 million tonnes, and 378,101 ounces of gold (3.67 g/t recovered grade). Following closure of the mines, the properties remained dormant until 1980 at which time Pamour Mines concluded option/joint venture agreements on both properties with the aim of establishing an open pit operation. Approximately 96,000 tonnes of ore were mined and trucked to the Pamour mill facility east of Timmins.

In 1995, Royal Oak Mines Inc. ("**Royal Oak**"), a successor company to Pamour Mines, initiated extensive diamond drilling to define an open pit resource, initiated shaft dewatering with a view to underground exploration, conducted shaft rehabilitation as well as engineering studies and environmental assessment studies with a view to re-opening the mines. Following the bankruptcy of Royal Oak, the property was dormant for several years before being acquired by a private company in 2000. This private company undertook limited exploration and, in 2002, vended the asset into Young-Davidson Mines Limited, the same company that had discovered the property. Young-Davidson Mines Limited re-initiated exploration with 9,312 metres of drilling in 58 diamond drill holes.

In late 2005, Northgate Minerals Corporation ("**Northgate**") amalgamated with Young-Davidson Mines Limited through a plan of arrangement, and proceeded with surface exploration, particularly diamond drilling, environmental and engineering studies and underground exploration and development.

In 2011, AuRico acquired Northgate, which included Young-Davidson.

In 2015, AuRico and Former Alamos combined to form Alamos.

Geological Setting, Mineralization and Deposit Types

Young-Davidson is situated within the southwestern part of the Abitibi Greenstone Belt. The Abitibi Greenstone Belt consists of a complex and diverse array of volcanic, sedimentary, and plutonic rocks typically metamorphosed to greenschist facies grade, but locally attaining amphibolite facies grade. Volcanic rocks range in composition from rhyolitic to komatiitic and commonly occur as mafic to felsic volcanic cycles. Sedimentary rocks consist of both chemical and clastic varieties and occur as both intravolcanic sequences and as uncomformably overlying sequences. A wide spectrum of mafic to felsic, pre-tectonic, syn-tectonic and post-tectonic intrusive rocks are present. All lithologies are cut by late, generally northeast-trending proterozoic diabase dikes.

The Abitibi Greenstone Belt rocks have undergone a complex sequence of deformation events ranging from early folding and faulting through later upright folding, faulting and ductile shearing resulting in the development of large, dominantly east-west trending, crustal-scale structures that form a lozenge-like pattern. The regional Larder Lake-Cadillac Fault Zone ("**LLCFZ**") cuts across the Young-Davidson Project area. The LLCFZ has a sub-vertical dip and generally strikes east-west. The LLCFZ is characterized by chlorite-talc-carbonate schist and the deformation zone can be followed for over 120 miles from west of Kirkland Lake to Val d'Or, Québec.

There are three important groups of archean sedimentary rocks in the district. The oldest are Pontiac Group quartz greywacke and argillite, which occur as thick assemblages in Québec, while interbedded within the Larder Lake Group volcanic rocks are turbiditic siltstones and greywackes of the Porcupine Group. Uncomformably overlying is Timiskiming Group Conglomerate, turbidite and iron formation with minor interbedded alkalic volcaniclastic units.

Archean intrusive rocks are numerous in the district but are largely manifested as small stocks, dikes and plugs of augite syenite, syenite and feldspar porphyry occurring in close temporal and spatial association with the distribution of Timiskiming Group sediments. The main syenite mass, which hosts most of the gold mineralization on Young-Davidson, measures almost 3,000 ft. east-west by 1,000 ft. north-south.

Huronian proterozoic sedimentary rocks onlap and define the southern limit of the Abitibi in Ontario. In the project area these rocks are correlative to the Gowganda Formation tillite. Post-Archean dike rocks include Matachewan diabase and younger Nipissing diabase, which respectively bracket the Huronian unconformity in the project area.

Essentially all of the historical production at the former Young-Davidson Mine and approximately 60% of the production from the MCM Mine was from syenite-hosted gold mineralization. Most of the current open pit and underground resources are also related to syenite-hosted gold. The syenite-hosted gold mineralization consists of a stockwork of quartz veinlets and narrow quartz veins, rarely greater than a few inches in thickness, situated within a broader halo of disseminated pyrite and potassic alteration. Visible gold is common in the narrower, glassy-textured quartz veinlets. In general, gold grades increase with quartz veinlet abundance, pyrite abundance, and alteration intensity. Mineralized areas are visually distinctive and are characterized by brick red to pink K-feldspar-rich syenite containing two to three percent disseminated pyrite and several orientations of quartz extension veinlets and veins. The quartz veins and veinlets commonly contain accessory carbonate, pyrite, and feldspar.

Exploration

There has been no recent exploration undertaken at Young-Davidson with the exception of the drilling programs outlined in the next section.

Drilling

Since the discovery of gold in the project area until October 14, 2008 a total of 293,774 metres of surface and underground diamond drill holes were completed. With the exception of the holes pre-dating 1980 (324 holes, 20,236 metres), all of the drill logs have been preserved. All holes have been plotted on historic records and these hole traces and assays have now been entered into the database. All holes since 1988 have been surveyed for their collar co-ordinates and it is assumed that all pre-1988 underground hole collars were surveyed as per industry practice at the time of production. Since 1980 all holes have been down

hole surveyed using a tropari instrument or acid test and since 2006 all drill holes have been surveyed using FLEXIT and/or a gyroscopic instrument in order to measure down hole deviation.

Underground drill holes were AQ core (27 mm diameter) as was the practice of the day, surface holes pre-dating AuRico were, with one exception, BQ core (36.5 mm diameter) and all holes by AuRico (and the one exception) have been NQ core (47.6 mm diameter) except where a reduction to BQ (36.5 mm diameter) has been required to complete the hole in problematic ground conditions. Core recovery and rock quality designations have not been noted in historic drill logs, however in all the holes by AuRico core recovery has been excellent and the rock quality designation ("**RQD**") factor has been very high indicating very competent rock.

From 2009 to 2015, a total of 269 surface exploration drill holes were completed for a total of 136,076 metres. No surface exploration was undertaken in 2016.

From 2009 to 2015 a total of four underground exploration drill holes were completed for a total of 918 metres. No underground exploration was undertaken in 2016.

From 2009 to 2016 a total of 1,707 underground infill drill holes were completed for a total of 227,473 metres.

Sampling, Analysis and Data Verification

Drill core is transported directly from the drill rigs to the secure core logging facility. Core is logged with geological information being recorded, including rock type, degree of alteration, estimated percentage of sulfide minerals and vein intensity. Zones of interest are marked out and assigned a sample number and assay tags are stapled into the box as well as being inserted into the sample base. Most of the core has been split with a hydraulic splitter, with a small number of samples cut with a diamond bladed core saw. The majority of the samples are 1.5 metres in core length and most of the historic samples are in five foot lengths. Assay procedures were not well documented prior to 2003, but it is assumed that conventional crushing, pulverizing and classical fire assay techniques were used.

Prior to sample shipment, a number of measures have been implemented which were designed to maintain a high level of security at the core logging facility, at the mine property and while the samples are in transit.

Upon arrival at the ALS Global laboratory, samples were logged into the laboratory tracking system and weighed. Each core sample was entirely crushed to better than 70% -2 millimetre (minus 10 mesh). A 250 gram split of crushed material was taken and pulverized. Certified reference material ("**CRM**") and blanks were inserted with samples prior to analysis. Fifty gram aliquots were weighed for fire assay. Fire assay fusion was by lead flux with a silver collector and atomic absorption finish. Each sample was also submitted for a 34 element analysis, aqua-regia acid digestion and ICP-AES. This process quantitatively dissolves base metals for the majority of geological materials. Major rock forming elements and more resistive metals are only partially dissolved. All sample batches were subjected to the laboratory's internal quality control procedures.

All mine samples, including blasthole, underground channel, and underground drill core are assayed at the on-site laboratory operated the Company. We have been advised by ALS Global that the laboratory is well- equipped, fully ventilated, and staffed by experienced personnel. Samples are prepared and analyzed as described above. The mine laboratory is externally audited on a periodic basis. A check assay program and participation in an international round robin was initiated in 2014.

No information has been compiled that describes the quality control (" **QC**") and quality assurance (" **QA**") procedures for the pre-2003 drilling, however it is unlikely that blanks and CRMs were used as this did not become standard industry practice until the early 2000's. The main form of QA/QC would have been periodic re-assaying of anomalous samples with introduction of blanks in the early 1980s and 1990s.

The QA/QC for the 2006, 2007 and 2008 programs is documented in the technical documents filed on SEDAR at www.sedar.com. In essence this data amounted to four percent of the entire population of samples submitted for analysis, including blanks, standards, and duplicates. Additionally, about 15-20% of pulp replicates and 2.5% of reject duplicates were analyzed and incorporated into final assay grade to improve overall precision. The QA/QC data is monitored as the samples are being processed at the laboratories and where analytical problems are identified the laboratory is required to reanalyze the samples.

Based on this work it was concluded that the data is reliable and suitable for supporting mineral resource and mineral reserve estimation work in the opinion of the Qualified Person.

The project data base has been subject to verification or audit by Micon International Inc. (2004), Scott Wilson Roscoe Postle Associates Inc. (2006), AMEC plc (2008) and Company geologists (2006, 2007 and 2008) who had no direct involvement with the project. Collar co-ordinates, down hole survey tests and assay intervals were verified against a variety of supporting documentation. Where errors have been identified these were corrected and procedures put in place to prevent re-occurrence and to expedite future data verification programs. In each case the third party audit has concluded that the database is valid and acceptable for supporting resource estimation work on the project.

Mineral Processing and Metallurgical Testing

The metallurgical testwork programs considered for feasibility study were completed in 2008 and early 2009 at SGS Lakefield. Results of these tests provided the data used for the design criteria.

The tests were conducted on samples from 32 holes selected across the mineralization from which five zone composites and a master composite were prepared. Flowsheet optimization was conducted on the master composite. Once the metallurgical parameters were optimized, the five zone composite and 32 individual samples were used for variability testing.

The grinding characteristics of the design mineralized material, an equal mixture of Upper Boundary Zone, Lower Boundary Zone and Pit Zone material as combined material for pilot plant feed gives an average Bond Work Index of 15.6 kilowatt hours per tonne ("**kWh/t**") at 100 mesh (106 micrometer ("**µm**")) of grind. The selected six zone samples work index ranged from 14.7 to 18.3 kWh/t. Most samples tested fell in the medium to hard range of hardness with respect to impact breakage and Bond rod mill/ball mill grindability work indices while there was one waste sample which fell in the very hard range of hardness. All samples have been classified as abrasive or very abrasive.

The gravity recoverable gold was determined to be about 25% of the gold contained in the composite sample tested when cleaning of the primary centrifugal concentrator product on a Mozley table was completed to a target 0.05% weight recovery of the initial feed material.

Mineral Reserve and Mineral Reserve Estimation

Mineral resource and mineral reserve estimates can be found in the section following Other Mineral Properties.

Mining Operations

Open pit mining commenced in November 2011, and ceased in June 2014, upon depletion of the in-situ mineral reserve. While the mining of the open pit has ceased, a sizeable stockpile of open pit ore was established that will be used to augment underground production until the underground mine can provide the entire mill feed. Over the life of the open pit, approximately 20.9 Mt of waste rock was generated by the open pit and placed in the waste dump to the north of the pit.

Commercial production was declared for the Young-Davidson open pit mine and mill effective September 1, 2012. Commercial production was declared once the open pit mine achieved previously established commissioning thresholds. The commissioning thresholds included a 30-day period whereby the mill throughput averaged at least 5,100 tonnes per day (subsequent to the commissioning of the flotation) and the open pit averaged 29,750 tonnes per day of ore and waste mining.

In October 2013, the Company commissioned the mid-shaft loading pocket and shaft hoisting infrastructure, and began hoisting underground ore to surface via the Northgate shaft. Prior to October 2013, ore was being trucked to surface through the exploration ramp. On October 31, 2013, commercial production at the Young-Davidson underground mine was achieved.

The underground deposit is located approximately 210 metres to 1,500 metres below surface. During 2013, AuRico completed the sinking of the Northgate shaft down to the mid-shaft loading pocket, which accesses the first eight years of mine production. The Company continues to work on developing vertical access in the underground mine below that of the mid-shaft loading pocket, to an eventual depth of 1,500 metres. In 2015 the existing MCM #3 shaft was extended to a depth of 1,500 metres to provide for the hoisting of personnel, materials, and ore and waste. Commissioning of the MCM #3 shaft was completed in the

first half of 2016. The mine is also accessed by a ramp, which is being extended to the bottom of the mine from the existing exploration ramp, currently at a depth of 985 metres below surface. The mine design has taken into consideration the existing MCM #3 and the Young-Davidson shafts and other existing openings for ventilation. Additional ventilation raises to surface have been established and the underground ventilation circuit continues to be upgraded as the mine deepens.

The underground mine has been designed for low operating costs through the use of large modern equipment, gravity movement of ore and waste through raises, shaft hoisting, minimal ore and waste re- handling, high productivity bulk mining methods and paste backfill. The mining method employed is a combination of transverse and longitudinal stoping, followed by paste backfill, on 30 metre sub-levels. Given the significant orebody widths it is expected that approximately 90% of the remaining reserves will be transversely mined. The mine operates scooptrams to load, haul and transfer stope production to the ore pass system from where it is hoisted to the surface via two 18 tonne skips in the Northgate shaft.

At the current design production rates of 2.92 million tonnes per year (8,000 tonnes per day) at full production, the underground will have a mine life of approximately 15 years based on the current mineral reserve. Production from the underground mine will be complemented by stockpiled open pit ore until it can provide the entire mill feed.

Lateral development of the underground mine will average approximately 12,000 metres per year including capital, operating and ore categories for the first 10 years of the underground mine operation. In the last 5 years of the underground mine life, the development requirements drop off sharply as the mine is close to being fully developed.

The average underground mining personnel requirements at 8,000 tonnes per day are estimated to be approximately 350 persons. The mine operates seven days a week with two 10.5 hour shifts per day working a five days on and four days off followed by four days on and five days off schedule. Once at full capacity, the mine will be fully owner operated with only diamond drilling and raising being contracted.

Milling Operations

The metallurgical test programs supported the selection of single stage semi-autogenous grinding circuit with a gravity circuit followed by flotation. The flotation concentrate is further ground and leached in a conventional carbon-in-leach. The flotation tailings are also leached in a carbon-in-leach circuit. The gold is recovered from the carbon followed by electro-winning and pouring doré bars.

The combined leach tailings were used for the cyanide destruction testwork. The Young-Davidson carbon-in-leach tailings are treated with the SO2/Air cyanide destruction method.

In January 2014 a paste backfill plant was commissioned and is capable of supplying paste fill to the underground voids at a rate in excess of 8,000 tonnes per day.

Infrastructure, Permitting and Compliance Activities

Existing infrastructure at the Young-Davidson Mine includes the Northgate and MCM shafts and headframes, the access ramp portal, surface ventilation equipment, an 8,000 tonne per day conventional CIL mill, an 8,000 tpd paste backfill plant, a tailings dam, various office and workshop buildings, and two power lines connected to the provincial grid. Paved highway access exists to the mine site.

The Young-Davidson Mine requires no additional permits for continued operation and the mine is in compliance with all regulatory requirements. The Company has recorded an asset retirement obligation liability of $6.3 million which it expects to settle during the course of mining and on closure.

The Company entered into Impact Benefit Agreements with the Matachewan First Nation on July 2, 2009 and with the Temagami First Nation / Teme Augama Anishnabai on July 14, 2012, as the Young-Davidson Mine is situated within the traditional territory of these two First Nations.

Capital and Operating Costs

Actual results for 2015 and 2016, and guidance for 2017 production, operating costs and capital are depicted below.

		2015 Actual	2016 Actual	2017 Guidance
Gold Production	(ounces)	160,358	170,000	200,000 -210,000
Cost of sales, including amortization	($/ounce)	1,162	1,087	1,050
Total Cash Costs (1)	($/ounce)	683	657	625
Mine Site All-in Sustaining Costs (1)	($/ounce)	986	897	775
Capital	($ millions)	108	95	70 - 80

(1) Refer to Cautionary Non-GAAP measures and Additional GAAP Measures on page 3. Detailed reconciliations of the non-GAAP measures to measures under IFRS for the years ended December 31, 2016 and 2015 can be found in the Company's MD&A for the year ended December 31, 2016 on pages 25-30.

2017 Outlook

Gold production at the Young-Davidson Mine is expected to increase approximately 21% in 2017 to between 200,000 and 210,000 ounces. Underground mining rates are expected to increase from an average rate of approximately 6,000 tpd in 2016, to a range of between 6,500 and 7,500 tpd in 2017.

Underground mined grades are expected to be consistent with the mineral reserve grade of 2.69 g/t Au in 2017, though can vary as much as 10% from quarter to quarter. Mill throughput is expected to range between 7,600 and 8,000 tpd with stronger throughput in the second half of the year following the addition of a pebble crusher to the circuit. Milled grades are expected to range between 2.35 and 2.60 g/t Au. Mill recoveries are expected to range between 90 and 92%.

Total cash costs are expected to average $625 per ounce gold sold in 2017. Mine-site all-in sustaining costs are expected to average $775 per ounce, more than a 10% decrease from 2016 levels reflecting higher underground mining rates, ongoing productivity improvements and lower sustaining capital spending.

The Company remains focused on reducing capital spending at the Young-Davidson Mine. Capital is expected to total between $70 and $80 million in 2017, including $30 to $35 million of sustaining capital. This represents a $20 million decrease from approximately $95 million in 2016. Spending in 2017 will be focused on the ongoing development of the upper and lower mine, completion of the MCM waste pass, raise boring of the lower leg of the Northgate shaft and the addition of a pebble crusher. Approximately 60% of the 2017 capital budget is expected to be spent in the first half of the year.

MULATOS MINE

Summary

The Mulatos Mine is located 220 kilometres east of Hermosillo in the state of Sonora in northwest Mexico. The Company owns 100% of the Mulatos Mine and several other prospective exploration targets throughout the district. The mine includes both open pit and underground mines, a crushing and heap leaching facility, a high grade mill, gold processing facilities and related infrastructure. The mine was developed by Former Alamos and has been in continuous operation since 2005.

Project Description, Location and Access

The Mulatos Mine is located in the Sierra Madre Occidental mountain range in the east-central portion of the state of Sonora, Mexico. Alamos controls several large mineral concessions, which are located mostly to the west, southwest and north-northeast of the Mulatos Mine. A total of 28,773 hectares of mineral concessions, in 43 discrete concessions, are controlled by Alamos. The mineral concessions were awarded to Former Alamos by the Mexican Department of Economy (the "**Direccion General**

de Minas"). The property is approximately 220 kilometres by air east from the city of Hermosillo, and 300 kilometres south of the United States border. Alamos maintains an administration office in Hermosillo, Mexico which supports the activities and operations of the Mulatos Mine.

The Mulatos group of concessions cover the Mulatos deposit and satellite gold systems known as Cerro Pelon, La Yaqui, El Carricito, El Halcon, Las Carboneras, El Jaspe, Puebla, Los Bajios, and La Dura (the "**Mulatos Group of Concessions**"). The Mulatos deposit is itself divided into a number of mineralized zones known as Estrella, Mina Vieja, El Salto, Escondida, Gap, El Victor, El Victor North, San Carlos, Puerto del Aire, Puerto del Aire Extension, and East Estrella. Mineral rights for all concessions comprising the Mulatos Group of Concessions are controlled by Minas de Oro Nacional ("**MON**"), the Mexican subsidiary of Alamos.

Surface rights in the exploitation area are held both privately and by the Mulatos Ejido. In December 2016, the Company and the Ejido Mulatos entered into a new temporary occupation agreement (the "**2016 Agreement**"). The 2016 Agreement, among other things, provided for the dismissal of several lawsuits related to both the Company's operations and prior occupation agreements; as well, replaced all prior temporary occupation agreements governing the communal land underlying the Mulatos Mine. The 2016 Agreement provides for both annual rent payments to Ejido Mulatos members (both individually and collectively); as well, additional success fee type payments, better aligning the interest of the Company and the local community.

Pursuant to a royalty agreement dated March 23, 2001 (the "**RTE Agreement**"), a 5% NSR royalty is payable until such time as the first 2,000,000 ounces of gold have been mined, processed and sold (or deemed sold) from the Mulatos Group of Concessions (the "**Placer Kennecott Royalty**" or the "**Royal Gold Royalty**"). Royal Gold, Inc. subsequently acquired the Placer Kennecott Royalty. As at December 31, 2016, the royalty had been paid or accrued on approximately 1.7 million ounces of applicable gold production.

The Mulatos Group of Concessions are accessible via a combination of a paved road (Highway 16) from the city of Hermosillo, Mexico and dirt roads direct to the Mulatos Mine. The driving time from Hermosillo to the Mine is approximately 6 hours. In 2010, Former Alamos built and permitted a new unpaved airstrip within the limits of the mine property.

The town of Mulatos is in the municipality of Sahuaripa and is located approximately 0.5 kilometres northeast of the Estrella Pit. The population of the town of Mulatos is less than 100 people. The Company is currently engaged in a relocation program. Larger towns within 100 kilometres of Mulatos include Yecora with a population of 10,000, located southwest of Mulatos, and Sahuaripa with a population of 7,000, located northwest of Mulatos.

From July to September, the air is humid and hot, typically around 30 degrees Celsius during the day. In this period, over half of the average annual rainfall of 0.8 metres falls. The winter months (November to February) are cooler, generally between 15 and 20 degrees Celsius during the day, with occasional frost occurring at night.

History

Mulatos was known to contain gold dating back to the 1600's, with sporadic artisanal mining occurring over the years, especially in the area of Mina Vieja. Starting in the mid-1900's, several companies began to show interest in the claim areas, notably Minera Real de Angeles, Kennecott and Placer, with a substantial amount of exploration work conducted between 1993 and 1999. A preliminary feasibility study was completed on the property in 1998 by Kennecott and Placer who had entered into a joint venture agreement covering the deposit and a portion of the surrounding land.

In 2001, National Gold Corporation acquired a 100% interest in the property for cash and a sliding-scale royalty on the first two million ounces of gold production. In 2003, Alamos Minerals Ltd. acquired an option on the property, and subsequently merged with National Gold Corporation to consolidate 100% ownership.

After completion of a feasibility study in 2004, an open pit operation with crushing and conveying to a heap leach pad at a rate of approximately 10,000 tpd was constructed. The operation commenced production in April 2006. Since 2006, the Mulatos crushing facility has undergone numerous expansions and optimizations to both increase capacity to a nominal 18,500 tpd and provide for a consistent 100% passing -3/8" crush size.

In addition to the existing heap leach operations at the Mulatos Mine, between 2009 and 2012, Alamos developed the Escondida high-grade zone and constructed a mill to process high-grade ore from Escondida. The high grade Escondida deposit was depleted in the second quarter of 2014. Alamos commenced underground development of the San Carlos high grade underground deposit in 2015 and undertook modifications to the mill to cater to the specific metallurgy of San Carlos.

Geological Setting, Mineralization and Deposit Types

The Mulatos mineral deposits are large epithermal, high-sulfidation, disseminated, gold deposits hosted within a mid-Tertiary dacitic dome complex. Gold mineralization is closely associated with silicic alteration within extensive areas of argillic and advanced argillic alteration. The Mulatos deposit proper is composed of the contiguous Estrella, El Salto, Mina Vieja, and Puerto del Aire resource areas. The Escondida deposit is the faulted extension of the Mina Vieja and El Salto sub-deposits and is believed to be continuous to the northeast with the Gap, El Victor and San Carlos mineralized areas. Although zones are often bounded by post-mineral faults, together they form a trend of 2.7 kilometres of gold mineralization starting at the north end of the Estrella pit to the San Carlos deposit.

Within the larger Mulatos Group of Concessions, and generally within 20 kilometres from the Mulatos deposit, geologically similar high sulfidation gold deposits, occurrences, or prospects are known. The principal ones, some of which are in the process of being evaluated and/or drill-tested, are: Cerro Pelon, La Yaqui, El Carricito, El Halcon, Las Carboneras, El Jaspe, Puebla, Los Bajios, and La Dura.

Gold deposits of the Mulatos district are considered to be high sulphidation-state epithermal systems. Epithermal precious metal systems may be classified as high, intermediate, and low sulphidation styles. They are characterized by the sulphidation state of the hypogene sulphide mineral assemblage, and show general relations in volcano-tectonic setting, precious and base metal content, igneous rock association, proximal hypogene alteration, and sulphide abundance. Ore in all occurrences is of the type formed under epizonal conditions, that is, generally within 2 kilometres of the paleo-surface. Past workers have referred to high sulphidation systems as acid-sulphate, enargite-gold, or alunite-kaolinite systems.

Most high-sulphidation systems are associated with coeval andesite to dacite volcanic arcs, and are hosted by extensive “pre-mineral” advanced argillic lithocaps. The principle ore host is vuggy residual silica, typically developed by intense acidic leaching of a pre-existing porphyritic dacite host rock. Proximal alteration comprises hypogene dickite, alunite (often crystalline), and/or pyrophyllite. Sulphides include enargite, pyrite, and luzonite. Quartz veining is extremely rare, but some deposits are overprinted by late barite and quartz veins. Laterally extensive sheets of intensely silicified rocks occur in many districts, and represent zones of lateral outflow of mixed hydrothermal and meteoritic water. Silica is transported in the acidic hydrothermal water, and on intersection with the paleowater table, undergoes neutralization and deposition of silica forming cryptocrystalline silica sheets. Most high-sulphidation deposits are large, low grade bulk-tonnage systems (“**Yanacocha**”), though vein-hosted high sulphidation deposits also occur (“**El Indio**”).

In contrast, low and intermediate sulphidation state systems are typically related to quartz and carbonate veins, near-neutral hydrothermal fluids, and lack proximal advanced argillic alteration and residual vuggy silica. Steam-heated alteration is present above some intermediate and low sulphidation state systems advanced argillic assemblages. However, they usually comprise low-temperature kaolinite, and fine grained alunite. Sulphides are of a low to intermediate sulphidation state. Gold occurs in oxide, mixed oxide/sulphide, and sulphide ore types, with pyrite as the primary sulphide mineral. The deposits are amenable to cyanidation in all ore types, but gold extraction decreases with decreasing levels of oxidation.

Precious metal mineralization at Mulatos is associated with intense silicic alteration (mostly vuggy silica), advanced argillic alteration, and the presence of hydrothermal breccias. The original protolith (dacite porphyry flow/tuff, coarse grained volcaniclastic rocks, breccias), as indicated by surface mapping and core drilling, may have contained in the order of 2-3 percent sulphide as pyrite with various amounts of enargite and tetrahedrite. The principle gold bearing host rock is interpreted as favoured for mineralization due to relatively high primary porosity and its intense fracturing.

Gold mineralization within the Mulatos deposit occurs primarily within areas of pervasive silicic alteration of the volcanic host rocks, and to a lesser extent, within advanced argillic alteration assemblages proximal to silicic alteration. The gold-bearing advanced argillic zones are dominated by pyrophyllite or dickite alteration. Silicic rocks host approximately 80 percent of the contained gold within the deposit. There are three main mineralization assemblages. From oldest to youngest they are: 1) quartz

+ pyrite + pyrophyllite + gold; 2) quartz + pyrite + kaolinite + gold + enargite; 3) kaolinite + barite + gold. Free gold is commonly found in hematite-filled fractures. Gold also occurs in pyrite, as gold/silver telluride minerals, and possibly as a solid solution in some copper sulphide minerals. Supergene oxidation and perhaps remobilization and secondary enrichment of gold have been ongoing since the post-mineral volcanic cover was removed (in those specific deposits where it has been removed).

Exploration

Substantial drilling programs have been completed by Alamos since its 2004 feasibility study. Including drilling completed in conjunction with the 2004 Feasibility Study, the property has now been subject to over 778,970m of drilling in 4,671 holes. The majority of this drilling was completed in proximity to the Mulatos deposit, however, more recently drilling activities have focused on delineating other deposits in the district such as La Yaqui and Cerro Pelon and testing other regional exploration targets such as El Carricito.

In the second half of 2015 and all through 2016, Alamos exploration focused mainly on the La Yaqui deposit with 46,809m drilled during 2016. Exploration focus has been on a large northwest trending silica ridge that sits to the northeast of previously known mineralization. Since the end of 2015, exploration has been defining new resources along this ridge and exploration there is still underway. Some drilling was also undertaken at Cerro Pelon and adjacent to the Escondida deposit (part of the main Mulatos open pit) in 2016. The main areas under exploration at Cerro Pelon are immediately north-northeast of the previously defined mineral reserve pit, further north under a massive silica cap and to the northwest of the mineral reserve pit over a newly outlined area of favourable alteration and structure.

During 2016, a full and detailed review and ranking of all prospects in the district was undertaken with 1, 2 and 5 year exploration plans outlined. In addition, mapping, sampling and Induced Polarisation geophysics were carried out on the Los Bajios Project that sits approximately 3km to the northwest of Mulatos open pit.

Drilling

Drilling statistics for 2016 and project-to-date are presented below:

2016 Core Drilling

Zone Drilled	Drill Holes Completed (# 2016)	Drill Holes Project (#)	Drilling 2016 (m)	Drilling Project (m)
La Yaqui	200	249	40,393	49,469
Cerro Pelon	68	157	14,172	25,207
La Escondida (Mulatos Deposit)	7	239	1,035	21,113
Other areas prior to 2016	0	774	0	125,317
Total	**275**	**1,419**	**55,600**	**221,106**

2016 Reverse Circulation Drilling

Zone Drilled	Drill Holes Completed (# 2016)	Drill Holes Project (#)	Drilling 2016 (m)	Drilling Project (m)
La Yaqui	30	163	6,416	24,940
Cerro Pelon	22	165	4,892	30,505
La Escondida (Mulatos Deposit)	22	366	5,934	27,425
Other areas prior to 2016	0	2,558	0	474,993
Total	**74**	**3,252**	**17,242**	**557,863**

Exploration work programs in Mexico are carried out under the guidance of Aoife McGrath, M.Sc., M. AIG., Vice President Exploration, for the Company. Ms. McGrath is a Qualified Persons, as defined by National Instrument 43-101.

Mulatos Main Zone

The Mulatos Main Zone is a continuous zone of mineralisation that comprises the La Estrella, La Escondida, Mina Vieja, El Salto, Puerto del Aire, Gap, El Victor, El Victor North and San Carlos (open pit) deposits. This whole zone shows similar geological characteristics with comparable styles of mineralization. Dacitic and rhyodacitic rocks have undergone intense silica alteration (often vuggy) which is the key host for mineralisation. These zones are often blind, being overlain by a relatively thick sequence of ignimbrite flows. Historically these flows have been referred to as post-mineral but recently acquired data shows portions of it to host vein-style mineralisation. This has been seen at San Carlos and similar potential is currently being investigated in Gap, El Victor and Puerto del Aire. Sets of post-mineral faulting has caused some offset of the mineralisation (to varying extents) throughout this entire zone.

Mineralisation is usually stratiform with some local structural control, especially on high grades and zones of brecciation. This structural control that directly affects higher grades has been identified at La Estrella and Puerto del Aire Deposits and is also likely at Gap. Within the stratiform mineralisation higher grades are sometimes seen along the upper contact of the vuggy silica alteration. Alamos conducted exploration systematically through this zone commencing in 2006 and by the end of 2014 338,470 metres had been drilled.

Limited exploration drilling was conducted on the main zone in 2016 with only 29 holes for 6,969m drilled adjacent to or beneath the whole zone.

Cerro Pelon

During 2008, Alamos announced the discovery of a new gold zone at Cerro Pelon. Cerro Pelon is located approximately 2.5 kilometres southwest of the leach pad area. It was a high-priority target for Alamos and is still today a very important focus for the Company.

Gold at Cerro Pelon is associated with quartz-alunite alteration that is often vuggy in nature. Structural control and hydrothermal brecciation are also key factors associated with mineralisation. The main structural trends are north-northwest and east-northeast. Intrusive rocks, hydrothermal brecciation and mineralisation also follow these trends. Oxidation is very deep along and adjacent to the structures with oxidation and transition / mixed zones extending to 160 metres depth in places. As with all Mulatos exploration, every sample above a cut-off of 0.2 g/t Au is sent for further analysis on cyanide-leachability and these results indicate excellent recoveries (usually greater than 80%) down to the base of the transition / mixed zone.

Drilling was undertaken at Cerro Pelon in 2008 and 2009 with a total of 18,653 metres completed in 142 holes. Geological modelling and 3D modelling was completed in September 2009, followed by a mineral resource estimate in November 2009. The results of the mineral resource calculation were integrated into the global resource & reserve numbers for 2009 and the majority of mineral resources at Cerro Pelon were classified as measured and indicated. Ongoing engineering work and economic

evaluation initiated in 2009 resulted in an upgrade of a portion of the measured and indicated mineral resources to the reserve category.

In 2014, Alamos executed an agreement to acquire the surface rights to the Cerro Pelon deposit. Closing of the agreement occurred in 2015 and exploration programs re-commenced. A comprehensive mapping and sampling program (742 rock chip samples and 1,850 metres x 1,425 metres covered by mapping and sampling) was undertaken which helped to refine the geological understanding. Full re-logging of the deposit was also undertaken. These programs were followed by exploration (and then infill) drilling with a total of 18,767 metres drilled in 98 holes. These programs have outlined a new zone of high-grade mineralisation about 100m to the north of current pit limits. Excellent drill results were obtained with several intercepts averaging well above the current mineral reserve grade. Some of the best intercepts recorded were 14.47 g/t Au over 50.30 metres (15PEL012), 9.65 g/t Au over 34.60 metres (15PEL020) and 2.46 g/t Au over 94.20 metres and 2.21 g/t Au over 22.60 metres (both from15PEL010).

Exploration in 2016 comprised further detailed mapping and sampling over a new zone to the northwest of the mineral reserve pit. A significant area of favourable silica and argillic alteration was outlined along with numerous north-south trending structures. Mineralisation in the reserve pit (to the southeast) has a strong association with approximately north-south trending structures and silica alteration. Scout drilling commenced over this target in the fourth quarter and wide zones of vuggy silica and anomalous grades have been intersected in the sulphide zone. Multi-element geochemistry is being used to help vector towards higher temperature mineralization and grades are improving as drilling progresses. This program will be ongoing through 2017. In addition to drilling on the northwest zone, scout holes were also drilled beneath the massive silica cap to the north of the reserve pit. This is a large zone that will be systematically explored through 2017. Late in 2016 drilling also re-commenced immediately to the north and along strike from the high-grade shoot discovered in 2015. Mineralisation in this area is strongly controlled by approximately north-south trending structures and drilling through 2017 is planned to further test these structures along strike. Totals of 19,064 metres in 90 holes were drilled at Cerro Pelon in 2016.

La Yaqui

The La Yaqui Project is located approximately 9.5 kilometres southwest of the Mulatos Main Zone. After successful negotiation in 2007 Alamos gained exploration access to La Yaqui for the first time since 1997. Exploration drilling commenced shortly after and continued into 2008 with 11,514 metres drilled in 84 holes.

The results of drilling were incorporated into Alamos' Measured and Indicated mineral resource statement as of December 31, 2008. In 2009, Alamos completed engineering work and an economic evaluation and reported its first probable mineral reserve in December 31, 2009. Access once again became an issue until 2014, when Alamos executed an agreement to acquire the surface rights. On closing of this agreement Alamos commenced work towards permitting and construction on this project.

Exploration programs began immediately with a detailed mapping and sampling program undertaken in late 2014 and early 2015. A total of 556 rock chip samples were taken and an area of 1,950 metres x 2,210 metres was covered by mapping and sampling. Infill, geotechnical and metallurgical drilling was carried out concurrently with mapping and sampling while exploration drilling commenced afterwards. In 2015 a total of 17,517 metres were drilled on the project in 105 holes.

This drilling intersected ore-grade mineralisation over a one kilometre strike length along the ridge-top to the northeast of in-pit reserves. Mineralisation is associated with quartz-alunite altered dacitic rocks and usually sits below a barren massive silica cap. The drilling carried out in 2015 was widely spaced and purely exploratory in nature. Drill results received in 2015 include 1.36 g/t Au over 117.40 metres (15YAQ058), 1.34 g/t Au over 64.00 metres (15YAQ064) and 2.03 g/t Au over 32.00 metre (15YAQ068).

The main focus of exploration at the Mulatos Mine in 2016 was following up on the excellent results obtained in the 2015 scout drilling at La Yaqui. Drilling in 2015 had outlined 3 potential zones of mineralization; Zones 1 – 3. Zone 1 sits at the southeast end of the northwest trending silica ridge with Zone 2 further to the northwest and Zone 3 located further northwest again. Gold mineralisation in Zone 1 is associated with a north-south trending structural corridor and as a result is more linear in morphology. Zone 2 is more stratiform in nature and dips to the northeast at approximately 35-40 degrees (sub-parallel to topography). While the main control on mineralisation in Zone 2 appears to be lithological, a higher grade section may be associated with structural intersections. The main focus of drilling in 2016 was to delineate and define both of these zones along with scout drilling of

Zone 3. A total of 46,809 metres of drilling was carried out at La Yaqui in 2016 in 230 holes. Drill results received in 2016 include 4.37 g/t Au over 76.00 metres (16YAQ135), 3.79 g/t Au over 47.3 metres (16YAQ051), 2.20 g/t Au over 30.9 metres and 2.63 g/t Au over 35.6 metres (16YAQ027). 2.91 g/t Au over 43.3 metres (16YAQ033), 3.23 g/t Au over 65.5 metres (16YAQ096), 3.17 g/t Au over 76.80 metres (16YAQ129), 8.42 g/t Au over 19.80 metres (16YAQ117). 6.31 g/t Au over 32.60 metres (15YAQ228), 3.27 g/t Au over 63.00 metres (16YAQ196) and 6.35 g/t Au over 21.90 metres (16YAQ207).

An interim resource statement was calculated for La Yaqui in September 2016. This included 27,201m of drilling from Zones 1 and 2 only.

2017 Exploration Outlook for Mulatos

Alamos plans to continue its aggressive exploration program in 2017 with 60,000 metres of drilling budgeted. The primary exploration drilling focus in 2017 will be on La Yaqui with infill and extension drill programs planned for all zones, scout drill programs planned to the northeast of Zone 1, on the silica rib that extends to the southeast of Zone 1 and on the Yaqui Norte to Halcon corridor. Another main drill focus will be Cerro Pelon with the aims of following up and delineating the northwest zone, the zone under the silica cap and the zone immediately to the north and along strike from the reserve mineralisation. In 2017 scout drilling will also be conducted on other prospects in the district including Los Bajios and El Refugio. In addition, mapping, sampling and geophysics will be conducted on the El Refugio, El Carricito and El Halcon prospects.

Sampling, Analysis and Data Verification

The drilling methods utilized at Mulatos are reverse circulation ("RC") using a center return bit, oriented diamond drilling using HQ and NQ diameter rods, and underground diamond drilling using NQ thin-wall core (for certain areas such as El Victor and Escondida).

Logging, sampling, and analysis procedures were historically established by previous operators and are still being used today apart from refinements and adjustments necessary to comply with current QA/QC procedures and NI 43-101 requirements. Logging and sampling methodologies and procedures are documented, routinely updated, and maintained by the Company's exploration department.

Geologists log drill core holes onsite at Mulatos. Core is logged on a hole by hole basis with data entered directly into the Company's Corporate Data Management System. RC holes are logged from chip trays containing representative samples collected from each 1.5 metre sample interval. After completion of geological and geotechnical logging and collection of additional information such as specific gravity, geologists define and label the intervals to be sampled, ranging from 0.25 to 1.5 metres, depending on geological characteristics.

Drill core is cut and sampled onsite at Mulatos while RC samples are collected directly at the drill site. For RC drill holes, a sub-set of the sample cuttings is bagged, inventoried, prepared and shipped to Hermosillo for analysis. For core drill holes, half-core samples are prepared using a diamond core saw, with 1.0 m intervals as standard sample lengths in rock types presenting similar geological characteristics. Where geological or mineralization differences are noted, drill core can be selectively sampled to a minimum length of 0.25 m. The samples are bagged, tagged, sealed and shipped in batches to the assaying laboratory. Metallurgical and geotechnical drill holes are logged at site in a similar manner to other core drill holes. Geologic logging and sample interval definition are completed by geologists; geotechnical logging including Rock Quality Designation ("**RQD**"), core recovery and specific gravity measurements are usually done by geological technicians. When applicable, underground channel sampling was supervised by a geologist, and consisted of 1.5 metre channels approximately 12 centimetres wide and 7.5 centimetres deep.

Laboratory sample preparation and analysis is in accordance with strict and industry recognized protocols and procedures. For RC samples, an approximate 5 kilogram sub-sample is sent to the lab. After drying, a 1 kg sub-set is crushed, riffle spilt, and pulverized to a 250g sample. A one assay-ton (30 grams) sample is then collected for precious metal analysis by fire assay with atomic absorption finish ("**FA-AA**"). For sample assaying above 5 g/t Au under FA-AA, a fire assay with gravimetric finish ("**FA-GR**") is also performed. A smaller pulverized sub-sample (0.25 grams) is also taken for multi-element ICP analysis. Samples with gold assay results above 0.2 g/t are assayed by the hot-cyanide method (Au and Cu) to help assess the Au recovery potential; the results of these tests are also used for the recovery model. For core samples, the entire half of the core sample

received at the lab is crushed; a 250 gram split is collected, pulverized and assayed using the methodology described above. Samples are now sent to ACME labs in Hermosillo, Mexico for sample preparation and fire assay analysis and to ACME's Vancouver lab for multi-element analysis. Other labs, including ALS Chemex, Inspectorate and others, were used in the past with documentation available in individual drill logs. Check assay work was usually performed at Skyline Labs in Tucson, Arizona.

QA/QC procedures are performed systematically the Mulatos Mine. Blind, standard and blank samples are systematically inserted on a regular sample batch interval, generally every 25-30 samples, and are routinely evaluated when results are received. Field Core Duplicates (1/4 core) are taken every 20 samples and Preparation Duplicate samples are selected at regular intervals, with the duplicate retrieved by the assaying laboratory personnel after the sample has been crushed, basically representing a separate split. Check assays of pulverized pulps are performed by a second lab and generally represent 5-10% of the entire sample database. Comparisons and reconciliation between original and check assays are done routinely during drilling, and systematically before any resource estimation exercise.

Sample custody is ensured on-site by continuous inventorying and monitoring of the RC cuttings and drill core. Once samples are prepared, using the methodologies described above, they are inventoried, individually bagged, tagged and sealed in larger bags for transport to the assay lab. The laboratories used for analysis are certified and follow strict, industry recognized, QA/QC protocols. Audits of the assaying labs are performed occasionally.

For disclosure purposes, a 0.3 g/t Au cut-off grade is used for calculation of composite intervals, with only a single 1.5 m interval of sub-0.3 g/t Au material allowed within a composite interval; assay results are generally presented uncut.

Mineral Processing and Metallurgical Testing

The Mulatos deposit and surrounding deposits are amenable to cyanidation and heap leaching, as determined by lab scale testing conducted prior to project construction. The testwork indicated that mineralized material varies from pure oxide to pure sulphide, with gold recovery typically varying from 55% to 90% as material grades from sulphide to oxide. The average recovery was estimated to be between 72% and 74% for the Estrella Pit. Actual recoveries experienced early in project life were below this as run-of-mine un-crushed material, coarse crushed material and an area of low-recovery material were stacked on the leach pad at various times since mine commissioning. The Company has completed a number of operational initiatives that have improved leach pad percolation and resulted in higher gold recoveries, including conveying and stacking ore on the leach pad, implementing a drum agglomeration process and closing the crushing circuit to reduce the crusher discharge size to as close to 100% passing 3/8 of an inch as possible. As a result, recoveries have improved significantly.

Mineral Resource and Mineral Reserve Estimates

Mineral resource and mineral reserve estimates can be found in the section following "Other Mineral Properties".

Mining Operations

Mining operations at the Mulatos Mine consists of the Mulatos open pit and the San Carlos underground. Mining in the open pit started in 2005. The open pit is a standard loader and truck operation running 24 hours per day, seven days per week. Mining is currently undertaken by a contractor and prior to 2014 mining was undertaken by MON personnel. It is anticipated that the contractor will remain for the life of the open pit. The current Mulatos open pit complex consists of the main Mulatos pit and the adjacent Victor and San Carlos pits. Based on mineral reserves as of December 31, 2016 (including stockpiled ore) the Mulatos open pit complex has a remaining life of five years.

It is expected that an additional open pit will be started at La Yaqui in 2017. It is anticipated that a contractor will be used to operate La Yaqui. The La Yaqui open pit will have its own crushing and leaching facilities and loaded carbon will be transported to the main Mulatos ADR for further processing.

Development for the San Carlos underground was initiated in early 2014 and production stoping commenced in late 2014. Mining is at a nominal rate of approximately 450 tonnes per day of ore. Mining is carried out by longhole transverse mining and mined out stopes are filled with cemented rock fill. Mining is undertaken by a local contractor and engineering, geology and planning functions are carried out by MON staff. Access to the mine is via a ramp system and ore is hauled from the mine

and placed on a pad adjacent to the ramp portal. Ore is loaded and hauled by the open pit contractor from the pad to the high grade mill located adjacent to the Mulatos heap leach crushing plant, a distance of approximately 5.4 kilometres.

Processing and Recovery Operations

The Mulatos processing facilities consist of a heap leach pad with an associated crushing plant, and a high grade mill.

Run of mine heap leach ore from the open pit is crushed in a four stage plant to 100% passing -3/8". A run of mine stockpile is in front of the primary crusher and additional surge capacity is situated between the secondary and tertiary crushing plants, and after the quaternary crusher. Following quaternary crushing, the ore is transported via a 1.7 kilometre overland conveyor to the leach pad. At the leach pad, cement is added via two agglomerators and the ore is then transported via grasshopper portable conveyors to a stacker where it is stacked in 7 metre lifts.

Cyanide leach solution is applied to each lift for approximately 90 days, and the gold bearing solution then reports to one of two "pregnant" solution ponds via gravity. Inter-lift liners are installed on the leach pad every three lifts giving a height between inter-lift liners of 21 metres. Pregnant solution is pumped to the ADR where gold is recovered through the carbon absorption columns, carbon stripping and electrowinning to produce doré bars of gold and silver in the refinery.

In the process of mining the current oxide and mixed ores being sent the leach pad, the Mulatos Mine also mines significant quantities of sulphide material. This sulphide material is segregated and placed in long term stockpiles. It is planned to process this material when the open pit mine is depleted.

The high grade mill takes underground ore crushed from the primary and secondary crushing plants and now recovers gold via flotation concentrate which is sold on the international market.

The heap leach pads and processing facilities will continue to run for approximately three years after the main Mulatos pit is depleted, as long term stockpiles are processed.

Infrastructure, Permitting and Compliance Activities

Due to its distance from large population centers the Mulatos Mine maintains a camp including accommodation, kitchen, medical and recreational facilities. The camp facility is maintained by an outside contractor. Employees are bussed to the mine site from Hermosillo and work a nominal 14 day on 7 day off rotation.

There are currently two power plants in operation at the Mulatos Mine. The first power plant is a generating plant consisting of four-1,100 kilowatt and two-2,000 kilowatt, 1,200 rpm diesel electrical generating sets which supply electrical power for all mine site usage. The second power plant was constructed for the closed crushing circuit and future expansion and consists of five-1,750 kilowatt generating sets and is expandable to host up to six generating sets. Total usage is approximately 70,000 kilowatt hours per day.

The Company is permitted to mine its reserves at the Mulatos pits and has obtained the required surface rights to carry on mining, processing and exploration activities at these areas. In 2014, Former Alamos completed negotiations to acquire additional land surface rights covering and surrounding the La Yaqui and Cerro Pelon satellite deposits. From time to time, the Company acquires additional permanent and temporary surface rights to explore additional targets within the Mulatos Group of Concessions.

The feasibility study identified the potential for acid rock drainage. Measures to prevent acid rock drainage were incorporated into construction of the Mulatos Mine. Standard mining and construction practices in Mexico and guidelines issued by the World Bank were followed in the development and construction of the Mulatos Mine.

The Company complies with all environmental obligations set out in its mining plan, including eventual reclamation of mine and exploration roads, drill set-up, dumps and the heap leach pad. The Company has recorded an asset retirement obligation liability of $26.6 million which it expects to settle during the course of mining and on closure. The Mulatos Mine undertakes ongoing reclamation of waste dumps and leach pads.

The company is in receipt of all permits to operate its existing mines and facilities.

The nearby town of Mulatos is largely protected from noise, dust, vibration and fly rock by the Mina Vieja outcrop. The Company proactively monitors noise, dust and vibration levels to ensure that they are within acceptable limits and the Company takes every precaution to minimize the impact of its mining operations on the local community. The Company also provides medical and educational assistance to the town of Mulatos as well as employment opportunities.

Capital and Operating Costs

Actual results for 2015 and 2016, and guidance for 2017 production, operating costs and capital are depicted below.

		2015 Actual	2016 Actual	2017 Guidance
Gold Production	(ounces)	140,330	154,000	150,000 – 160,000
Cost of sales, including amortization	($/ounce)	1,128	1,088	1,015
Total Cash Costs[(1)]	($/ounce)	869	838	815
Mine Site All-in Sustaining Costs[(1)]	($/ounce)	1,047	916	890
Capital	($ millions)	47	33	47 - 54

(1) Refer to Cautionary Non-GAAP measures and Additional GAAP Measures on page 3. Detailed reconciliations of the non-GAAP measures to measures under IFRS for the years ended December 31, 2016 and 2015 can be found in the Company's MD&A for the year ended December 31, 2016 on pages 25-30.

2017 Outlook

The Mulatos Mine is expected to produce 150,000 to 160,000 ounces of gold in 2017, a slight increase from 2016 production of 154,000 ounces. Mine-site all-in sustaining costs are expected to decrease to $890 per ounce of gold sold from of $916 per ounce in 2016. Total cash costs are expected to average $815 per ounce of gold sold.

Open pit grades mined and stacked on the heap leach pad are expected to range between 0.79 and 0.88 grams of gold per tonne in 2017. The waste to ore ratio is expected to range between 0.7 and 0.9:1, down from approximately 1.2:1 in 2016. Milled grades are expected to average 8 grams of gold per tonne in 2017. The mill is expected to operate at a rate of approximately 400 tonnes per day. Based on existing stockpiles and the current mine plan, mill production is expected to continue into the fourth quarter of 2017; however, there is potential to extend the mine life at San Carlos with additional ore continuing to be mined outside of existing reserves. Total crusher throughput (excluding mill throughput) is expected to increase to an average 18,500 tonnes per day in 2017. The combined recovery ratio is expected to increase to an average of 73% in 2017, reflecting higher recoveries from the mill following the transition to concentrate production.

Low-cost production growth from the La Yaqui pit, starting in the second half of 2017, is expected to drive costs lower. This trend is expected to continue beyond 2017 as La Yaqui evolves into a larger operation and with the 5% net smelter royalty at the Mulatos Mine expected to be eliminated within the next two years. Only 0.3 million ounces of production remain subject to the royalty, after which costs will decrease by $60 per ounce (assuming a gold price of $1,200 per ounce).

Capital spending at the Mulatos Mine in 2017 is expected to total $33 million to $40 million, which includes $12 million for the development of Phase I of the La Yaqui Project and $8 million to $10 million of sustaining capital. Exploration spending at the Mulatos Mine in 2017 is expected to total $17 million. The majority of the exploration will be focused on the La Yaqui and Cerro Pelon deposits and scout drilling Los Bajios and El Refugio and other targets within the Mulatos district.

OTHER MINERAL PROPERTIES

El Chanate (Mexico)

The El Chanate Mine is expected to produce 50,000 to 60,000 ounces of gold in 2017, a decrease from 68,000 ounces produced in 2016, reflecting lower grades and throughput rates. Total crushed and run of mine ore is expected to decrease in 2017 to an average 16,500 tonnes per day. The processed grade (run of mine and crushed ore) is expected to average 0.53 grams of gold

per tonne. The waste-to-ore ratio is expected to average 3.4:1, consistent with 2016; however, it is expected to be sharply higher in the first half of 2017 as a pushback is completed.

Mine-site all-in sustaining costs are expected to average $1,200 per ounce of gold sold in 2017 with significant variability through the year. Total cash costs are expected to be in a similar range as the Company expects to expense all waste stripping costs in 2017. In light of the higher cost structure at the El Chanate Mine, the Company has hedged approximately 75% of its expected 2017 gold production through gold collar contracts which ensure a minimum gold price of $1,225 per ounce and participation up to a price of $1,450 per ounce.

The operation has approximately two years of mining remaining, after which the Company expects to residual leach the heap leach pad for approximately three years.

Kirazlı, Ağı Dağı, and Çamyurt (Turkey)

The Company's 2017 general and administrative budget for Turkey is $4 million which includes spending associated with completing the permitting process at Kirazlı in addition to community and government relations and general administration. With the Environmental Impact Study and forestry permits for the Kirazlı Project approved by the federal government, the Company is pursuing the GSM (Business Opening and Operation) permit which is granted by the Çanakkale Governorship.

During the first quarter of 2017, the Company reported results from the positive feasibility studies conducted on the Kirazlı and Ağı Dağı gold projects, located in the Çanakkale Province in northwestern Turkey. The studies were an update to the pre-feasibility studies completed on the projects in 2012.

Kirazlı Feasibility Study Highlights

- Declaration of an initial Proven and Probable mineral reserve of 26.1 million tonnes grading 0.79 g/t Au and 12.0 grams per tonne of silver ("**g/t Ag**"), containing 0.67 million ounces of gold and 10.1 million ounces of silver;
- Average annual gold production of 104,000 ounces over five years with total life of mine production of 540,000 ounces;
- Life of mine total cash costs of $339 per ounce of gold and mine-site all-in sustaining costs of $373 per ounce;
- Initial capital estimate of $152 million and total life of mine capital, including sustaining capital and closure costs, of $180 million;
- After-tax net present value (" **NPV**") of $187 million at an 8% discount rate ($223 million at a 5% discount rate) and an after-tax internal rate of return ("**IRR**") of 44%, representing a 1.4 year payback using base case gold and silver price assumptions of $1,250 and $16.00 per ounce, respectively; and
- Applying the same base case gold and silver price assumptions to the 2012 pre- feasibility study, the after-tax NPV (8%) more than doubles from $82 million to $187 million and the after-tax IRR improves from 26% to 44%, highlighting a significant improvement in the project economics.

Ağı Dağı Feasibility Study Highlights

- Declaration of an initial Proven and Probable mineral reserve of 54.4 million tonnes grading 0.67 grams per tonne of gold ("g/t Au") and 5.4 grams per tonne of silver ("g/t Ag"), containing 1.17 million ounces of gold and 9.5 million ounces of silver;
- Average annual gold production of 177,600 ounces over five years with total life of mine production of 937,300 ounces;
- Life of mine total cash costs of $374 per ounce of gold and mine-site all-in sustaining costs of $411 per ounce;
- Initial capital estimate of $250 million and total life of mine capital, including sustaining capital and closure costs, of $313 million;
- After-tax NPV of $298 million at an 8% discount rate ($360 million at a 5% discount rate) and an after-tax IRR of 39%, representing a 1.9 year payback using base case gold and silver price assumptions of $1,250 and $16.00 per ounce, respectively; and

- After-tax NPV (8%) has increased 240% to $298 million and after-tax IRR has more than doubled to 39%, from $88 million and 15%, respectively in the 2012 prefeasibility study when applying the same base case gold and silver price assumptions, highlighting the significant improvement in project economics.

The Company also reported results from a positive preliminary economic assessment (" **PEA**") completed on its Çamyurt gold project, located approximately 4 km from Ağı Dağı.

Çamyurt Preliminary Economic Assessment Highlights.

- Average annual production of 93,200 ounces of gold and 403,000 ounces of silver over four years with total life of mine production of 373,200 ounces of gold and 1,612,600 ounces of silver;
- Initial capital estimate of $10 million and total life of mine capital, including sustaining capital and closure costs, of $26 million. The low capital reflects no infrastructure requirements with ore from Çamyurt to be trucked and processed through the nearby Ağı Dağı infrastructure;
- Life of mine total cash costs of $604 per ounce of gold and mine-site all-in sustaining costs of $645 per ounce, reflecting longer haul distances to the Ağı Dağı processing facilities;
- After-tax NPV of $86 million at an 8% discount rate ($111 million at a 5% discount rate) and an after-tax IRR of 253%, representing a 1.4 year payback using base case gold and silver price assumptions of $1,250 and $16.00 per ounce, respectively; and
- The PEA assumes ore from Çamyurt is sequenced after Ağı Dağı has been depleted in order to utilize the infrastructure at Ağı Dağı resulting in a combined mine life of nearly 10 years between the two projects.

Lynn Lake (Manitoba, Canada)

The Company's 2017 capital budget for Lynn Lake is $13 million, comprised of $9 million for development activities and $4 million for exploration. Development spending will be focused on baseline work in support of the project description, initiation of the permitting process and completion of a feasibility study, expected to be completed in the third quarter of 2017. Lynn Lake remains one of the Company's top development priorities.

December 31, 2016 Reserves and Resources

At December 31, 2016, Alamos' total proven and probable gold mineral reserves were 7.7 million gold ounces, a 1.8 million ounce increase from 2015. This increase in proven and probable mineral reserves is attributable to the conversion of mineral resources to mineral reserves at the Company's Ağı Dağı, Kirazlı and La Yaqui Projects, partially offset by depletion at the Company's operating mines. The Company's mineral reserve and mineral resource estimates have been estimated as at December 31, 2016 in accordance with definitions adopted by the Canadian Institute of Mining, Metallurgy and Petroleum and incorporated into NI 43-101. Readers should refer to the note to investors concerning Mineral Reserve and Resource Estimates on page 2 of this AIF and the risk factors on page 9 and elsewhere.

The Company's normal data verification procedures have been employed in connection with the calculations contained herein. Sampling, analytical and test data underlying the stated mineral resources and reserves have been verified by employees of Alamos or its joint venture partners, as applicable, under the supervision of qualified persons, and/or independent qualified persons. Verification procedures include industry standard quality control practices. For details of data verification and quality control practices at each material property please see "Mineral Properties". Although the Company has carefully prepared and verified the mineral reserve figures presented below and elsewhere in this AIF, such figures are estimates, which are, in part, based on forward-looking information and certain assumptions, and no assurance can be given that the indicated level of mineral will be produced. Estimated reserves may have to be recalculated based on actual production experience. Market price fluctuations of gold, as well as increased production costs or reduced recovery rates and other factors, may render the present proven and probable reserves unprofitable to develop at a particular site or sites. See "Risk Factors" and "Forward-Looking Information" for additional details concerning factors and risks that could cause actual results to differ from those set out below.

The following tables set forth the estimated mineral reserves and mineral resources attributable to interests held by Alamos for each of its material and non-material properties as at December 31, 2016:

PROVEN AND PROBABLE GOLD RESERVES (as at December 31, 2016)

	Proven Reserves			Probable Reserves			Total Proven and Probable		
	Tonnes (000's)	Grade (g/t Au)	Ounces (000's)	Tonnes (000's)	Grade (g/t Au)	Ounces (000's)	Tonnes (000's)	Grade (g/t Au)	Ounces (000's)
Young-Davidson - Surface	1,165	0.91	34	0	0.00	0	1,165	0.91	34
Young-Davidson - Underground	14,851	2.80	1,336	27,203	2.65	2,317	42,054	2.70	3,653
Total Young-Davidson	**16,016**	**2.66**	**1,370**	**27,203**	**2.65**	**2,317**	**43,220**	**2.65**	**3,687**
Mulatos Main Pits	4,173	1.02	137	21,847	0.87	613	26,020	0.90	750
San Carlos Underground	72	13.06	30	34	8.64	9	106	11.65	40
Stockpiles	7,129	1.38	317	0	0.00	0	7,129	1.38	317
La Yaqui	470	1.48	22	1,469	1.37	65	1,939	1.40	87
La Yaqui Grande	0	0.00	0	11,548	1.40	521	11,548	1.40	521
Cerro Pelon	960	1.70	53	2,293	1.59	117	3,253	1.63	170
Total Mulatos	**12,804**	**1.36**	**559**	**37,191**	**1.11**	**1,325**	**49,995**	**1.17**	**1,885**
El Chanate - Open Pit	7,008	0.51	114	3,804	0.65	79	10,812	0.56	193
El Chanate - Leach Pad Inv.			100						100
Total El Chanate	**7,008**	**0.95**	**214**	**3,804**	**0.65**	**79**	**10,812**	**0.84**	**293**
Ağı Dağı	1,450	0.76	36	52,911	0.66	1,130	54,361	0.67	1,166
Kirazlı	700	1.25	28	25,404	0.78	637	26,104	0.79	665
Total Turkey	**2,150**	**0.93**	**64**	**78,315**	**0.70**	**1,767**	**80,465**	**0.71**	**1,831**
Alamos - Total	**37,979**	**1.81**	**2,208**	**146,513**	**1.17**	**5,488**	**184,492**	**1.30**	**7,696**

MEASURED AND INDICATED GOLD MINERAL RESOURCES (as at Dec 31, 2016)

	Measured Resources			Indicated Resources			Total Measured and Indicated		
	Tonnes (000's)	Grade (g/t Au)	Ounces (000's)	Tonnes (000's)	Grade (g/t Au)	Ounces (000's)	Tonnes (000's)	Grade (g/t Au)	Ounces (000's)
Young-Davidson - Surface	496	1.13	18	1,242	1.28	51	1,739	1.24	69
Young-Davidson - Underground	5,876	3.33	629	4,916	3.47	548	10,792	3.39	1,177
Total Young-Davidson	**6,373**	**3.16**	**647**	**6,158**	**3.03**	**599**	**12,531**	**3.09**	**1,246**
Mulatos	8,270	1.24	330	64,221	1.08	2,224	72,491	1.10	2,554
San Carlos UG	196	6.11	39	362	4.70	55	558	5.20	93
La Yaqui Grande	0	-	0	1,108	1.91	68	1,108	1.91	68
Cerro Pelon	117	2.75	10	455	2.52	37	572	2.56	47
Carricito	58	0.82	2	1,297	0.82	34	1,355	0.83	36
Total Mulatos	**8,641**	**1.37**	**381**	**67,443**	**1.12**	**2,418**	**76,084**	**1.14**	**2,798**
El Chanate	**1,092**	**0.55**	**19**	**3,323**	**0.69**	**74**	**4,415**	**0.66**	**93**
MacLellan	15,010	1.99	960	17,374	1.75	976	32,384	1.86	1,936
Gordon	0	-	0	5,914	3.21	610	5,914	3.21	610
Burnt Timber	0	-	0	1,021	1.40	46	1,021	1.40	46
Linkwood	0	-	0	984	1.16	37	984	1.17	37
Total Lynn Lake	**15,010**	**1.99**	**960**	**25,293**	**2.05**	**1,669**	**40,303**	**2.03**	**2,629**
Esperanza	**19,226**	**1.01**	**622**	**15,126**	**0.95**	**462**	**34,352**	**0.98**	**1,083**
Ağı Dağı	553	0.44	8	34,334	0.46	510	34,887	0.46	518
Kirazlı	118	0.50	2	5,848	0.43	80	5,966	0.43	82
Çamyurt	513	1.00	16	17,208	0.89	492	17,721	0.89	508
Total Turkey	**1,184**	**0.68**	**26**	**57,390**	**0.59**	**1,082**	**58,574**	**0.59**	**1,108**
Quartz Mountain	**214**	**0.95**	**7**	**11,942**	**0.87**	**333**	**12,156**	**0.87**	**339**
Alamos - Total	**51,740**	**1.60**	**2,661**	**186,675**	**1.11**	**6,637**	**238,415**	**1.21**	**9,298**

INFERRED GOLD MINERAL RESOURCES (as at Dec 31, 2016)

	Tonnes (000's)	Grade (g/t Au)	Ounces (000's)
Young-Davidson - Surface	31	0.99	1
Young-Davidson - Underground	3,524	2.76	313
Total Young-Davidson	**3,555**	**2.75**	**314**
Mulatos	8,935	0.92	265
San Carlos UG	162	4.93	26
La Yaqui Grande	174	1.39	8
Cerro Pelon	109	1.23	4
Carricito	900	0.74	22
Total Mulatos	**10,280**	**0.98**	**325**
El Chanate	**112**	**0.71**	**3**
MacLellan	1,898	2.01	123
Gordon	4,364	2.87	403
Burnt Timber	23,438	1.04	781
Linkwood	21,004	1.16	783
Total Lynn Lake	**50,704**	**1.28**	**2,089**
Esperanza	**718**	**0.80**	**18**
Ağı Dağı	16,760	0.46	245
Kirazlı	5,689	0.59	108
Çamyurt	2,791	0.95	85
Total Turkey	**25,240**	**0.54**	**438**
Quartz Mountain	**39,205**	**0.91**	**1,147**
Alamos - Total	**129,815**	**1.04**	**4,334**

PROVEN AND PROBABLE SILVER MINERAL RESERVES (as at Dec 31, 2016)

	Proven Reserves			Probable Reserves			Total Proven and probable		
	Tonnes (000's)	Grade (g/t Ag)	Ounces (000's)	Tonnes (000's)	Grade (g/t Ag)	Ounces (000's)	Tonnes (000's)	Grade (g/t Ag)	Ounces (000's)
La Yaqui	470	7.40	112	1,469	7.19	340	1,939	7.25	452
La Yaqui Grande	0	0.00	0	11,548	19.94	7,403	11,548	19.94	7,403
Ağı Dağı	1,450	6.22	290	52,911	5.39	9,169	54,361	5.41	9,459
Kirazlı	700	15.90	358	25,404	11.90	9,720	26,104	12.01	10,078
Alamos - Total	**2,620**	**9.02**	**760**	**91,332**	**9.07**	**26,632**	**93,952**	**9.07**	**27,392**

MEASURED AND INDICATED SILVER MINERAL RESOURCES (as at Dec 31, 2016)

	Measured Resources			Indicated Resources			Total Measured and Indicated		
	Tonnes (000's)	Grade (g/t Ag)	Ounces (000's)	Tonnes (000's)	Grade (g/t Ag)	Ounces (000's)	Tonnes (000's)	Grade (g/t Ag)	Ounces (000's)
La Yaqui Grande	0	0.00	0	1,108	14.68	523	1,108	14.68	523
Esperanza	19,226	7.25	4,482	15,126	9.16	4,455	34,352	8.09	8,936
Ağı Dağı	553	1.59	28	34,334	2.19	2,417	34,887	2.18	2,445
Kirazlı	118	2.73	10	5,848	2.17	408	5,966	2.18	418
Çamyurt	513	5.63	93	17,208	6.15	3,404	17,721	6.14	3,497
Alamos - Total	**20,410**	**7.03**	**4,613**	**73,624**	**4.73**	**11,207**	**94,034**	**5.23**	**15,819**

INFERRED SILVER MINERAL RESOURCES (as at Dec 31, 2016)

	Tonnes (000's)	Grade (g/t Ag)	Ounces (000's)
La Yaqui Grande	174	5.55	31
Esperanza	718	15.04	347
Ağı Dağı	16,760	2.85	1,534
Kirazlı	5,689	8.96	1,638
Çamyurt	2,791	5.77	518
Alamos - Total	**26,132**	**4.84**	**4,068**

Notes to Mineral Reserve and Mineral Resource estimates:

- The Company's Mineral Reserves and Mineral Resource as at December 31, 2016 are classified in accordance with the Canadian Institute of Mining Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves, Definition and Guidelines" as per Canadian Securities Administrator's NI 43-101 requirements.
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
- Mineral Resources are exclusive of Mineral Reserves.
- Mineral Reserve cut-off grade for the Mulatos Mine, the Cerro Pelon Pit, the La Yaqui Pit, the La Yaqui Grande Pit, the Kirazlı Pit and the Ağı Dağı Pit are determined as a net of process value of $0.10 per tonne for each model block
- All Measured, Indicated and Inferred Mineral Resources are pit constrained with the exception of those outside the Mulatos Main Pits on the Mulatos property which have no economic restrictions and are tabulated by gold cut-off grade.
- Mineral Reserve estimates assumed a gold price of $1,250 per ounce and Mineral Resource estimates assumed a gold price of $1,400 per ounce, except as follows: Lynn Lake Mineral Resources assumed a gold price of $1,550 per ounce with an assumption of the Canadian dollar at parity with the United States dollar. Metal prices, cutoff grades and metallurgical recoveries are set out in the table below.
- El Chanate reserve ounces include a December 31, 2016 inventory of 99,900 recoverable ounces in the heap leach pad.

	Resources		Reserves		
	Gold Price	Cutoff	Gold Price	Cutoff	Met Recovery
Mulatos:					
Mulatos Main Open Pit	$1,400	0.5	$1,250	see notes	>50%
San Carlos Underground	$1,400	2.5	$1,250	3.27	70%
Cerro Pelon	$1,400	0.3	$1,250	see notes	75%
La Yaqui & La Yaqui Grande	$1,400	0.3	$1,250	see notes	75%
Carricito	$1,400	0.3	n/a	n/a	>50%
Young-Davidson - Surface	$1,400	0.5	$1,250	0.5	91%
Young-Davidson - Underground	$1,400	1.3	$1,250	1.9	91%
El Chanate	$1,400	0.15	$1,250	0.15	30-65%
Lynn Lake	$1,555	0.4	n/a	n/a	89-92%
Esperanza	$1,400	0.4	n/a	n/a	60-72%
Ağı Dağı	$1,400	0.2	$1,250	see notes	80%
Kirazlı	$1,400	0.2	$1,250	see notes	81%
Çamyurt	$1,400	0.2	n/a	n/a	78%
Quartz Mountain	$1,400	0.21 Oxide, 0.6 Sulfide	n/a	n/a	65-80%

The following table presents a year-over-year reconciliation of Mineral Reserves based on contained gold:

	Mineral Reserves 31-Dec-15	Processed in 2016	Increase / (Decrease) after Depletion	Mineral Reserves 31-Dec-16
Young-Davidson	3,874	185	(2)	3,687
Mulatos	1,543	219	561	1,885
El Chanate	463	122	(48)	293
Turkey	0	0	**1,831**	1,831
Total Alamos	5,880	526	2,342	7,696

Qualified Person(s) Disclosure

The following tables sets forth the Qualified Persons who supervised the preparation of Alamos' December 31, 2016 mineral reserve and mineral resource estimate. All are recognized as Qualified Persons according to the requirements of NI 43-101.

Project	Resources	Reserves
Young-Davidson - Surface	Jeffrey Volk	Chris Bostwick
Young-Davidson - Underground	Jeffrey Volk	Chris Bostwick
Mulatos:		
Mulatos Main Open Pit	Marc Jutras	Herb Welhener
San Carlos Underground	Jeffrey Volk	Chris Bostwick
Cerro Pelon	Marc Jutras	Herb Welhener
La Yaqui	Marc Jutras	Herb Welhener
Carricito	Marc Jutras	n/a
El Chanate	Jeffrey Volk	Chris Bostwick
Lynn Lake	Jeffrey Volk	n/a
Esperanza	Marc Jutras	n/a
Ağı Dağı	Marc Jutras	Herb Welhener
Kirazlı	Marc Jutras	Herb Welhener
Çamyurt	Marc Jutras	n/a
Quartz Mountain	Marc Jutras	n/a

QP	Qualification	Company
Chris Bostwick	FAusIMM	VP Technical Services, Alamos Gold Inc.
Marc Jutras	P.Eng	Principal, Ginto Consulting Inc.
Jeffrey Volk	CPG, FAusIMM	Director - Reserves and Resource, Alamos Gold Inc.
Herb Welhener	SME-QP	VP, Independent Mining Consultants Inc.

Global exploration programs are overseen by Aoife McGrath, M.Sc., M.AIG, Vice President, Exploration for Alamos Gold Inc. Ms. McGrath is a Qualified Person within the meaning of Canadian Securities Administrator's National Instrument 43-101.

The scientific and technical information in this AIF has been reviewed and approved by Chris Bostwick, FAusIMM, Vice President, Technical Services for Alamos Gold Inc. Mr. Bostwick is a Qualified Person within the meaning of Canadian Securities Administrator's National Instrument 43-101.

Uses of Gold

The two principal uses of gold are bullion investment and product fabrication. Within the fabrication category there are a wide variety of end uses, the largest of which is the manufacture of jewelry. Other fabrication purposes include official coins, electronics, dentistry, medallions and other industrial and decorative uses.

Sales and Refining

Gold can be readily sold on numerous markets throughout the world and its market price can be readily ascertained at any time. Because there are a large number of available gold purchasers, the Company is not dependent upon the sale of gold to any one customer.

The Company's gold production is currently refined to market delivery standards by third-party refineries. The Company believes that, because of the availability of alternate refiners, the inability of the Company's refiners to process the Company's product would not have a material adverse effect on the Company.

Employees

As of December 31, 2016, the Company had 40 full-time employees reporting to its Toronto corporate head office. Each of these corporate head office employees is employed under a contract for services directly with the Company.

At the Company's Young-Davidson Mine, which is based in Matachewan, Ontario, there are 600 full-time employees and 104 contractors as at December 31, 2016.

In addition, the Company has Mexican subsidiaries which provide labour-related services for operations at the administrative offices of Minas de Oro Nacional in Hermosillo, Mexico and the administrative offices of Minera Santa Rita, S de R.L. de C.V., in Caborca, Mexico. As of December 31, 2016, the Company's Mexican subsidiaries had 671 full-time employees. The Company has sourced most of its labour pool, including skilled mining personnel, from the state of Sonora in Mexico.

In addition, the Company has 9 full-time administrative, engineering and exploration personnel in Turkey and 3 full-time personnel at the Esperanza Gold Project in Morelos State, Mexico and 1 employee at the Quartz Mountain Property in Oregon, U.S.A.

As at December 31, 2016, the Company had 3 full-time employees at the Lynn Lake Project in Manitoba. There are 7 contract employees at site providing geology and logging services.

The Company is committed to providing and maintaining a safe and healthy working environment at all of its operations and development projects. The Company has designed practices and policies at each location to ensure a safe and healthy work environment. The Company has invested heavily in this area, and the primary goal is to achieve zero accidents in the workplace.

The nature of the Company's business requires specialized skills and knowledge. The Company operates large mining operations in Canada and Mexico which requires technical expertise in the areas of geology, engineering, mine planning, metallurgical processing, mine operations, and environmental compliance. Despite generally good labour relations, competition for skilled workers in the resource sector results in employee turnover at the Company's operations and a need to constantly recruit and train new employees. This competition for qualified employees occasionally results in workforce shortages, which can often be supplemented with more costly contract labour.

DIVIDENDS

Alamos Gold Inc.

In the fiscal year ended December 31, 2016, Alamos paid a total of $5 million in dividends to its shareholders. Since the merger Alamos has returned a total of $8 million in dividends to shareholders between July 2, 2015 and December 31, 2016. The Company does not have a formal dividend policy.

Dividends	Year ended Dec 31, 2016	Period ended Dec 31, 2015
Declared and Paid	$5,305,050	$11,290,812
Weighted Average number of common shares outstanding	265,234,000	194,121,000
Dividend per share	$0.020	$0.058

Former Alamos Gold Inc.

In the fiscal year January 1, 2015 to July 1, 2015, Former Alamos paid a total of $4 million in dividends to its shareholders. Former Alamos returned a total of $106 million in dividends and share buybacks to shareholders since initiating its dividend program in 2010.

On April 21, 2015, the Company's Board of Directors approved a dividend of $0.03 per share, which was paid on May 29, 2015 to shareholders of record at the close of business on May 15, 2015.

Dividends	Period ended July 1, 2015	Year ended Dec 31, 2014
Declared and Paid	$3,821,000	$25,471,000
Weighted Average number of common shares outstanding	127,364,000	127,388,000
Dividend per share	$0.030	$0.200

AuRico Gold Inc.

On February 19, 2015, the Company's Board of Directors approved a dividend of $0.023 per share, payable to shareholders of record on March 2, 2015, and paid on March 16, 2015.

On May 6, 2015, the Company's Board of Directors approved a dividend of $0.01 per share, payable to shareholders of record on May 19, 2015, and paid on June 2, 2015.

Dividends	Period ended July 1, 2015	Year ended Dec 31, 2014
Declared and Paid	$8,732,000	$6,568,000
Weighted Average number of common shares outstanding	264,939,000	248,890,000
Dividend per share	$0.033	$0.026

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Company's authorized capital consists of one class of Class A common shares without par value (the " **common shares**"). The Company is authorized to issue an unlimited number of common shares. Each common share is entitled to one vote. As at December 31, 2016 a total of 267,076,495 common shares were issued and outstanding and as at March 15, 2017, a total of 298,819,214 common shares were issued and outstanding.

All of the Company's common shares are of the same class and rank equally as to voting rights, dividends and participation in assets of the Company on wind-up or dissolution. There are no pre-emptive rights or conversion rights, and no provisions for redemption or purchase for cancellation, surrender, or sinking or purchase funds, however the Company's articles provide that the Company may, if authorized by a resolution of the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution and subject to the OBCA. Provisions as to creation, modification, amendment or variation of such rights or such provisions are contained in the OBCA.

Share Purchase Warrants

On August 30, 2013, Former Alamos completed the acquisition of Esperanza Resources Corp. In conjunction with the acquisition, Former Alamos issued an aggregate of 7.2 million share purchase warrants in total consideration for acquiring Esperanza Resources Corp. The share purchase warrants have a strike price of CAD$28.46 and a term of five years, expiring August 30, 2018.

On January 7, 2016, the Company completed the acquisition of Carlisle. In conjunction with the acquisition, the Company issued an aggregate of 5.5 million share purchase warrants in total consideration for acquiring Carlisle. The share purchase warrants have a strike price of CAD$10.00 and a term of 3 years, expiring January 7, 2019. These warrants are listed and trade on the TSX.

In addition to those mentioned above, there are currently 511,131 of warrants of former Carlisle outstanding with an average exercise price of $5.36, convertible into 511,131 of common shares of Alamos and 511,131 warrants to acquire additional Alamos shares.

Ratings

The following table sets out the ratings of the Company's corporate debt by the rating agencies indicated as of March 15, 2017:

	Standard & Poor's	Moody's Investors Services
Senior Note Rating	BB-	B3/ LGD4
Corporate Rating	+	B2
Recovery Rating	2H	-
Outlook	Stable	Stable

Standard & Poor's Ratings Services (" **S&P**") credit ratings for long-term debt are on a rating scale ranging from AAA to D, which represents the range from highest to lowest quality. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (–) sign to show relative standing within the major rating categories. S&P's rating is a forward looking opinion about credit risk and assesses the credit quality of the individual debt issue and the relative likelihood that the issuer may default. If S&P anticipates that a credit rating may change in the next six to 24 months, it may issue an updated ratings outlook indicating whether the possible change is likely to be "positive", "negative", "stable" or "developing". However, a rating outlook does not mean that a rating change is inevitable.

The B+ rating is ranked sixth out of S&P's ten major rating categories. According to the S&P rating system, debt securities rated B+ are more vulnerable to adverse business, financial and economic conditions but currently the Company has the capacity to meet financial commitments. In addition, S&P uses a scale of 1+ to 6 for recovery ratings, which focuses solely, from high to low, on expected recovery in the event of a payment default of a specific debt issue. A "2" recovery rating ranks third out of

S&P's seven recovery rating categories and indicates S&P's expectation of meaningful (70% -90%) recovery in the event of default.

Moody's Investors Service ("**Moody's**") credit ratings are on a rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality of such securities rated. According to Moody's, a rating of B is the sixth highest of nine major categories. Obligations rated in the B category are considered speculative and are subject to high credit risk. Moody's applies numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa in its long-term rating scale. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic category. Moody's also issues a rating outlook opinion regarding the likely rating direction over the medium term. Rating outlooks fall into four categories: positive, negative, stable, and developing. A stable outlook indicates a low likelihood of a rating change over the medium term. A negative, positive or developing outlook indicates a higher likelihood of a rating change over the medium term. A designation of "Under Review" indicates that a rating is under consideration for a change in the near term. A rating can be placed on review for upgrade, downgrade, or more rarely with direction uncertain.

In addition, Moody's Loss Given Default ("**LGD**") assessments are opinions about expected loss given default expressed as a percent of principal and accrued interest at the resolution of the default based on a scale of 1 to 6. A LGD4 ranks fourth out of Moody's six LGD assessment categories, and indicates a ≥50% and <70% difference between value received at default resolution and principal outstanding and accrued interest due at resolution of the default.

The Company understands that the rating agencies ratings are based on, among other things, information furnished to the above ratings agencies by the Company and information obtained by the ratings agencies from publicly available sources. The credit ratings are not recommendations to buy, sell or hold securities since such ratings do not comment as to market price or suitability for a particular investor. Credit ratings are intended to provide investors with an independent measure of the credit quality of an individual debt issue; an indication of the likelihood of repayment for an issue of securities; and an indication of the capacity and willingness of the issuer to meet its financial obligations in accordance with the terms of those securities. Credit ratings are not intended as guarantees of credit quality or exact measures of the probability of default. Credit ratings assigned to Alamos' corporate debt may not reflect the potential impact of all risks on the value of debt instruments, including risks related to market or other factors discussed in this Annual Information Form. See also "Risk Factors".

MARKET FOR SECURITIES

The Company's common shares are listed on the TSX under the ticker symbol "AGI". In addition, the Company has 7.2 million share purchase warrants outstanding and traded on the TSX under the ticker symbol "AGI.WT".

Alamos Gold Inc. - Trading Price and Volume

The following table sets out the monthly low and high trading prices and the monthly volume of trading of the common shares of the Company on the TSX for January 1, 2016 to December 31, 2016:

2016	Low (CAD$)	High (CAD$)	Volume
January	$3.27	$5.28	17,318,057
February	$4.37	$6.20	28,340,241
March	$5.89	$7.66	23,952,456
April	$6.68	$9.05	21,149,698
May	$7.68	$9.73	22,724,758
June	$8.05	$11.41	20,865,176
July	$11.07	$13.65	19,747,148
August	$9.14	$12.70	16,348,498
September	$8.99	$11.65	19,351,043
October	$9.13	$11.86	21,038,160
November	$8.20	$11.15	21,703,712
December	$7.86	$10.07	20,881,925

The following table sets out the monthly low and high trading prices and the monthly volume of trading of the common shares of the Company on the NYSE for January 1, 2016 to December 31, 2016:

2016	Low (USD$)	High (USD$)	Volume
January	$2.27	$3.75	26,158,592
February	$3.11	$4.59	35,302,230
March	$4.39	$5.75	43,694,215
April	$5.10	$7.22	42,619,615
May	$5.85	$7.53	51,322,559
June	$6.15	$8.79	71,162,812
July	$8.35	$10.41	38,204,951
August	$6.95	$9.72	35,540,726
September	$6.84	$8.94	51,282,474
October	$6.89	$8.88	43,524,865
November	$6.04	$8.33	47,618,446
December	$5.95	$7.50	59,154,578

The following table sets out the monthly low and high trading prices and the monthly volume of trading of the Esperanza common share purchase warrants of the Company on the TSX for January 1, 2016 to December 31, 2016:

2016	Low (CAD$)	High (CAD$)	Volume
January	$0.07	$0.16	140,924
February	$0.10	$0.25	375,167
March	$0.14	$0.22	329,274
April	$0.17	$0.32	186,558
May	$0.18	$0.29	136,594
June	$0.24	$0.50	324,135
July	$0.50	$1.00	347,831
August	$0.50	$0.98	216,450
September	$0.50	$0.75	79,482
October	$0.50	$0.65	88,130
November	$0.30	$0.66	319,687
December	$0.26	$0.42	182,038

The following table sets out the monthly low and high trading prices and the monthly volume of trading of the Carlisle common share purchase warrants of the Company on the TSX for January 1, 2016 to December 31, 2016:

2016	Low (CAD$)	High (CAD$)	Volume
January	$0.20	$0.90	170,204
February	$0.68	$1.55	291,700
March	$1.12	$1.98	218,080
April	$1.32	$2.00	138,611
May	$1.70	$2.47	202,916
June	$2.04	$3.95	259,084
July	$3.70	$5.50	213,626
August	$2.81	$5.08	175,272
September	$2.66	$4.25	112,702
October	$2.75	$4.30	90,175
November	$2.01	$4.19	103,465
December	$2.00	$3.00	75,061

PRIOR SALES

During the 12 month period preceding the date hereof, the Company has made the following distributions of Common Shares, or securities convertible or exchangeable into Common Shares, as follows.

Date of Issuance	Number of Securities Issued	Price per Security (CAD$)	Type of Security
February 4, 2016	23,820	$4.44	Common Shares[(1)]
February 11, 2016	1,276,666	$5.48	Common Shares [(3)]
February 18, 2016	7,246	$4.14	Common Shares[(2)]

Date of Issuance	Number of Securities Issued	Price per Security (CAD$)	Type of Security
February 18, 2016	3,261	$4.14	Common Shares[2]
February 26, 2016	12,034	$5.61	Common Shares[1]
March 4, 2016	4,348	$3.45	Common Shares[1]
March 8, 2016	2,174	$3.45	Common Shares[1]
April 6, 2016	2,113	$4.44	Common Shares[1]
April 11, 2016	2,901	$6.73	Common Shares[1]
April 12, 2016	6,434	$4.14	Common Shares[2]
April 12, 2016	14,130	$5.52	Common Shares[1]
April 15, 2016	47,937	$7.69	Common Shares[1]
April 18, 2016	2,898	$4.14	Common Shares[2]
April 19, 2016	10,956	$4.45	Common Shares[2]
April 22, 2016	1,811	$6.90	Common Shares[2]
April 25, 2016	841	$7.76	Common Shares[1]
April 26, 2016	1,449	$6.90	Common Shares[2]
April 28, 2016	7,246	$5.18	Common Shares[2]
May 2, 2016	24,152	$6.90	Common Shares[2]
May 3, 2016	5,046	$7.75	Common Shares[1]
April 3, 2016	56,737	$5.18	Common Shares[2]
May 4, 2016	60,551	$7.75	Common Shares[1]
May 5, 2016	8,410	$7.76	Common Shares[1]
May 5, 2016	4,710	$5.52	Common Shares[1]
May 6, 2016	3,364	$7.76	Common Shares[1]
May 6, 2016	1,128,932	$8.86	Common Shares [3]
May 9, 2016	7,246	$6.90	Common Shares[2]
May 10, 2016	5,797	$5.18	Common Shares[2]
May 11, 2016	841	$7.76	Common Shares[1]
May 16, 2016	5,046	$7.74	Common Shares[1]
May 17, 2016	18,694	$5.18	Common Shares[2]
May 19, 2016	59,290	$7.74	Common Shares[1]
May 20, 2016	24,389	$7.75	Common Shares[1]
May 24, 2016	32,412	$7.75	Common Shares[1]
May 25, 2016	56,120	$5.18	Common Shares[2]
May 31, 2016	12,077	$6.90	Common Shares[2]
June 1, 2016	18,743	$5.79	Common Shares[2]
June 6, 2016	86,773	$8.19	Common Shares[1]
June 7, 2016	2,898	$6.90	Common Shares[2]
June 8, 2016	17,246	$4.14	Common Shares[2]
June 10, 2016	5,046	$7.74	Common Shares[1]
June 13, 2016	46,691	$7.75	Common Shares[1]
June 14, 2016	14,297	$7.75	Common Shares[1]
June 15, 2016	841	$7.74	Common Shares[1]
June 16, 2016	2,898	$4.14	Common Shares[2]
June 17, 2016	12,295	$5.05	Common Shares[2]
June 20, 2016	2,341	$7.76	Common Shares[1]

Date of Issuance	Number of Securities Issued	Price per Security (CAD$)	Type of Security
June 20, 2016	39,370	$6.36	Common Shares[2]
June 20, 2016	14,492	$6.90	Common Shares[2]
June 21, 2016	23,292	$7.65	Common Shares[1]
June 22, 2016	28,067	$7.28	Common Shares[1]
June 23, 2016	21,600	$7.28	Common Shares[1]
June 27, 2016	5,218	$6.90	Common Shares[2]
June 28, 2016	3,695	$6.90	Common Shares[1]
June 29, 2016	2,898	$5.18	Common Shares[2]
June 30, 2016	12,615	$7.74	Common Shares[2]
June 30, 2016	922,790	$10.84	Common Shares [3]
July 5, 2016	15,320	$7.76	Common Shares[1]
July 5, 2016	31,800	$7.28	Common Shares[1]
July 6, 2016	47,354	$7.74	Common Shares[1]
July 6, 2016	27,478	$4.59	Common Shares[2]
July 7, 2016	150,069	$7.71	Common Shares[1]
July 7, 2016	2,900	$8.19	Common Shares[1]
July 8, 2016	165,319	$7.76	Common Shares[1]
July 8, 2016	53,334	$8.32	Common Shares[1]
July 8, 2016	144	$10.00	Common Shares[2]
July 11, 2016	3,927	$5.16	Common Shares[2]
July 11, 2016	2,746	$6.90	Common Shares[1]
July 11, 2016	56,698	$8.03	Common Shares[1]
July 13, 2016	59,075	$7.75	Common Shares[1]
July 14, 2016	28,230	$7.76	Common Shares[1]
July 14, 2016	1,912	$6.90	Common Shares[2]
July 14, 2016	3,000	$6.90	Common Shares[1]
July 15, 2016	6,500	$7.76	Common Shares[1]
July 20, 2016	1,800	$3.45	Common Shares[1]
July 21, 2016	841	$7.76	Common Shares[1]
July 21, 2016	19,745	$5.57	Common Shares[1]
July 25, 2016	36,230	$6.90	Common Shares[2]
August 3, 2016	109	$6.90	Common Shares[2]
August 5, 2016	8,695	$5.46	Common Shares[2]
August 5, 2016	5,322	$7.76	Common Shares[1]
August 12, 2016	2,523	$8.69	Common Shares[1]
August 30, 2016	4,348	$6.90	Common Shares[1]
September 8, 2016	5,046	$7.74	Common Shares[1]
September 28, 2016	2,000	$6.90	Common Shares[1]
September 30, 2016	2,900	$10.93	Common Shares[1]
October 20, 2016	2,500	$6.90	Common Shares[1]
October 26, 2016	841	$7.76	Common Shares[1]
November 22, 2016	2,903	$9.39	Common Shares[1]
December 15, 2016	841	$7.76	Common Shares[1]
December 15, 2016	2,899	$4.14	Common Shares[2]

Date of Issuance	Number of Securities Issued	Price per Security (CAD$)	Type of Security
December 19, 2016	841	$7.76	Common Shares(1)
December 20, 2016	1,682	$7.76	Common Shares(1)
December 22, 2016	1,821	$8.15	Common Shares(1)
January 9, 2017	6,364	$7.76	Common Shares(2)
January 10, 2017	16,820	$7.75	Common Shares(2)
January 10, 2017	5,370	$8.26	Common Shares(2)
January 10, 2017	1,459	$8.17	Common Shares(2)
January 11, 2017	916	$9.54	Common Shares(2)
January 12, 2017	4,565	$7.75	Common Shares(2)
January 13, 2017	11,292	$7.76	Common Shares(2)
January 16, 2017	23,548	$7.75	Common Shares(2)
January 16, 2017	2,536	$6.90	Common Shares (3)
January 17, 2017	43,794	$7.75	Common Shares(2)
January 20, 2017	8,410	$7.76	Common Shares(2)
January 23, 2017	21,025	$7.75	Common Shares(2)
January 26, 2017	6,728	$7.76	Common Shares(2)
January 27, 2017	3,364	$7.75	Common Shares(2)
February 2, 2017	841	$7.76	Common Shares(2)
February 8, 2017	1	$28.47	Common Shares (3)
February 8, 2017	7,246	$6.90	Common Shares (3)
February 9, 2017	31,450,000	USD$7.95	Common Shares (4)
February 13, 2017	94	$10.00	Common Shares (3)
February 13, 2017	2,523	$7.74	Common Shares(2)
February 14, 2017	28,622	$6.48	Common Shares (3)
February 15, 2017	841	$7.76	Common Shares(2)
February 15, 2017	5,000	$6.90	Common Shares(2)
February 16, 2017	3,884	$4.14	Common Shares (3)
February 22, 2017	2,133	$7.76	Common Shares(2)
February 22, 2017	3,485	$6.90	Common Shares(2)
February 16, 2017	72,461	$4.97	Common Shares (3)
March 3, 2017	9,397	$10.44	Common Shares(2)

(1) Issued pursuant to the Company's long-term compensation plans.
(2) Issued pursuant to the exercise of outstanding warrants.
(3) Issued as flow-through shares under the *Income Tax Act*.
(4) Issued in connection with a prospectus offering.

DIRECTORS AND OFFICERS

The name, province or state and country of residence, positions held within the Company and principal occupation of each director and executive officer of the Company during the five preceding years from the date of this AIF are as follows:

NAME, POSITION PROVINCE OR STATE AND COUNTRY OF RESIDENCE[1]	PRINCIPAL OCCUPATIONS DURING THE PAST 5 YEARS[1]	Term as a Director
PAUL MURPHY, B.Comm., FCPA, CA Chairman, Director Ontario, Canada	Chief Financial Officer and Executive Vice-President, Guyana Goldfields Inc. since April 2010 and Chief Financial Officer of GPM Metals Inc. since May 2012. Director of Continental Gold Ltd. Prior thereto, Partner and National Mining Leader, PricewaterhouseCoopers LLP from 2004 to 2010 and Partner, PricewaterhouseCoopers LLP from 1981 to 2010. Formerly a Director of Century Iron Mines Corporation. Previously the Chair and a Director of Former Alamos. Mr. Murphy holds the FCPA, CA designation.	Since July 2, 2015
JOHN A. McCLUSKEY President, Chief Executive Officer and Director Ontario, Canada	Chief Executive Officer, President and Director of the Company. Prior thereto, Chief Executive Officer, President and Director of Former Alamos.	Since July 2, 2015
MARK DANIEL, Ph.D.[3] [4] Director Ontario, Canada	Mr. Daniel has more than 35 years of international experience. Most recently, Mr. Daniel was Vice President, Human Resources for Vale Canada (formerly Inco Limited). Prior to that, he worked with the Bank of Canada and a number of other federal agencies before joining the Conference Board of Canada. Previously a Director of AuRico. Mr. Daniel holds a PhD in Economics. He is also a Director of Klondex Mines where he chairs the Human Resources Committee.	Since July 2, 2015
PATRICK DOWNEY, B.Comm., CPA, CP, ICD.D[2] [3] Director Ontario, Canada	Previously a Director of AuRico and an executive and director for several public resource companies and the Chief Financial Officer of Northgate Minerals Corporation for four years, retiring as President and CEO in 1994. Currently a Director of Minco Plc. Previously a Director of AuRico. Mr. Downey is certified by the Institute of Corporate Directors and holds a CPA, CA designation. Mr. Downey is certified by the Institute of Corporate Directors.	Since July 2, 2015
DAVID FLECK , B.A., MBA, ICD.D[2] [4] Director Ontario, Canada	Senior Vice President, Partner of Delaney Capital Management. Previously President and Chief Executive Officer of Macquarie Capital Markets Canada from 2011-2013. President of Mapleridge Capital Corp from 2009-2011. Currently a Director of Yappn Corp. and Kew Media Group. Previously a Director of Former Alamos. Mr. Fleck is certified by the Institute of Corporate Directors.	Since July 2, 2015
DAVID GOWER, M.Sc., P.GEO[3] [5] Director Ontario, Canada	Principal, Gower Exploration Consulting Inc. and President of Brazil Potash Corporation, which is a private company since 2009. Previously President and CEO of Castillian Resources Corporation from 2006-2010 and CEO of Apogee Silver from 2007-2012. Director of Apogee Silver Ltd., Aguia Resources Limited and Emerita Resources Corp. Previously a Director of Former Alamos, Coastal Gold Corp. and Castillian Resources Corporation. Mr. Gower is a Professional Geoscientist.	Since July 2, 2015
CLAIRE KENNEDY, B.A.Sc., LL.B, P.Eng, ICD.D[4] [5] Director Ontario, Canada	Lawyer and Partner in the Toronto office of Bennett Jones LLP. Ms. Kennedy is a director of the Bank of Canada and a government appointee to the University of Toronto's Governing Council. Ms. Kennedy is also a member of the Dean's Advisory Committee at Rotman School of Management. Previously a director of Neo Material Technologies Inc. Ms. Kennedy is certified by the Institute of Corporate Directors and a licensed Professional Engineer in Ontario.	Since November 10, 2015
RONALD SMITH, BBA, FCA, FCPA, ICD.D [2] [4] Director Nova Scotia, Canada	Previously a Director of AuRico, Senior Vice President and CFO of Emera Incorporated and CFO of Maritime Tel and Tel Limited. Currently the Chair of the Public Service Superannuation Plan Trustee Inc., Trustee of Pro Real Estate Investment Trust and Director of Nova Scotia Business Inc. Mr. Smith was formerly a Partner of Ernst & Young. Mr. Smith is certified by the Institute of Corporate Directors.	Since July 2, 2015
KENNETH STOWE, B.Sc., M.Sc. [3] [5] Director Ontario, Canada	Director of HudBay Minerals since 2010 and Director of Zenyatta Ventures since August 2014. Previously President, Chief Executive Officer and Director of Northgate Minerals Corporation from September 1999 to July 2011. Formerly a Director of Klondex Mines Ltd., Fire River Gold Corp. and Former Alamos.	Since July 2, 2015

NAME, POSITION PROVINCE OR STATE AND COUNTRY OF RESIDENCE[1]	PRINCIPAL OCCUPATIONS DURING THE PAST 5 YEARS[1]	Term as a Director
JAMES R. PORTER, B.A.Sc., CPA, CA, CPA (Illinois) Chief Financial Officer Ontario, Canada	Chief Financial Officer ("CFO") of the Company from July 2015 to present. Previously CFO of Former Alamos from June 2011 to July 2015. Vice-President of Finance of Former Alamos from July 2008 to June 2011. Controller of Former Alamos from October 2005 to July 2008. From 2009 to 2016, Mr. Porter was a Director of Canadian Feed the Children, a registered charity. Mr. Porter holds a CPA, CA designation and a CPA designation in the United States, and a Bachelor of Administrative and Commercial Studies from the University of Western Ontario.	N/A
PETER MACPHAIL, B.A.Sc., P.Eng Chief Operating Officer Ontario, Canada	Chief Operating Officer of the Company from July 2015 to present. Prior thereto Chief Operating Officer of AuRico from 2011- July 2015. Chief Operating Officer of Northgate Minerals Corporation from 2003-2011. Prior thereto Mr. MacPhail held increasingly senior roles at Noranda Inc., Teck Resources Limited, Homestake Resource Corporation and Barrick Gold Corporation. He holds a Bachelor of Applied Science degree in Mineral Engineering from the University of Toronto, and is a licensed professional engineer in Ontario.	N/A
CHRISTINE BARWELL, CHRL, CCP, GRP Vice-President, Human Resources Ontario, Canada	Christine Barwell was appointed Vice President, Human Resources in April 2010. Prior to joining Alamos, Ms. Barwell held the position of Manager, International Assignments, at Kinross Gold Corporation from September 2009 to April 2010, and prior thereto, held several progressive HR positions at PricewaterhouseCoopers LLP from January 1999 to August 2009. Ms. Barwell holds several professional certifications, including Certified Human Resources Leader (CHRL), Certified Compensation Professional (CCP), and Global Remuneration Professional (GRP).	N/A
CHRISTOPHER BOSTWICK, B.Sc. Vice-President, Technical Services Ontario, Canada	Vice-President, Technical Services of the Company from July 2015 to present. Previously Senior Vice-President, Technical Services of AuRico from January 2009 to July 2015. Mr. Bostwick holds over 30 years of experience in the global mining industry, 19 of which were spent with Barrick Gold Corporation in various roles. Mr. Bostwick has a Bachelor of Science degree in Mining Engineering from Queen's University.	N/A
LUIS M. CHAVEZ, B.A., M.Sc., Ph.D. Senior Vice President, Mexico San Luis Potosi, Mexico	Senior Vice-President, Mexico of the Company from July 2015 to present. Previously Senior Vice-President, Mexico of AuRico from 2012 to July 2015, Director, Mexican Operations from 2007 to 2012 and a member of AuRico's Board of Directors from 2007 until 2014. Prior thereto General Director of the Mexican Geological Survey from 1994 to 2000, Energy and Mines Director, Coahuila State from 2001 to 2006, Secretary General for the States Mexican Mining Directors from 2001 to 2006 and President of the Mexican Institute for Environmental Management from 2006 to 2007. Dr. Chavez holds a Master of Science degree in Mineral Economics (1978) from Penn State University, a PhD in Energy and Mineral Economics (1982) from the University of Arizona, and a Business Administration degree (1989) from the Pan- American Business Institute in Monterrey, Mexico.	N/A
ANDREW CORMIER, B. Eng. P.Eng Vice-President, Development and Construction Ontario, Canada	Vice-President of Development and Construction of the Company from July 2015 to present. Prior thereto Vice-President of Development and Construction of Former Alamos from February 2013 to July 2015. Previously, Project Manager of AuRico and, prior to its acquisition by AuRico, Northgate Minerals Corporation. Mr. Cormier graduated with a B.Eng. degree in Extractive Metallurgical Engineering from Laurentian University and received a Diploma in Technology, Management & Entrepreneurship from the University of New Brunswick.	N/A
NILS ENGELSTAD, BA, LL.B, LL.M Vice-President, General Counsel Ontario, Canada	Vice-President, General Counsel of the Company from January 2016 to present. Prior thereto General Counsel of the Company from July 2015 to January 2016 and General Counsel of Former Alamos from April 2015 to July 2015. Previously Mr. Engelstad served as Vice President, General Counsel and Corporate Secretary to McEwen Mining Inc. and its predecessors. Mr. Engelstad holds a BA from the University of Toronto, an LL.B from the University of Windsor and a Master of Laws from the University of Toronto. He is a member of the Law Society of Upper Canada.	N/A

NAME, POSITION PROVINCE OR STATE AND COUNTRY OF RESIDENCE(1)	PRINCIPAL OCCUPATIONS DURING THE PAST 5 YEARS(1)	Term as a Director
GREGORY FISHER, B.Comm, CPA, CA Vice-President, Finance Ontario, Canada	Vice-President, Finance of the Company from July 2015 to present. Prior thereto Vice-President, Finance of Former Alamos from June 2011 to July 2015; Controller of Former Alamos from April 2010 to June 2011. Previously Senior Manager at KPMG from September 2002 to March 2010. Mr. Fisher graduated with an Honours Bachelor of Commerce from McMaster University and holds a CPA, CA designation.	N/A
AOIFE MCGRATH, B.Sc., M.Sc., M.AIG. Vice-President, Exploration Ontario, Canada	Vice-President, Exploration of the Company from July 2015 to present. Prior thereto Vice-President, Exploration of Former Alamos from June 2015 to July 2015, Director of Exploration and Corporate Development of Former Alamos from February 2013 to June 2015. Previously, Executive Director of Exploration at Carbine Resources Limited, Exploration Manager at Red Back Mining Inc., and Senior Exploration Geologist at AngloGold Ashanti Limited. Ms. McGrath holds a Bachelor of Science in Geology from University College Dublin, a Masters of Science in Mineral Exploration from the University of Leicester, and a Masters of Science in Engineering Geology from Imperial College London.	N/A
SCOTT PARSONS, BBA, CFA Vice-President, Investor Relations Ontario, Canada	Vice-President, Investor Relations of the Company from July 2015 to present. Prior thereto Vice-President, Investor Relations of Former Alamos June 2015 to July 2015, Director of Investor Relations of Former Alamos January 2014 to June 2015 and Manager of Investor Relations of Former Alamos March 2013 to January 2014. Previously an Equity Research Associate and Analyst in the mining group at TD Securities. Mr. Parsons graduated with an Honours Bachelor of Business Administration from Brock University and is a CFA Charterholder.	N/A
COLIN WEBSTER, B.Sc., P.Eng Vice President, Sustainability and External Affairs Ontario, Canada	Vice President, Sustainability and External Affairs of the Company from January 2016 to present. Prior thereto, Vice President of Sustainability at Noront Resources Ltd., Director of Aboriginal, Government and Community Relations at Goldcorp Inc., for the Canada & USA Region from 2009 to 2014 and founding partner at Blue Heron Solutions for Environmental Management (2004 to 2009). Mr. Webster has a degree in Mining Engineering from Queen's University, a diploma in Environmental Technology from Fanshawe College.	N/A

(1) The information as to province or state of residence and principal occupation, has been furnished by the respective directors and executive officers individually.
(2) Member of Audit Committee. Mr. Smith is the chair of this Committee.
(3) Member of Human Resources Committee. Mr. Daniel is the chair of this Committee.
(4) Member of Corporate Governance and Nominating Committee. Mr. Fleck is the chair of this Committee.
(5) Member of the Technical and Sustainability Committee. Mr. Stowe is the chair of this Committee.

The term of office of each of the current directors expires at the next annual general meeting of shareholders of the Company.

As at the date of this AIF, the Company's directors and executive officers, as a group, beneficially own, directly or indirectly, or exercise control or direction over a total of 1,074,174 common shares, directly or indirectly, representing approximately 0.36% of the issued and outstanding common shares of the Company.

Cease Trade Orders or Bankruptcies

Except as described below, no director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

1. was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

2. was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued

after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as described below, no director or executive officer of the Company, and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

1. is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

2. has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

In October of 2013, Fire River Gold Corp. entered into a compromise with its creditors after defaulting on its lending facility. Mr. Ken Stowe had ceased to be a director of that company in March of 2013.

Penalties or Sanctions

No director or executive officer of the Company or a shareholder holding a sufficient number of common shares of the Company to affect materially the control of the Company has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

The foregoing, not being within the knowledge of the Company, has been furnished by the respective directors, executive officers and shareholders holding a sufficient number of securities of the Company to affect materially the control of the Company.

Conflicts of Interest

Certain directors and officers of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. The directors and officers of the Company are also directors of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. These associations with other public companies in the resource sector may give rise to conflicts of interest from time to time. The directors and officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest that they may have in a contract or transaction if the contract or transaction is material to the Company, the Company has entered, or proposes to enter, into the contract or transaction, and either the director or officer has a material interest in the contract or transaction or the director or officer is a director or officer of, or has a material interest in, a corporation that has a material interest in the contract or transaction. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict is required to disclose his interest and abstain from voting on such matter. In determining whether the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Alamos currently holds 15,040,581 common shares of AuRico Metals, representing approximately 9.52% of the issued and outstanding common shares of AuRico Metals as of March 15, 2017. John A. McCluskey is a Director of AuRico Metals.

On November 20, 2014, AuRico completed a private placement with Carlisle in which the Company invested CAD$5.6 million in exchange for 19.9% of the outstanding common shares of Carlisle. In conjunction with the private placement, the Company

entered into a joint venture agreement on November 11, 2014 with respect to Carlisle's Lynn Lake Gold Camp, located in Lynn Lake, Manitoba, pursuant to which the Company acquired a 25% interest in the project for an initial cash contribution of CAD$5.0 million. Peter MacPhail and James R. Porter are Directors of Carlisle. On January 7, 2016 the Company reported the completion of the previously announced acquisition of all of the issued and outstanding common shares of Carlisle.

AUDIT COMMITTEE

Pursuant to the provisions of section 158(1) of the *Business Corporations Act* (Ontario), the Company is required to have an Audit Committee. The Company must also, pursuant to the provisions of National Instrument 52-110 Audit Committees ("**NI 52-110**"), have a written charter that sets out the duties and responsibilities of its audit committee. The Company's audit committee charter is attached hereto as Schedule "A".

Composition of the Audit Committee

The Audit Committee is comprised of Ronald Smith (Chair), David Fleck and Patrick Downey. Each member is financially literate and all members of the Audit Committee are independent directors.

Relevant Education and Experience

Mr. Smith is a Chartered Professional Accountant with over 30 years of practical financial and management experience, primarily in the financial, telecommunications and energy sectors. Mr. Fleck has more than 30 years of capital markets experience, including as former President and Chief Executive Officer of Macquarie Capital Markets Canada and holds a B.A. in Economics from the University of Western Ontario and MBA from INSEAD School of Business. Mr. Downey is a member of the Canadian Institute of Chartered Professional Accountants. He has been involved in the gold and copper mining industry throughout most of his career. Each member has a significant understanding of the mineral exploration and mining business in which the Company is engaged in and has an appreciation for the relevant accounting principles for this business. Each member has been certified by and is a member of the Institute of Corporate Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemptions in section 2.4 (De Minimis Non-audit Services), section 3.2 (Initial Public Offerings), section 3.4 (Events Outside Control of Member), section 3.5 (Death, Disability or Resignation of Audit Committee Member) or Part 8 (Exemptions) of National Instrument 52-110 – Audit Committees ("**NI 52-110**").

Reliance on the Exemption in Subsection 3.3(2) or Section 3.6

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in subsection 3.3(2) (Controlled Companies) or section 3.6 (Temporary Exemption for Limited and Exceptional Circumstances) of NI 52-110.

Reliance on Section 3.8

At no time since the commencement of the Company's most recently completed financial year has the Company relied on section 3.8 (Acquisition of Financial Literacy) of NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Pre-approval Policies and Procedures

The Audit Committee shall pre-approve all audit and non-audit services provided by the independent auditors and not engage the independent auditors to perform the specific non-audit services prohibited by law or regulation.

External Auditor Service Fees (By Category)

Fiscal Year End[1]	Audit Fees[2]	Audit Related Fees[3]	Tax Fees[4]	All Other Fees[5]
2015	$758,727	$54,810	$104,922	$196,533
2016	$554,000	$11,500	$129,150	$Nil

(1) All fees in USD.
(2) Fees charged for the annual financial statement audit, quarterly reviews. In 2015, fees include audits with respect to carve-out financial statements for the transaction between Former Alamos and AuRico and consent procedures for securities documents.
(3) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
(4) Fees charged for tax compliance, tax advice and tax planning services.
(5) Fees for services other than disclosed in any other column. In 2015 includes, assistance provided in respect of post-merger integration.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth herein and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or executive officers of the Company, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, shares carrying more than 10% of the voting rights attached to the shares of the Company, nor an associate or affiliate of any of the foregoing persons has since January 1, 2014 (being the commencement of the Company's third most recently completed financial year) any material interest, direct or indirect, in any transactions that materially affected or would materially affect the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRAR

The Company's registrar and transfer agent, Computershare Trust Company of Canada, is located at 66 Wellington Street West, Suite 5210, PO Box 240, TD Centre, Toronto, Ontario M5K 1J3.

LEGAL PROCEEDINGS

As at March 15, 2017, there are no material legal proceedings to which the Company is a party.

MATERIAL CONTRACTS

Other than as otherwise set out in this Annual Information Form, the following is the only material contract, other than contracts entered into in the ordinary course of business not otherwise required to be disclosed, that we have entered into within the most recently completed fiscal year or before the most recently completed fiscal year but still in effect.

In December 2013, the Company entered into a mining services agreement with Grupo Desarrollo Infraestructura S.A de C.V (" **GDI**"), expiring in December 2022, pursuant to which GDI will perform essentially all of the open-pit mining operations at the Mulatos Mine, at a cost of approximately $214 million over the term of the contract (based on current pricing).

INTERESTS OF EXPERTS

KPMG LLP are the auditors of the Company and have confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations and also that they are independent accountants with respect to the Company under all relevant U.S. professional and regulatory standards.

The individuals who are qualified persons for the purposes of NI 43-101 are listed under the section of this AIF entitled “Technical information”. As a group, they beneficially own, directly or indirectly, less than 1% of any class of the outstanding securities of the Company and our associates and affiliates.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company’s profile on the SEDAR website at www.sedar.com. Financial information relating to the Company is provided in the Company’s comparative consolidated financial statements and management’s discussion and analysis for the most recent fiscal year.

Additional information, including director and officer remuneration and indebtedness, principal holders of the Company’s securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company’s joint information circular dated April 1, 2016 for its special meeting of shareholders which was held on May 13, 2016.

SCHEDULE "A"

ALAMOS GOLD INC.

AUDIT COMMITTEE CHARTER

Audit Committee Charter

This charter governs the operations of the Audit Committee (the "Committee") of Alamos Gold Inc. (the "Company"). The purpose, composition, responsibilities, and authority of the Committee are set out in this Charter.

This Charter and the Articles of the Company and such other procedures, not inconsistent therewith, as the Committee may adopt from time to time, shall govern the meetings and procedures of the Committee.

1. Purpose

The Committee shall provide assistance to the Board of Directors of the Company (the "Board") in fulfilling their oversight responsibility to the shareholders, potential shareholders, the investment community, and others relating to:

(a) the integrity of the Company's financial statements;

(b) the financial reporting process;

(c) the systems of internal accounting and financial controls;

(d) financial risk management;

(e) the performance of the Company's internal audit function (if applicable) and independent auditors;

(f) the independent auditors' qualifications and independence; and

(g) the Company's compliance with ethics policies and legal and regulatory requirements.

2. Composition

The Committee shall be composed of at least three (3) directors of the Company (the "Members"), each of whom is "independent" as defined by applicable Canadian and US laws and regulations as well as the rules of relevant stock exchanges, all as set out in the Company's Director Independence Policy.

All Members shall be "financially literate" as defined in National Instrument 52-110 Audit Committees or any successor policy, meaning that the director has the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the Company's financial statements.

At least one member of the Committee shall be a 'financial expert' within the meaning of Applicable Laws. The financial expert should have the following competencies:

- An understanding of financial statements and accounting principles used by the Company to prepare its financial statements;
- The ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

- Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity comparable to the Company's financial statements, or experience actively supervising one or more persons engaged in such activities;
- An understanding of internal controls and procedures for financial reporting; and
- An understanding of audit committee functions.

Members shall be appointed by the Board and shall serve until they resign, cease to be a director, or are removed or replaced by the Board.

3. Authority

The Committee is authorized to carry out its responsibilities as set out in this Charter, and to make recommendations to the Board arising therefrom.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the authority to engage, and to set and pay the compensation of, independent accountants, legal counsel and other advisers as it determines necessary to carry out its duties.

The Committee may also communicate directly with the auditors, legal and other advisors, management and employees of the Company to carry out its responsibilities and duties set out in this Charter.

The Company shall pay directly or reimburse the Committee for the expenses incurred by the Committee in carrying out its responsibilities.

4. Responsibilities

The primary responsibility of the Committee is to oversee the Company's financial reporting process on behalf of the Board and report the results of their activities to the Board. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee should take appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behaviour. The following shall be the principal direct responsibilities of the Committee:

(a) Appointment and termination (subject, if applicable, to shareholder ratification), compensation, and oversight of the work of the independent auditors, including resolution of disagreements between management and the auditors regarding financial reporting. The Committee shall arrange for the independent auditors to report directly to the Committee.

(b) Pre-approve all audit and non-audit services provided by the independent auditors and not engage the independent auditors to perform the specific non-audit services prohibited by law or regulation. The Committee may delegate pre-approval authority to a member of the Committee. The decisions of any Committee member to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting.

(c) At least annually, obtain and review a report by the independent auditors describing:

(i) The firm's internal control procedures.

(ii) Any material issues raised by the most recent internal control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.

(iii) All relationships between the independent auditor and the Company (to assess the auditor's independence).

(d) Establish clear hiring policies for employees, partners, former employees and former partners of the current and former independent auditors of the Company that meet the requirements of applicable securities laws and stock exchange rules.

(e) Discuss with the auditors, the overall scope and plans for audits of the Company's financial statements, including the adequacy of staffing and compensation. Ensure there is rotation of the audit partner having primary responsibility for the independent audit of the Company at such intervals as may be required.

(f) Discuss with management and the auditors the adequacy and effectiveness of the accounting and financial controls, including the Company's policies and procedures to assess, monitor, and manage business risk, and legal and ethical compliance programs (e.g. Company's Code of Business Conduct and Ethics).

(g) Periodically meet separately with management and the auditors to discuss issues and concerns warranting Committee attention. The Committee shall provide sufficient opportunity for the auditors to meet privately with the members of the Committee, which shall at minimum include an in camera meeting following each quarterly meeting. The Committee shall review with the auditor any audit problems or difficulties and management's response.

The processes set forth represent a guide with the understanding that the Committee may supplement them as appropriate.

5. Chair Responsibilities

The Chair of the Committee shall provide leadership to the Committee to enhance the Committee's effectiveness and ensure adherence to this Charter:

(a) Convene and preside over Committee meetings and ensure they are conducted in an efficient, effective and focused manner that promotes meaningful discussion;

(b) Assist management with the preparation of an agenda and ensure that meeting materials are prepared and disseminated in a timely manner and is appropriate in terms of relevance, efficient format and detail; and

(c) Adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition and management of meetings;

(d) Ensure that the Committee has sufficient time and information to make informed decisions; and

(e) Provide leadership to the Committee and management with respect to matters covered by this mandate.

The Committee shall designate one of its Members as chair of the Committee (the "Chair").

The Corporate Secretary of the Company, or the individual designated as fulfilling the function of Secretary of the Company, will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. In the absence of the Corporate Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

6. Specifically Delegated Duties

For purposes of this Charter, specific accounting, financial and treasury related duties delegated to the Committee by the Company's Board of Directors include:

Accounting and Financial

(a) Receive regular reports from the independent auditor on the critical policies and practices of the Company, and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.

(b) Where applicable, review management's assertion on its assessment of the effectiveness of internal controls as of the end of the most recent fiscal year and the independent auditor's report on management's assertion.

(c) Review and discuss annual and interim earnings press releases before the Company publicly discloses this information.

(d) Review and approve the interim quarterly unaudited financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations with management and, where applicable, the independent auditors prior to the filing of the Company's Quarterly Report or their inclusion in any filing with regulatory authorities. Also, the Committee shall discuss the results of the quarterly review, if any, and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards.

(e) Review with management and the independent auditors the financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations to be included in the Company's Annual Report to shareholders and any other filing with regulatory authorities, including their judgment about the quality, not just the acceptability of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements.

(f) The Committee shall discuss any matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards and shall specifically review with the independent auditors, upon completion of their audit:

(i) the contents of their report;

(ii) the scope and quality of the audit work performed;

(iii) the adequacy of the Company's financial and auditing personnel;

(iv) co-operation received from the Company's personnel during the audit;

(v) significant transactions outside of the normal business of the Company; and

(vi) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems.

(g) Establish procedures for the review of the public disclosure of financial information extracted from the financial statements of the Company.

(h) Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Treasury Related

(a) Monitor and review risk management strategies as they pertain to the Company's general insurance programs, and foreign exchange and commodity hedging programs, and make recommendations to the Board with respect to such strategies.

Approve investment policies and appoint investment managers, where appropriate, for the Company's retirement and other funded benefit plans.

Perform such other duties in respect of financial matters as, in the opinion of the Board, should be performed by the Committee.

7. Meetings and Proceedings

The Committee shall meet as frequently as required, but not less than four times each year. Any Member or the independent auditors of the Company may call a meeting of the Committee.

The agenda of each meeting of the Committee will include input from the independent auditors, directors, officers and employees of the Company as appropriate. Meetings will include presentations by management, or professional advisers and consultants when appropriate, and will allow sufficient time to permit a full and open discussion of agenda items.

Forty-eight (48) hours advance notice of each meeting will be given to each Member verbally, by telephone or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call. Any Member may call a meeting of the Committee.

The independent auditors of the Company are entitled to attend and be heard at meetings of the Committee where there is approval of the financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations to be included in the Company's Annual Report to shareholders and any other filing with regulatory authorities. For certainty, the independent auditors of the Company may still be requested by the Committee to attend other meetings of the Committee, from time to time.

The quorum for each meeting of the Committee is a majority of the Members. The Chair of the Committee shall chair each meeting. In the absence of the Chair, the other Members may appoint one of their number as chair of a meeting. The chair of a meeting shall not have a second or casting vote.

The Chair of the Committee or his delegate shall report to the Board following each meeting of the Committee.

The Secretary or his delegate shall keep minutes of all meetings of the Committee, including all resolutions passed by the Committee. Minutes of meetings shall be distributed to the Members and the other directors of the Company after preliminary approval thereof by the Chair of the Committee.

The Committee shall meet regularly, at a minimum quarterly, alone to facilitate full communication.

8. Self-Assessment

The Committee and the Board shall annually assess the effectiveness of the Committee with a view to ensuring that the performance of the Committee accords with best practices.

The Committee shall review and reassess this Charter at least annually and obtain the approval of the Company's Board for any changes.

ALAMOS GOLD INC.

Management's Discussion and Analysis

(in United States dollars, unless otherwise stated)

For the year ended December 31, 2016

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This Management's Discussion and Analysis ("MD&A"), dated February 22, 2017, relates to the financial condition and results of the consolidated operations of Alamos Gold Inc. ("Alamos" or the "Company"), and should be read in conjunction with the Company's consolidated financial statements for the years ended December 31, 2016 and 2015, and notes thereto. The financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS" or "GAAP"). All results are presented in United States dollars ("US dollars" or "$"), unless otherwise stated.

Statements are subject to the risks and uncertainties identified in the Cautionary Note Regarding Forward-Looking Statements section of this document. United States investors are also advised to refer to the section entitled Cautionary Note to United States Investors on page 47.

Overview of the Business

Alamos is a Canadian-based intermediate gold producer with diversified production from three operating mines in North America. This includes the Young-Davidson mine in northern Ontario, Canada and the Mulatos and El Chanate mines in Sonora State, Mexico. Additionally, Alamos has a significant portfolio of development stage projects in Canada, Mexico, Turkey, and the United States. Alamos employs more than 1,300 people and is committed to the highest standards of sustainable development and ethical business practices.

The Company's common shares are listed on the Toronto Stock Exchange (TSX: AGI) and the New York Stock Exchange (NYSE: AGI). Further information about Alamos can be found in the Company's regulatory filings, including the Company's Annual Information Form, available on SEDAR at www.sedar.com, on EDGAR at www.sec.gov, and on the Company's website at www.alamosgold.com.

Highlight Summary

	Three Months Ended December 31,		Years Ended December 31,	
	2016	2015	2016	2015[1]
Financial Results (in millions)				
Operating revenues	$132.2	$115.7	$482.2	$355.1
Cost of sales [2]	$121.6	$139.9	$429.3	$384.0
Earnings (loss) from operations	$3.5	($55.5)	$21.3	($492.6)
Net loss	($20.6)	($60.5)	($17.9)	($508.9)
Cash provided by operations before changes in working capital [3]	$34.0	$17.0	$148.0	$65.3
Cash provided by operating activities	$38.3	$23.3	$135.7	$60.0
Capital expenditures (sustaining) [3]	$12.3	$19.0	$49.2	$68.2
Capital expenditures (growth) [3],[4]	$25.2	$21.7	$97.3	$94.9
Operating Results				
Gold production (ounces) [1]	105,676	104,734	392,000	380,000
Gold sales (ounces) [1]	107,505	104,419	389,151	382,772
Per Ounce Data				
Average spot gold price (London PM Fix)	$1,222	$1,106	$1,251	$1,160
Average realized gold price [5]	$1,230	$1,109	$1,239	$1,148
Cost of sales per ounce of gold sold (includes amortization) [2]	$1,131	$1,340	$1,103	$1,241
Total cash costs per ounce of gold sold [3]	$842	$780	$797	$766
All-in sustaining costs per ounce of gold sold [3]	$1,033	$1,073	$1,010	$1,091
Share Data				
Loss per share, basic and diluted	($0.08)	($0.24)	($0.07)	($2.62)
Weighted average common shares outstanding (basic and diluted) (000's)	267,067	255,858	265,234	194,121
Financial Position as at December 31 (in millions)				
Cash and cash equivalents			$252.2	$282.9
Total debt and equipment financing obligations			$304.9	$320.3

(1) The 2015 financial results from Mulatos are included in Alamos' consolidated financial statements for the period subsequent to the merger of Alamos Gold Inc. and AuRico Gold Inc, on July 2, 2015. Gold production and gold sales from Mulatos have been included in this table for periods prior to July 2, 2015 for comparative purposes. Gold production from Mulatos for the year ended December 31, 2015 was 140,330 ounces. Gold sales for the year ended December 31, 2015 were 147,035 ounces.
(2) Cost of sales includes mining and processing costs, royalties, and amortization expense
(3) Refer to the "Non-GAAP Measures and Additional GAAP Measures" disclosure at the end of this MD&A for a description and calculation of these measures.
(4) Includes capitalized exploration.
(5) The comparative 2015 average realized price is exclusive of gold sales from Mulatos for the year ended December 31, 2015, as Mulatos sales were only included from July 2, 2015 on-ward.

	Three Months Ended December 31,		Years Ended December 31,	
	2016	2015	2016	2015[1]
Gold production (ounces)				
Young-Davidson	44,662	44,694	170,000	160,358
Mulatos [1]	44,900	41,830	154,000	140,330
El Chanate	16,114	18,210	68,000	79,312
Gold sales (ounces)				
Young-Davidson	40,934	41,509	168,979	157,161
Mulatos [1]	50,178	44,135	151,337	147,035
El Chanate	16,393	18,775	68,835	78,576
Cost of sales (in millions)[5]				
Young-Davidson	$44.1	$41.0	$183.7	$182.6
Mulatos [1]	$56.8	$47.8	$164.6	$83.2
El Chanate	$20.7	$51.1	$81.0	$118.2
Cost of sales per ounce of gold sold (includes amortization)[2],[5]				
Young-Davidson	$1,077	$988	$1,087	$1,162
Mulatos[1]	$1,132	$1,083	$1,088	$1,128
El Chanate	$1,263	$2,722	$1,177	$1,504
Total cash costs per ounce of gold sold [2]				
Young-Davidson	$667	$617	$657	$683
Mulatos [1]	$877	$843	$838	$869
El Chanate	$1,171	$994	$1,052	$808
Mine-site all-in sustaining costs per ounce of gold sold [2],[3]				
Young-Davidson	$926	$980	$897	$986
Mulatos[1]	$931	$958	$916	$1,047
El Chanate	$1,190	$1,009	$1,069	$978
Capital expenditures (growth and sustaining) (in millions)[2]				
Young-Davidson	$22.6	$26.4	$94.6	$108.1
Mulatos [1],[4]	$9.5	$8.8	$32.9	$45.0
El Chanate	$0.2	$0.2	$0.8	$13.7
Other	$5.2	$5.3	$18.2	$23.0

(1) 2015 financial results from Mulatos are included in Alamos' consolidated financial statements for the period subsequent to July 2, 2015 only. Operating, cost and capital metrics from prior ownership have been added for comparative purposes only.
(2) Refer to the "Non-GAAP Measures and Additional GAAP Measures" disclosure at the end of this MD&A for a description and calculation of these measures.
(3) For the purposes of calculating mine-site all-in sustaining costs, the Company does not include an allocation of corporate and administrative and share based compensation expenses.
(4) Includes capitalized exploration.
(5) Cost of sales includes mining and processing costs, royalties and amortization.

2016 Highlights

Fourth quarter 2016:

- Reported record quarterly production of 105,676 ounces of gold, including 44,662 ounces from Young-Davidson, 44,900 ounces from Mulatos and 16,114 ounces from El Chanate
- Underground mining rates increased to average a record of 6,675 tonnes per day ("tpd") in the fourth quarter at Young-Davidson, and over 7,000 tpd in December, consistent with the year-end target
- Sold 107,505 ounces of gold at an average realized price of $1,230 per ounce for record revenues of $132.2 million
- Realized a net loss of $20.6 million, or $0.08 per share, which includes an unrealized foreign exchange loss of $7.2 million ($0.03 per share), foreign exchange losses recognized within deferred taxes of $8.6 million ($0.03 per share) and various non-cash gains included in Other gains, totaling $1.9 million ($0.01 per share)
- Recorded cash flow from operating activities before changes in working capital[1] of $34.0 million, or $0.13 per share
- Generated positive free-cash flow at each of the Company's operations for total mine-site free cash flow[1] of $13.5 million, net of all capital and exploration spending
- Total cash costs[1] in the fourth quarter were $842 per ounce of gold sold and all-in sustaining costs ("AISC")[1] were $1,033 per ounce of gold sold
- Cash and cash equivalents and available-for-sale securities totaled $266.3 million as at December 31, 2016

Full year 2016

- Achieved guidance with record gold production of 392,000 ounces in 2016 at total cash costs of $797 per ounce. AISC were $1,010 per ounce, slightly above guidance due to higher stock-based compensation charges driven by mark-to-market revaluation of long-term incentives, and higher mine-site AISC at Young-Davidson
- Sold 389,151 ounces of gold at an average realized price of $1,239 per ounce for revenues of $482.2 million
- Realized a net loss of $17.9 million, or $0.07 per share. This included an unrealized foreign exchange loss of $10.9 million ($0.04 per share) and various non-cash gains included in Other gains, totaling $5.5 million ($0.02 per share)
- Generated positive free-cash flow at each of the Company's operations for total mine-site free cash flow[1] of $35.4 million for the year, including $26.8 million from Mulatos, net of all capital and exploration spending
- Returned $5.4 million in the form of dividends to shareholders
- Obtained the EIA approval for Phase I of the La Yaqui project in Mexico
- Closed the acquisition of Carlisle Goldfields Limited ("Carlisle"), consolidating ownership of the Lynn Lake project for $20.4 million

Key Business Developments

Bought-Deal Financing

On February 9, 2017, the Company closed an equity financing with a syndicate of underwriters, pursuant to which, on a bought deal basis, 31,450,000 common shares of the Company were issued at a price of $7.95 per common share, for aggregate gross proceeds to the Company of approximately $250 million. The Company intends to use the net proceeds of the financing and existing cash to repay all of its outstanding $315 million senior secured 7.75% high yield notes maturing 2020.

Forestry Permits for Kirazlı Project Received

On January 5, 2017, Alamos reported that it has received the Forestry Permits required for the development of its Kirazlı gold project from the Forestry General Directorate in Turkey. With the Environmental Impact Assessment and Forestry Permits for Kirazlı approved by the federal government, Alamos is pursuing the GSM (Business Opening and Operation) permit which is granted by the Çanakkale Governorship.

(1) Refer to the "Non-GAAP Measures and Additional GAAP Measures" disclosure at the end of this MD&A for a description and calculation of these measures.

Kirazlı and Ağı Dağı Feasibility Studies

During the first quarter of 2017, the Company reported results from the positive feasibility studies conducted on the Kirazlı and Ağı Dağı gold projects, located in the Canakkale Province in northwestern Turkey. The studies were an update to the pre-feasibility studies completed on the projects in 2012.

Kirazlı Feasibility Study Highlights

- Declaration of an initial Proven and Probable mineral reserve of 26.1 million tonnes grading 0.79 grams per tonne of gold ("g/t Au") and 12.0 grams per tonne of silver ("g/t Ag"), containing 0.67 million ounces of gold and 10.1 million ounces of silver;
- Average annual gold production of 104,000 ounces over five years with total life of mine production of 540,000 ounces;
- Life of mine total cash costs of $339 per ounce of gold and mine-site all-in sustaining costs of $373 per ounce, among the lowest in the industry;
- Initial capital estimate of $152 million and total life of mine capital, including sustaining capital and closure costs, of $180 million;
- After-tax net present value ("NPV") of $187 million at an 8% discount rate ($223 million at a 5% discount rate) and an after-tax internal rate of return ("IRR") of 44%, representing a 1.4 year payback using base case gold and silver price assumptions of $1,250 and $16.00 per ounce, respectively; and
- Applying the same base case gold and silver price assumptions to the 2012 pre- feasibility study, the after-tax NPV (8%) more than doubles from $82 million to $187 million and the after-tax IRR improves from 26% to 44%, highlighting a significant improvement in the project economics

Ağı Dağı Feasibility Study Highlights

- Declaration of an initial Proven and Probable mineral reserve of 54.4 million tonnes grading 0.67 grams per tonne of gold ("g/t Au") and 5.4 grams per tonne of silver ("g/t Ag"), containing 1.17 million ounces of gold and 9.5 million ounces of silver
- Average annual gold production of 177,600 ounces over five years with total life of mine production of 937,300 ounces
- Life of mine total cash costs of $374 per ounce of gold and mine-site all-in sustaining costs of $411 per ounce, among the lowest in the industry
- Initial capital estimate of $250 million and total life of mine capital, including sustaining capital and closure costs, of $313 million
- After-tax net present value ("NPV") of $298 million at an 8% discount rate ($360 million at a 5% discount rate) and an after-tax internal rate of return ("IRR") of 39%, representing a 1.9 year payback using base case gold and silver price assumptions of $1,250 and $16.00 per ounce, respectively
- After-tax NPV (8%) has increased 240% to $298 million and after-tax IRR has more than doubled to 39%, from $88 million and 15%, respectively in the 2012 prefeasibility study when applying the same base case gold and silver price assumptions, highlighting the significant improvement in project economics

The Company also reported results from a positive preliminary economic assessment (“PEA”) completed on its Çamyurt gold project, located approximately 4 kilometres (“km”) from Ağı Dağı.

Çamyurt Preliminary Economic Assessment Highlights

- Average annual production of 93,200 ounces of gold and 403,000 ounces of silver over four years with total life of mine production of 373,200 ounces of gold and 1,612,600 ounces of silver
- Initial capital estimate of $10 million and total life of mine capital, including sustaining capital and closure costs, of $26 million. The low capital reflects no infrastructure requirements with ore from Çamyurt to be trucked and processed through the nearby Ağı Dağı infrastructure
- Life of mine total cash costs of $604 per ounce of gold and mine-site all-in sustaining costs of $645 per ounce, reflecting longer haul distances to the Ağı Dağı processing facilities
- After-tax net present value ("NPV") of $86 million at an 8% discount rate ($111 million at a 5% discount rate) and an after-tax IRR of 253%, representing a 1.4 year payback using base case gold and silver price assumptions of $1,250 and $16.00 per ounce, respectively
- The PEA assumes ore from Çamyurt is sequenced after Ağı Dağı has been depleted in order to utilize the infrastructure at Ağı Dağı, resulting in a combined mine life of nearly 10 years between the two projects

EIA Approval for La Yaqui Project

On October 6, 2016, Alamos reported it has received final approval of the Environmental Impact Assessment ("EIA") for Phase I of its La Yaqui project. Construction activities for the development of Phase I commenced in December 2016, with production on track for the second half of 2017.

Outlook and Strategy

	Young-Davidson	Mulatos	El Chanate	Development	Total
Gold production *(000's ounces)*	200-210	150-160	50-60	—	**400-430**
Cost of sales, including amortization *(in millions)*[4]	$215	$157	$70	—	**$442**
Cost of sales, including amortization *($ per ounce)*[4]	$1,050	$1,015	$1,265	—	**$1,065**
Total cash costs *($ per ounce)*[1]	$625	$815	$1,200	—	**$765**
All-in sustaining costs *($ per ounce)*[1]				—	**$940**
Mine-site all-in sustaining costs *($ per ounce)*[1],[3]	$775	$890	$1,200	—	—
Capital expenditures *(in millions)*					
Sustaining capital[1]	$30-35	$8-10	$2	—	**$40-47**
Growth capital[1]	$40-45	$25-30 [2]	—	$35	**$100-110**
Total capital expenditures[1]	$70-80	$33-40	$2	$35	**$140-$157**

(1) Refer to the "Non-GAAP Measures and Additional GAAP" disclosure at the end of this MD&A for a description of these measures.
(2) Excludes capitalized exploration.
(3) For the purposes of calculating mine-site all-in sustaining costs at individual mine sites, the Company does not include an allocation of corporate and administrative and share based compensation expenses to the mine sites.
(4) Cost of sales includes mining and processing costs, royalties, and amortization expense

The Company's core focus remains on maximizing cash flow from its operations through increased production, margin expansion, and capital reductions, as well as advancing its portfolio of low-cost development projects.

Gold production is expected to increase to a range of 400,000 to 430,000 ounces in 2017, a 6% increase from 2016 (based on the mid-point of guidance). All-in sustaining costs are expected to decrease 7% to $940 per ounce, reflecting further cost reductions at both Young-Davidson and Mulatos. Excluding higher cost production from El Chanate, all-in sustaining costs are expected to decrease to $890 per ounce.

Total capital spending for the Company's operating mines is expected to decrease to between $105 and $122 million, a reduction from $128 million in 2016, even after factoring in $12 million of development spending for La Yaqui Phase I in 2017. Exploration remains a focus with a 2017 global exploration budget of $24 million of which approximately $17 million will be spent at Mulatos.

The Company generated over $35 million in mine site free cash flow in 2016, a substantial increase from 2015 reflecting higher production and gold prices combined with significant cost and capital reductions. This trend is expected to continue into 2017 with further production growth and cost reductions driven by the ramp up of Young-Davidson and development of La Yaqui Phase I.

At Young-Davidson, gold production is expected to increase approximately 21% in 2017 to between 200,000 and 210,000 ounces. Underground mining rates are expected to increase from an average rate of approximately 6,000 tpd in 2016 to a range of between 6,500 and 7,500 tpd in 2017.

Total cash costs at Young-Davidson are expected to average $625 per ounce of gold sold in 2017. Mine-site all-in sustaining costs are expected to average $775 per ounce, a 14% decrease from 2016 levels reflecting higher underground mining rates, ongoing productivity improvements and lower sustaining capital spending. Capital spending of $95 million in 2016 was on budget and is expected to decrease approximately $20 million to a range of $70 to $80 million in 2017, including $30 to $35 million of sustaining capital.

Mulatos is expected to produce 150,000 to 160,000 ounces of gold in 2017, a slight increase from 2016 production of 154,000 ounces. Margins are expected to improve, with mine-site all-in sustaining costs expected to decline to $890 per ounce. Capital spending is expected to total $33 to $40 million, which includes $12 million for the development of La Yaqui Phase I and $8 to $10 million of sustaining capital.

Development of La Yaqui Phase I is on schedule for initial production in the second half of 2017. With contract mining and crushing to be employed, construction activities are focused on completion of an independent heap leach pad and carbon columns. In parallel to the development of Phase I, the Company is continuing with an aggressive exploration program at La Yaqui Grande.

The Company remains focused on expanding its footprint at Mulatos, with approximately $17 million budgeted for exploration in 2017. The majority of the Mulatos exploration budget will be focused on the La Yaqui and Cerro Pelon deposits, with scout drill programs established at Los Bajios, El Refugio, and other targets within the Mulatos district.

Mulatos benefited from significant cost improvements over the past year with AISC decreasing 13% in 2016 compared to 2015. A further reduction is expected in 2017 driven by low cost production growth from La Yaqui Phase I starting in the second half of 2017. This trend is expected to continue beyond 2017 as La Yaqui evolves into a larger operation and with the 5% net smelter royalty at Mulatos expected to be eliminated within the next two years.

El Chanate is expected to produce 50,000 to 60,000 ounces of gold in 2017 at mine-site all-in sustaining costs of $1,200 per ounce, with significant variability through the year. In light of the higher cost structure at El Chanate, the Company has hedged approximately 75% of its 2017 gold production through gold collar contracts which ensure a minimum gold price of $1,225 per ounce and participation up to a price of $1,450 per ounce.

Development spending in 2017 remains focused on the Company's highest priority targets. This includes completing a feasibility study for Lynn Lake in the third quarter of 2017, and with the Environmental Impact Assessment and Forestry Permits for Kirazlı approved by the federal government, pursuing the GSM (Business Opening and Operation) permit for our Kirazli project.

With the completion of the equity financing in February 2017, the Company has increased its cash and available-for-sale securities position significantly since December 31, 2016. The Company intends to use the net proceeds of the financing of $239 million, along with existing cash, to repay all of its outstanding $315 million senior secured 7.75% high yield notes on April 1, 2017, resulting in annual interest savings of $24.4 million. Upon repayment of the high yield notes, the Company will be debt-free with a substantial net cash and available-for-sale securities position and additional liquidity under its revolving credit facility, available for future growth projects.

Young-Davidson

The Young-Davidson mine is located near the town of Matachewan in Northern Ontario, Canada. The property consists of contiguous mineral leases and claims totaling 11,000 acres, and is situated on the site of two past producing mines that produced over one million ounces of gold between 1934 and 1957. The Young-Davidson open pit mine achieved commercial production on September 1, 2012, and on October 31, 2013, the Company declared commercial production at the Young-Davidson underground mine following the commissioning of the shaft hoisting system. Stockpiled open pit ore will continue to supplement mill feed.

Young-Davidson Financial and Operational Review

	Three Months Ended December 31,		Years Ended December 31,	
	2016	2015	2016	2015
Gold production (ounces)	44,662	44,694	170,000	160,358
Gold sales (ounces)	40,934	41,509	168,979	157,161
Financial Review (in millions)				
Operating Revenues	$51.2	$46.2	$211.9	$182.1
Cost of sales [1]	$44.1	$41.0	$183.7	$182.6
Earnings (loss) from operations	$7.1	$5.7	$28.2	($326.5)
Cash provided by operating activities	$26.0	$20.7	$98.4	$84.7
Capital expenditures (sustaining) [2]	$10.5	$14.7	$40.0	$47.0
Capital expenditures (growth) [2]	$12.1	$11.7	$54.6	$61.1
Free cash flow [2]	$3.4	($5.7)	$3.8	($23.4)
Cost of sales, including amortization per ounce of gold sold [1]	$1,077	$988	$1,087	$1,162
Total cash costs per ounce of gold sold [2]	$667	$617	$657	$683
Mine-site all-in sustaining costs per ounce of gold sold [2],[3]	$926	$980	$897	$986
Underground Operations				
Tonnes of ore mined	614,101	543,825	2,199,857	1,851,492
Tonnes of ore mined per day	6,675	5,911	6,011	5,073
Average grade of gold [4]	2.40	2.58	2.54	2.67
Metres developed	3,044	3,769	12,379	14,586
Unit mining costs per tonne	$32	$27	$33	$32
Unit mining costs per tonne (CAD$)	$42	$35	$43	$40
Mill Operations				
Tonnes of ore processed	694,753	701,983	2,629,032	2,753,893
Tonnes of ore processed per day	7,552	7,630	7,183	7,545
Average grade of gold [4]	2.18	2.17	2.19	2.02
Contained ounces milled	48,755	49,036	184,928	178,623
Average recovery rate	90%	91%	91%	89%

[1] Cost of sales includes mining and processing costs, royalties and amortization.
[2] Refer to the "Non-GAAP Measures and Additional GAAP Measures" disclosure at the end of this MD&A for a description and calculation of these measures. Total cash costs and mine-site AISC are exclusive of net-realizable value adjustments.
[3] For the purposes of calculating mine-site all-in sustaining costs, the Company does not include an allocation of corporate and administrative and share based compensation expenses.

(4) Grams per tonne of gold ("g/t Au").

Young-Davidson produced 44,662 ounces of gold in the fourth quarter of 2016, in line with the same period of 2015 and 2% higher than the third quarter. Fourth quarter gold production reflects record mining rates and higher mill throughput, partially offset by lower head grades. In 2016, Young-Davidson produced a record 170,000 ounces of gold, a 6% increase compared to 2015, reflecting the higher proportion of underground ore feeding the mill as well as improved mill recoveries.

Underground mining rates in the fourth quarter improved significantly following completion of the rehabilitation work required on the ore and waste systems in the second and third quarters. The Company mined a record 614,101 tonnes of ore from underground in the fourth quarter of 2016, or 6,675 tpd. The month of December saw the highest monthly average mining rates on record, exceeding the year-end target of 7,000 tpd. For the full year, underground mining rates averaged 6,011 tpd, 18% above the same period of 2015, but below plan due to the above mentioned rehabilitation work. Underground mining rates are expected to average between 6,500 and 7,500 tpd in 2017. Mining rates are expected to trend higher through the year with the completion of the MCM waste pass by mid-2017.

Underground mined grade in the fourth quarter of 2016 was 2.40 g/t Au, a decrease from the first nine months of the year due to mine sequencing. In 2016, the underground mined grade was 2.54 g/t Au, a 5% decrease from 2015. Underground grades are expected to revert back to reserve levels in 2017 as higher grade stopes are mined.

During the fourth quarter of 2016, 694,753 tonnes, or 7,552 tpd were processed through the mill with grades averaging 2.18 g/t Au. The Company completed testing of new liners designed to minimize wear and maintenance and reduce costs in the third quarter, which resulted in a significant improvement in mill throughput in the fourth quarter, with the month of December averaging close to 8,000 TPD. For the full year, mill throughput averaged 7,183 tpd, below 2015 mill throughput. The mill continues to exceed underground mining rates, with excess capacity in the mill processing lower grade stockpiled ore. The Company expects mill throughput to be in the range of 7,600 to 8,000 tpd in 2017.

Mill recoveries were in line with expectations at 90% in the fourth quarter of 2016 compared to full year results of 91%. Recoveries in 2016 benefited from changes implemented to the circuit at the beginning of the year, resulting in a 2% improvement compared to an 89% average recovery in 2015.

Financial Review

For the three months ended December 31, 2016, revenue of $51.2 million was $5.0 million or 11% higher than the prior-year period due to higher realized gold prices. For the year ended December 31, 2016, revenue of $211.9 million was $29.8 million, or 16% higher than the prior year, attributable to both higher gold sales and higher realized gold prices.

For the three months ended December 31, 2016, cost of sales of $44.1 million was $3.1 million higher than prior-year period as a result of higher mining rates, maintenance costs and amortization. Cost of sales reflects mining and processing costs, royalties, and amortization expense. For the year ended December 31, 2016, cost of sales of $183.7 million was consistent with the prior year as higher cost of sales associated with an increase in number of ounces sold in 2016 were offset by net realizable value adjustments recorded in 2015.

Total cash costs in the fourth quarter of 2016 were $667 per ounce, representing an 8% increase from the same period of 2015. The increase was primarily attributable to higher maintenance costs and an increase in the number of stopes mined during 2016 relative to the prior year. Underground unit mining costs were $32 per tonne in the fourth quarter of 2016, 19% higher than in the fourth quarter of 2015 as unit mining costs in the fourth quarter of 2015 benefited from a one-time hydro rebate. Mine-site AISC were $926 per ounce, or 6% below the prior year period, reflecting lower sustaining capital and a higher number of ounces sold.

For the year ended December 31, 2016, total cash costs were $657 per ounce, representing a 4% decrease from the same period of 2015. The lower costs in the year were driven by stronger production reflecting improved recoveries in the mill and higher milled grades due to improved underground throughput, offset by increased maintenance costs associated with the ore and waste pass rehabilitation work. Mine-site AISC of $897 per ounce were 9% lower than the prior year, reflecting the above, as well as lower sustaining capital.

Capital expenditures totaled $22.6 million in the quarter and $94.6 million for the year, within the Company's capital spending guidance range for 2016 and down $13.5 million from 2015. Spending in the year was focused on lateral development, completion of the MCM shaft, underground equipment, and a tailings dam raise. Of the total capital expenditures, $40.0 million related to sustaining capital and $54.6 million related to growth capital, both in line with guidance. Capital spending at Young-Davidson is expected to total between $70 and $80 million in 2017, a significant reduction from 2016 levels.

With better control of capital spending in 2016, Young-Davidson generated positive free cash flow of$3.4 million for the quarter, the third straight quarter of positive free cash flow. Higher underground mining rates, improved mill throughput and higher head grades are expected to drive stronger production and free cash flow in 2017.

Mulatos

The Mulatos mine is located within the Salamandra Concessions in the Sierra Madre Occidental mountain range in the State of Sonora, Mexico. The Company controls a total of 28,777 hectares of mineral concessions, in proximity to the Mulatos mine. The mine achieved commercial production in 2006 as an open pit, heap leach mining operation and has produced approximately 1.7 million ounces of gold to-date. The royalty is capped at 2 million ounces of gold, after which no third-party royalty is payable on production at Mulatos.

Mulatos Financial and Operational Review

Financial results from Mulatos are included in Alamos' 2015 consolidated financial statements for periods subsequent to July 2, 2015 only. Operational results for the period prior to July 2, 2015 are included in the table below for comparative purposes.

	Three Months Ended December 31,		Years Ended December 31,	
	2016	2015	2016	2015
Gold production (ounces)	44,900	41,830	154,000	140,330
Gold sales (ounces)	50,178	44,135	151,337	147,035
Financial Review *(in millions)*				
Operating Revenues	$60.8	$48.6	$187.3	$81.9
Cost of sales [1]	$56.8	$47.8	$164.6	$83.2
Earnings (loss) from operations	$3.3	$2.9	$20.7	($1.9)
Cash provided by (used in) operating activities	$19.6	$10.2	$59.7	($0.7)
Capital expenditures (sustaining) [2]	$1.6	$4.1	$8.4	$8.4
Capital expenditures (growth) [2],[7]	$7.9	$4.7	$24.5	$9.9
Free cash flow [2]	$10.1	$1.4	$26.8	($19.0)
Cost of sales, including amortization per ounce of gold sold [1]	$1,132	$1,083	$1,088	$1,885
Total cash costs per ounce of gold sold [2]	$877	$843	$838	$869
Mine site all-in sustaining costs per ounce of gold sold [2],[3]	$931	$958	$916	$1,047
Open Pit & Underground Operations				
Tonnes of ore mined - open pit [4]	1,795,562	1,715,632	7,034,978	6,873,555
Total waste mined - open pit [5]	2,614,810	1,822,666	9,184,468	7,678,864
Total tonnes mined - open pit	4,410,372	3,538,298	16,396,080	14,552,419
Waste-to-ore ratio (operating)	1.46	1.06	1.31	1.12
Tonnes of ore mined - underground	25,139	41,455	122,516	138,159
Crushing and Heap Leach Operations				
Tonnes of ore crushed and placed on the heap leach pad	1,709,346	1,583,928	6,552,742	6,260,917
Average grade of gold processed [6]	0.81	0.94	0.81	0.87
Contained ounces stacked on the heap leach pad	44,609	47,715	170,600	174,316
Mill Operations				
Tonnes of high grade ore milled	33,867	40,512	133,720	110,136
Average grade of gold processed [6]	9.76	19.41	11.23	13.22
Contained ounces milled	10,623	25,214	48,284	46,744
Total contained ounces stacked and milled	55,232	72,929	218,884	221,060
Recovery ratio (ratio of ounces produced to contained ounces stacked and milled)	81%	57%	70%	63%
Ore crushed per day (tonnes) - combined	18,900	17,700	18,300	17,500

[1] Cost of sales includes mining and processing costs, royalties and amortization.
[2] Refer to the "Non-GAAP Measures and Additional GAAP Measures" disclosure at the end of this MD&A for a description and calculation of these measures. Total cash costs and mine-site AISC are exclusive of net-realizable value adjustments.
[3] For the purposes of calculating mine-site all-in sustaining costs, the Company does not include an allocation of corporate and administrative and share based compensation expenses.
[4] Includes ore stockpiled during the quarter.
[5] Excludes tonnes capitalized.
[6] Grams per tonne of gold ("g/t Au").

[7] Includes capitalized exploration.

Mulatos produced 44,900 ounces of gold in the fourth quarter of 2016, a significant increase from both the third quarter of 2016 and fourth quarter of 2015. Production from the heap leach operation was strong reflecting the recovery of deferred production from the third quarter rainy season, and higher recoveries of ore that was stacked on new interlift liners in the fourth quarter. In addition, the mill circuit contributed to an increase in fourth quarter production as higher recoveries were realized from the mill through the production of concentrate. Production for the full year totaled 154,000 ounces and exceeded the top end of production guidance. This marked a significant improvement from 2015, reflecting stronger mill recoveries due to the reconfiguration of the mill circuit to produce a flotation concentrate.

The open pit, heap leach operation continued to perform well during the fourth quarter with total crusher throughput averaging 18,900 tpd, significantly higher than the third quarter of 2016 as the rainy season subsided. The grade of crushed ore stacked on the leach pad in the fourth quarter of 0.81 g/t Au was lower than the annual budget due to mine sequencing in the El Victor pit.

Milled throughput in the fourth quarter of 2016 was 33,867 tonnes at an average grade of 9.76 g/t Au. Tonnes processed through the mill exceeded tonnes mined from underground as high-grade stockpiles were drawn down. Stockpiles will continue to supplement underground ore production into 2017. The reconfigured mill circuit is performing well with the mill expected to operate at approximately 400 tpd through 2017. The sale of gold concentrate in the fourth quarter was higher than production as the mine reduced its inventory of concentrate from 8,000 ounces at the end of September to approximately 5,000 ounces by year-end 2016.

The ratio of ounces produced to contained ounces stacked and milled (or recovery ratio) was 81% in the fourth quarter, well-above annual guidance, bringing the annual recovery ratio to 70%. This was above full year guidance of 67% reflecting the higher recoveries achieved from the mill following the transition to concentrate production

Financial Review

For the three months ended December 31, 2016, revenue of $60.8 million was $12.2 million, or 25% higher than the prior-year period. This increase reflects a higher number of ounces sold from concentrate, as well as the benefit of higher realized gold prices. For the year ended December 31, 2016, revenue of $187.3 million was $105.4 million higher than the prior year period, due to a full year of gold sales at Mulatos included in the financial statements in 2016, compared to only six months of gold sales at Mulatos included in 2015 subsequent to the July 2015 merger.

For the three months ended December 31, 2016, cost of sales of $56.8 million were higher than the prior-year period due to a higher number of ounces sold in 2016, as well as higher mining costs, partially offset by a weaker Mexican Peso. For the year ended December 31, 2016, cost of sales were $164.6 million, higher than 2015 due to the prior-year period reflecting only the six months of operations.

Total cash costs of $877 per ounce in the fourth quarter of 2016 were higher than the $843 per ounce reported in the same period of 2015, reflecting a higher waste-to-ore ratio and operating costs, partially offset by a weaker Mexican Peso and improved combined recoveries. Mine-site AISC in the quarter were $931 per ounce, lower than the same period of 2015 as a result of lower sustaining capital. For 2016, total cash costs and mine-site AISC were $838 and $916 per ounce, respectively, which were below cost guidance and an improvement relative to 2015 reflecting lower sustaining capital spending and a weaker Mexican Peso throughout the year.

Mulatos had another strong quarter, generating $10.1 million in free cash flow, which is net of $4.8 million in exploration and development spending at La Yaqui and Cerro Pelon. For the year ended December 31, 2016, Mulatos generated $26.8 million in free cash flow, net of $18.4 million in exploration and development spending at La Yaqui and Cerro Pelon. The site's free cash flow reflects improved concentrate production, lower costs, and higher realized gold prices. The Company expects strong production and free cash flow in 2017, even after factoring in approximately $12 million for the construction of La Yaqui Phase I. and investing over $17 million in exploration.

El Chanate

The El Chanate mine is located northeast of the town of Caborca in the state of Sonora, Mexico. El Chanate consists of an open pit mine with heap leach processing facilities.

El Chanate Financial and Operational Review

	Three Months Ended December 31,		Years Ended December 31,	
	2016	2015	2016	2015
Gold production (ounces)	16,114	18,210	68,000	79,312
Gold sales (ounces)	16,393	18,775	68,835	78,576
Financial Review *(in millions)*				
Operating Revenues	$20.2	$20.9	$83.0	$91.1
Cost of sales [1]	$20.7	$51.1	$81.0	$118.2
Earnings (loss) from operations	($0.5)	($27.9)	$2.0	($67.1)
Cash provided by operating activities	$0.2	($7.2)	$5.6	$16.5
Capital expenditures	$0.2	$0.2	$0.8	$13.7
Free cash flow [2]	$—	($7.4)	$4.8	$2.8
Cost of sales, including amortization per ounce of gold sold [1]	$1,263	$2,722	$1,177	$1,504
Total cash costs per ounce of gold sold [2]	$1,171	$994	$1,052	$808
Mine site all-in sustaining costs per ounce of gold sold [2],[3]	$1,190	$1,009	$1,069	$978
Open Pit Operations				
Tonnes of ore mined	1,641,448	1,979,931	6,306,469	7,459,301
Total tonnes mined	8,604,171	8,436,186	31,288,807	31,672,788
Capitalized stripping tonnes	—	—	—	7,511,788
Waste-to-ore ratio (operating)	4.24	3.30	3.96	2.20
Average grade of gold [4]	0.61	0.50	0.60	0.58
Crushing and Heap Leach Operations				
Tonnes of ore crushed stacked on the heap leach pad	1,487,631	1,618,684	5,403,195	6,124,837
Average grade of gold processed [4]	0.67	0.57	0.67	0.67
Tonnes of run-of-mine ore stacked on the heap leach pad	211,696	363,514	917,432	1,327,764
Average run-of mine grade of gold processed [4]	0.19	0.20	0.19	0.19
Total tonnes of ore processed	1,699,327	1,982,198	6,320,627	7,452,601
Average grade of gold processed [4]	0.61	0.50	0.60	0.58
Ore crushed and run-of-mine ore stacked per day (tonnes) - combined	18,500	21,500	17,300	20,400
Recovery ratio (ratio of ounces produced to contained ounces stacked)	48%	57%	56%	57%

(1) Cost of sales includes mining and processing costs, royalties and amortization
(2) Refer to the "Non-GAAP Measures and Additional GAAP Measures" disclosure at the end of this MD&A for a description and calculation of these measures. Total cash costs and mine-site AISC are exclusive of net-realizable value adjustments.
(3) For the purposes of calculating mine-site all-in sustaining costs, the Company does not include an allocation of corporate and administrative and share based compensation expenses.
(4) Grams per tonne of gold ("g/t Au").

The Company produced 16,114 ounces of gold in the fourth quarter of 2016 at El Chanate compared to 18,210 ounces in the same period of 2015. Lower production in the fourth quarter of 2016 reflected a lower number of contained ounces stacked on the pad in the early part of the year compared to the same period in 2015. El Chanate's production for 2016 of 68,000 ounces was near the top end of its production guidance for the year, and a 14% decrease from 2015 reflecting lower tonnes processed.

During the fourth quarter of 2016, the Company mined 1,641,448 tonnes of ore at El Chanate at an average grade of 0.61 g/t Au. Ore tonnes mined were lower than the fourth quarter of 2015 as the mine started a pushback on a portion of the open pit earlier than planned late in 2016, resulting in lower ore mined and a higher strip ratio. Total tonnes mined were higher than the same period in 2015 and the third quarter of 2016 due to the pushback. For 2016, total tonnes mined were roughly in line with 2015.

Starting in the third quarter of 2015, all waste removal costs at El Chanate have been expensed as the Company determined these costs are not recoverable. This has increased total cash costs per ounce in the current year relative to 2015, but has no impact on AISC per ounce.

The Company stacked 1,699,327 tonnes of open pit ore on the heap leach pad, including run-of-mine material, during the fourth quarter of 2016 at an average rate of 18,500 tpd. This was lower than the average rate of 21,500 tpd in the same period of the prior year. For the year, the Company stacked 6,320,627 tonnes of ore on the heap leach pad, a 15% decrease compared to 2015 reflecting mine sequencing. The grade of ore stacked averaged 0.60 g/t Au during 2016, in line with the average grade of 0.58 g/t Au stacked in 2015.

Financial Review

For the three months ended December 31, 2016, revenue of $20.2 million was $0.7 million, or 3% lower than the prior year period, reflecting a lower number of ounces sold, partially offset by higher realized gold prices. For the year ended December 31, 2016, revenue of $83.0 million was $8.1 million lower than the comparative period, primarily due to lower number of ounces sold. The average realized gold price in the year was $1,206 per ounce compared to the London PM fix of $1,251 per ounce as a result of gold hedge contracts entered into at lower gold prices earlier in 2016.

For the three months ended December 31, 2016, cost of sales were significantly lower than the prior-year period, decreasing by $30.4 million to $20.7 million. The decrease reflects a $25.5 million inventory net realizable value adjustment recorded in the fourth quarter of 2015 related to a change in the estimate of the recoverable ounces on the leach pad. For the twelve months ended December 31, 2016, cost of sales of $81.0 million were lower than the prior-year figure by $37.2 million, mainly due to the inventory net realizable value adjustments recorded in 2015 of $32.5 million.

Total cash costs were $1,171 per ounce in the fourth quarter of 2016, an increase from the same period of 2015 due to a higher waste-to-ore ratio and lower number of ounces stacked in the quarter. For the year ended December 31, 2016, total cash costs were $1,052 per ounce, below the full-year cost guidance of $1,100 per ounce reflecting the benefit of weakness in the Mexican Peso and stronger recoveries. Total cash costs in 2016 were higher than in the prior year, due to the expensing of waste removal costs as incurred, whereas these costs were capitalized in the first half of 2015. Mine-site AISC of $1,190 per ounce in the fourth quarter of 2016 increased from $1,009 per ounce in the fourth quarter of 2015 due to a higher waste-to-ore ratio. For 2016, mine-site AISC of $1,069 per ounce were 3% below annual guidance of $1,100 per ounce.

El Chanate was free cash flow neutral in the fourth quarter. For the full year, El Chanate generated $4.8 million in free cash flow reflecting higher gold prices and continued cost control. Given El Chanate's higher cost structure, the Company has again executed on a hedging strategy to preserve free cash flow, with approximately 75% of 2017 production hedged ensuring a minimum gold price of $1,225 per ounce and participation up to a price of $1,450 per ounce.

Fourth Quarter 2016 Exploration and Development Activities

Mulatos District

Reflecting ongoing exploration success at La Yaqui and Cerro Pelon, the exploration budget at Mulatos was increased by 60 percent to $16.0 million in May 2016. As part of this expanded budget, the Company increased the number of active drill rigs and expanded the exploration team. In addition to drilling, geophysical surveys comprising ground magnetics and induced polarization were completed over the larger La Yaqui, Cerro Pelon and Los Bajios areas during 2016. The expanded exploration program and exploration success were incorporated into an interim mineral resource update at La Yaqui in September 2016 which featured a 93% increase in combined mineral resources at La Yaqui to 447,000 ounces.

The Company has a large exploration package covering 28,777 hectares which has historically had the majority of its exploration efforts focused around the Mulatos mine. Using knowledge and understanding gained from the successful exploration programs at La Yaqui and Cerro Pelon, a detailed review and ranking of all prospects in the district was undertaken during 2016, with multi-year exploration plans outlined. While La Yaqui and Cerro Pelon remain the highest priority exploration targets, mapping and sampling has continued over the larger Mulatos District with scout drilling of an additional three to four high priority targets planned for 2017. The highest priority prospects added to the near term exploration plan include Los Bajios, La Yaqui Norte. El Refugio, El Halcon and El Carricito.

Exploration over the first of these, Los Bajios commenced in the fourth quarter of 2016 with mapping, sampling and induced polarisation geophysics carried out. This project is located approximately 3 kilometres ("km") to the northwest of Mulatos open pit.

La Yaqui

The 2016 drill program at La Yaqui was designed to both upgrade and extend the 232,000 ounces of inferred mineral resources discovered in two new zones of mineralization in 2015 and to scout drill a potential third zone of mineralization. These zones are located to the northeast of the existing mineral reserve pit along a one kilometre long northwest trending silica ridge.

The program has been extremely successful on all fronts with drilling through the first eight months of 2016 incorporated into an interim mineral resource update in September 2016 that demonstrated a 215,000 ounce increase in combined mineral resources to then total 447,000 ounces. This included upgrading 149,000 ounces (4.1 million tonnes grading 1.14 g/t Au) to an indicated mineral resource and expanding the higher grade inferred mineral resource to 298,000 ounces (5.5 million tonnes grading 1.68 g/t Au). Including existing mineral reserves of 89,000 ounces (1.9 million tonnes grading 1.45 g/t Au), La Yaqui then hosted a combined mineral reserve and resource of 536,000 ounces, a substantial increase from the mineral reserve of 80,000 ounces at the end of 2014. The mineral resources are in oxide mineralization with metallurgical test work indicating it is amenable to heap leaching.

The interim La Yaqui mineral resource update incorporated 27,201 metres ("m") of drilling completed across 132 holes through the first eight months of 2016. This included infill and extension drilling on two of the zones of mineralization that occur along the large northwest trending ridge at La Yaqui. Most of the infill drilling to Indicated status was completed in Zone 1 with the drilling to Inferred status focused in Zone 2. The more northerly third zone was not included in the interim resource calculation.

A further 19,608 m were drilled between September and December 2016, bringing the full year total to 46,809 m. The focus of the fourth quarter program was on infill drilling the mineral resources in Zones 1 and 2, and to explore the area between Zones 1 and 2 and to scout drill Zone 3. This program was successful in upgrading mineral resources to mineral reserves for Zones 1 and 2, as well as outlining a new zone of mineralization Zone 3.

Development of La Yaqui Phase I remains on track, with road construction well underway and initial production expected mid-2017. On October 6, 2016, the Company received final approval of the EIA for Phase I development of the La Yaqui project. Tendering for mining activities took place late in October and construction activities commenced late in the fourth quarter of 2016, with initial production expected in the second half of 2017.

Cerro Pelon

The exploration focus at Cerro Pelon has changed to include a much larger area which is now being systematically explored. As part of these programs, scout drilling commenced during the third quarter on targets to the north and northwest of currently defined mineral resources and reserves. These programs continued during the fourth quarter.

A total of 3,759 m of drilling was completed during the fourth quarter of 2016 bringing the full year total to 19,081 m. The majority of this drilling was scout drilling focused on the western zone where vuggy silica, advanced argillic alteration and sulphide mineralization were intersected. Grades are continuing to improve from anomalous to ore-grade as drill results are assessed and utilized to vector in on the areas believed most likely to host economic mineralization.

Given the ongoing exploration success and strong potential for further mineral reserve and resource growth, the Company has postponed the submission of the EIA to ensure this upside is captured in the development of the project.

Los Bajios

The Los Bajios target is in close proximity to the main Mulatos mine, with encouraging intercepts from historical drill programs prior to 2007. Mapping, sampling and induced polarization surveys were carried out over Los Bajios in the fourth quarter of 2016. This work along with the historical work will form the basis of phased exploration drill programs in 2017.

Lynn Lake

The Company owns 100% of the Lynn Lake Project, a development project in Manitoba, Canada.

Exploration drilling commenced at Lynn Lake during the fourth quarter of 2016 with 11,733 m drilled down dip and along strike of the MacLellan deposit. These phase 1 programs are expected to drive drill planning through 2017.

For the three months and year ended December 31, 2016, the Company spent $3.1 million and $9.1 million respectively on environmental baseline studies and geotechnical drilling to support the Lynn Lake project description and feasibility study. The feasibility study is scheduled to be completed in the third quarter of 2017.

Turkey

The Company received the forestry permit for the Kirazlı gold project in January 2017, and is in the process of applying for the GSM (Business Opening and Operation) permit which is granted by the Çanakkale Governorship.

For the three months and year ended December 31, 2016, total development expenditures in Turkey were $0.9 million and $3.1 million respectively. The focus in the fourth quarter was on preparing the feasibility studies to update the economics for both Kirazlı and Ağı Dağı, the results of which have been detailed in the Key Business Developments section.

Esperanza

The Company capitalized $0.4 million and $2.8 million at the Esperanza Project for the three months and year ended December 31, 2016.

Quartz Mountain

For the three and twelve months ended December 31, 2016, total expenditures at the Quartz Mountain project were $0.2 million and $1.0 million respectively.

Key External Performance Drivers

Gold Price

The Company's performance is largely dependent on the price of gold, which directly affects the Company's profitability and cash flow. The price of gold is subject to volatile price movements and is affected by numerous factors, such as the strength of the US dollar, supply and demand, interest rates, and inflation rates, all of which are beyond the Company's control. During the fourth quarter of 2016, the London PM Fix price of gold averaged $1,222 per ounce, a 10% increase from the London PM Fix average of $1,106 in the fourth quarter of 2015. The price of gold ranged from $1,123 to $1,337 per ounce in the fourth quarter of 2016.

The Company has hedged 41,000 ounces, or approximately 75% of El Chanate's 2017 production ensuring a minimum gold price of $1,225 per ounce and participation up to a price of $1,450 per ounce. The Company has not hedged any production attributable to Young-Davidson or Mulatos.

Foreign Exchange Rates

At the Company's mine sites, a significant portion of operating costs and capital expenditures are denominated in foreign currencies, including Mexican pesos and Canadian dollars. Fluctuations in the value of these foreign currencies compared to the US dollar can significantly impact the Company's costs and cash flow. In the fourth quarter of 2016, the Mexican peso ("MXN") and Canadian dollar ("CAD") averaged approximately $19.85 MXN to $1 US dollar and $1.34 CAD to $1 US dollar, respectively, compared to average rates of $16.77 MXN to $1 US dollar and $1.34 CAD to $1 US dollar, respectively, in the fourth quarter of 2015. The Company recorded a $7.8 million foreign exchange loss in the fourth quarter of 2016, the majority of which is unrealized, due to the impact of the weakening Mexican peso and Canadian dollar on the Company's Mexican peso and Canadian dollar denominated net monetary assets.

Summarized Financial and Operating Results

(in millions, except ounces, per share amounts, average realized prices, AISC and total cash costs)

	Three Months Ended December 31,		Years Ended December 31,		
	2016	2015	2016	2015 [1]	2014 [1]
Gold production (ounces) [1]	105,676	104,734	392,000	380,000	364,532
Gold sales (ounces) [1]	107,505	104,419	389,151	382,772	362,556
Operating Revenues	$132.2	$115.7	$482.2	$355.1	$288.3
Cost of sales [2]	$121.6	$139.9	$429.3	$384.0	$318.5
Earnings (loss) from operations	$3.5	($55.5)	$21.3	($492.6)	($148.7)
Net loss	($20.6)	($60.5)	($17.9)	($508.9)	($169.6)
Loss per share, basic	($0.08)	($0.24)	($0.07)	($2.62)	($1.35)
Total assets			$2,492.2	$2,462.2	$2,281.8
Total non-current liabilities			633.2	638.1	598.5
Operating cash flow	$38.3	$23.3	$135.7	$60.0	$77.4
Dividends per share, declared	0.01	0.01	0.02	0.05	0.03
Average realized gold price per ounce [3]	$1,230	$1,109	$1,239	$1,148	$1,265
Cost of sales per ounce of gold sold, including amortization [2]	$1,131	$1,340	$1,103	$1,241	$878
Total cash costs per ounce of gold sold [4]	$842	$780	$797	$766	$779
All-in sustaining costs per ounce of gold sold [4]	$1,033	$1,073	$1,010	$1,091	$1,195

(1) The 2015 financial results from Mulatos are included in Alamos' interim consolidated financial statements for the period subsequent to July 2, 2015 only. Gold production and gold sales ounces from Mulatos have been included in this table for periods prior to July 2, 2015 for comparative purposes. Gold production from Mulatos for the years ended December 31, 2015 and 2014 was 140,330 and 140,500, respectively.
(2) Cost of sales includes mining and processing costs, royalties and amortization
(3) The comparative 2015 average realized price is exclusive of gold sales from Mulatos for the year ended December 31, 2015, as Mulatos sales were only included subsequent to July 2, 2015. Ounces sold at Mulatos for the first six-months of 2015 were at an average realized price of $1,211. Including Mulatos sales for the full 2015 year, the average realized price is $1,160 per ounce.
(4) Refer to the "Non-GAAP Measures and Additional GAAP Measures" disclosure at the end of this MD&A for a description and calculation of these measures. Total cash costs and AISC are exclusive of net-realizable value adjustments.

Review of Fourth Quarter Financial Results

Operating Revenue

During the fourth quarter of 2016, the Company sold 107,505 ounces of gold for proceeds of $132.2 million, a 14% increase compared to the fourth quarter of 2015. This reflected a higher number of ounces of gold sold ($3.8 million benefit), and a higher average realized price of $1,230 per ounce compared to $1,109 per ounce in the prior year period ($12.6 million benefit). The Company's realized gold price in the fourth quarter was $8 above the average London PM fix of $1,222 per ounce as a result gold collars entered on a portion of fourth quarter production which ensured a $1,250 gold price.

Cost of Sales

Cost of sales is comprised of mining and processing costs, royalties, and amortization. For the fourth quarter of 2016, cost of sales was $121.6 million, compared to $139.9 million in the prior-year period.

Mining and Processing

Mining and processing costs decreased to $86.9 million in the fourth quarter of 2016 from $98.8 million in the prior-year period. The decrease reflects the benefit of the weakening Mexican Peso relative to the US dollar, and the Company recording a net realizable value adjustment related to El Chanate in the fourth quarter of 2015. This was offset by higher gross operating costs at Mulatos, primarily driven by a higher waste-to-ore ratio.

Consolidated total cash costs for the quarter were $842 per ounce, compared to $780 per ounce (excluding net realizable value adjustments) in the prior year period. The increase is attributable to higher operating costs at both Young-Davidson and Mulatos compared to the prior year.

In the fourth quarter of 2016, AISC per ounce decreased to $1,033 from $1,073 in the fourth quarter of 2015. This reflects lower sustaining capital at Young-Davidson and Mulatos, as well as lower corporate and administrative expenses.

Royalties

Royalty expense was consistent in the fourth quarter at $3.6 million, compared to $3.6 million in the fourth quarter of 2015.

Amortization

Amortization decreased to $31.1 million in 2016 from $37.5 million in the prior-year period, reflecting lower amortization per ounce sold. Amortization was $289 per ounce, down from $359 per ounce in the fourth quarter of 2015. This reflected lower amortization attributable to Mulatos, as well as an impairment charge at El Chanate in 2015 which had the impact of lowering amortization expense in subsequent periods.

Earnings from Operations

The Company recognized earnings from operations of $3.5 million in the fourth quarter of 2016, compared to a loss from operations of $55.5 million in the same period of 2015, driven by higher gold prices, lower cost of sales, and lower corporate and administrative costs, and no inventory net realizable value charges.

Net loss

The Company reported a net loss of $20.6 million in the fourth quarter of 2016, compared to a net loss of $60.5 million in the fourth quarter of 2015. Net loss in the current quarter reflects stronger earnings from operations, offset by unrealized foreign exchange losses recorded in both the foreign exchange and the deferred tax line items.

Review of 2016 Year End Financial Results

Operating Revenue

For the year ended 2016, the Company sold389,151 ounces of gold for proceeds of $482.2 million, a 36% increase compared to 2015. The increase in revenue is due to the inclusion of Mulatos' gold sales for the full year, compared to only six-months included in the prior year. Additionally, revenue benefited from an increase in the average realized gold price in 2016, as the average realized price for the year increased to $1,239 per ounce from $1,148 per ounce in the same period of 2015, contributing an additional $28.3 million in revenue.

Cost of Sales

Cost of sales is comprised of mining and processing costs, royalties, and amortization. For the year ended 2016, cost of sales were $429.3 million, compared to $384.0 million in the prior-year.

Mining and Processing

Mining and processing costs increased to $297.0 million for the year ended 2016 compared to $259.2 million in the prior year period, largely reflecting the inclusion of operating costs from Mulatos for the full year in 2016, compared to only six months in 2015. Included in the prior year cost of sales figure was an inventory net realizable value adjustment of $37.2 million recorded in 2015.

Consolidated total cash costs for the year were $797 per ounce, compared to $766 per ounce in the prior year period, and slightly below 2016 guidance of $800 per ounce. The increase compared to the prior year period is due to the Company directly expensing all waste removal costs at El Chanate in 2016, whereas the Company capitalized waste removal costs for the first half of 2015. This increase was partially offset by lower operating costs and the benefit associated with the weakening Canadian dollar and Mexican peso compared to the US dollar on operating costs.

AISC decreased by 7% to $1,010 per ounce in 2016 compared to the prior period, primarily due to lower sustaining capital and the weaker Canadian dollar and Mexican peso, offset by higher share-based compensation reflecting a mark-to-market adjustment of cash settled liabilities as the Company's share price increased.

Royalties

Royalty expense for the year ended 2016 was $13.3 million, a significant increase from 2015 due to the inclusion of the 5% royalty at Mulatos for the full year compared to only six months in the prior year. Further, the 1.5% royalty at Young-Davidson, payable during all of 2016, was not payable in the first half of 2015.

Amortization

Amortization totaled $119.0 million for the year ended 2016, compared to $117.5 million in the prior year period. Amortization decreased to $305 per ounce in 2016 compared to $357 per ounce in 2015 (excluding net realizable value adjustments). Amortization expense in 2016 reflects the inclusion of amortization for Mulatos for the full year in 2016, compared to only the second half of 2015. Although total amortization expense for the year has increased, amortization on a per ounce basis has decreased given Mulatos has a lower per-ounce amortization charge than the other operations.

Earnings from Operations

The Company recorded earnings from operations of $21.3 million for the year ended 2016, compared to a loss from operations of $492.6 million in the same period of 2015, due to improved performance from mine operations and higher gold prices in 2016. In

addition, a $366.0 million impairment loss on the Young-Davidson and El Chanate mines and the revaluation of assets distributed to AuRico Metals of $40.1 million were recorded in 2015 significantly impacting earnings from operations.

Net Loss

The Company reported a net loss of $17.9 million for the year ended 2016, compared to a net loss of $508.9 million in the prior-year period reflecting stronger earnings from operations and the impairment charges taken in the second quarter of 2015.

Consolidated Expenses and Other

(in millions)

	Three Months Ended December 31,		Years Ended December 31,		
	2016	2015	2016	2015	2014
Exploration	$1.6	$6.0	$5.1	$9.4	$1.0
Corporate and administrative	4.6	6.5	16.3	19.8	18.7
Share-based compensation	0.9	1.2	10.2	5.1	7.2
Revaluation of assets distributed	—	—	—	40.1	—
Impairment charges	—	17.6	—	389.3	91.9
Finance expense	6.4	6.8	24.0	24.2	19.9
Foreign exchange loss	(7.8)	(5.1)	(12.5)	(19.0)	(6.6)
Other gains (loss)	2.5	(10.3)	7.6	(22.9)	(23.4)

Exploration

Exploration expense mainly relates to expenditures on early-stage exploration projects and corporate exploration support. The majority of exploration expenditures in 2016 were capitalized given the spending was focused on La Yaqui and Cerro Pelon in Mexico. In the fourth quarter of 2015, the Company expensed $6.0 million mainly related to the Kemess project, now owned by AuRico Metals.

Corporate and administrative

Corporate and administrative costs include expenses relating to the overall management of the business that are not part of direct mine operating costs. These costs are generally incurred at the corporate office located in Canada. Corporate and administrative costs decreased significantly by $1.9 million to $4.6 million in the fourth quarter of 2016, as the prior year period included post-merger costs, including temporarily maintaining two corporate offices and the associated head count in 2015. The savings for the year reflect merger synergies realized in 2016.

Share-based compensation

Share-based compensation expense for the three-months ended December 31, 2016 was$0.9 million, compared to$1.2 million in the prior year period. This decrease was driven by a modest decrease in the Company's share price during the quarter and the corresponding impact on the mark-to-market revaluation of long-term incentive grants. For the year ended 2016, share-based compensation increased by $5.1 million to $10.2 million reflecting the increase in the Company's share price and resulting mark-to-market revaluation of long-term incentive grants, as well as new grants in the year.

Revaluation of assets distributed and impairment charges

The prior year period includes charges related to the distribution of assets and liabilities to AuRico Metals as part of the merger which were recorded at the lower of fair value less costs to distribute and carrying value at the end of the second quarter of 2015.

In addition, in 2015, the Company incurred a $326.0 million impairment charge at Young-Davidson, a $40.0 million impairment charge at El Chanate, and a $17.6 million impairment of the Orion project as the Company determined that the carrying value exceeded the recoverable amount of the assets.

Finance expense

Finance expense was consistent period over period, and mainly relates to interest on the senior secured notes. The Company capitalized $1.3 million of interest in the fourth quarter of 2016 and $6.6 million for the year ended 2016, compared to $2.6 million and $6.4 million in the prior year periods.

Foreign exchange loss

During the fourth quarter of 2016, a foreign exchange loss of $7.8 million was recorded. This includes an unrealized loss of $2.9 million reflecting the impact of a 7% depreciation of the Mexican peso in the quarter on the Company's Mexican peso denominated

net monetary assets. In addition, the Company recorded a mark-to-market loss on 2017 foreign exchange collar contracts of $3.5 million. The Company will continue to experience non-cash foreign currency gains or losses on monetary assets and liabilities, primarily as a result of fluctuations between the US dollar, and both the Canadian dollar and Mexican peso.

Other gains

During the fourth quarter of 2016, the Company recorded other gains of $2.5 million compared to losses of $10.3 million in the prior year period. For the year ended 2016, other gains was $7.6 million compared to a loss of $22.9 million in 2015. Other gains are mainly comprised of the mark-to-market revaluation of non-hedged derivative liabilities, the revaluation of the embedded prepayment option on the senior secured notes, the renunciation of flow through share expenses, and loss on disposal of assets. In the prior year, other losses also included transaction costs and restructuring costs related to the merger completed in 2015.

Consolidated Income Tax Expense

The Company is subject to tax in various jurisdictions, including Mexico and Canada. There are a number of factors that can significantly impact the Company's effective tax rate including the geographic distribution of income, varying rates in different jurisdictions, the non-recognition of tax assets, mining allowances, foreign currency exchange rate movements, changes in tax laws and the impact of specific transactions and assessments. Due to the number of factors that can potentially impact the effective tax rate and the sensitivity of the tax provision to these factors, it is expected that the Company's effective tax rate will fluctuate in future periods.

During the year ended December 31, 2016, the Company recognized a current tax expense of $3.8 million and a deferred tax expense of $6.5 million, compared to a current tax expense of $2.8 million and a deferred tax recovery of $52.6 million in same period of 2015. Current income tax expense in 2016 and 2015 was primarily related to mining tax payable in Mexico. The current year deferred tax expense was primarily due to the utilization of tax attributes and lost basis on the issuance of flow through shares, partially offset by changes to foreign exchange rates during the year.

In the first quarter of 2016, the Company was successful in collecting $13.2 million of income tax receivable, which represented the majority of the Company's 2014 income tax refund request for Mulatos. The Company continued to successfully collect VAT refund requests throughout 2016 at both Mexican operations, and expects to collect the outstanding VAT receivable balances in 2017.

Financial Condition

	December 31, 2016	December 31, 2015	December 31, 2014	
Current assets	$454.5	$483.2	$184.0	Current assets decreased during 2016, primarily due to a decrease in the cash balance by $30.7 million. The Company generated positive operating cash flow as well as a cash inflow from flow-through financing and proceeds from equity exercises, but was offset by spending on capital expenditures and interest payments relating to the senior secured notes.
Long-term assets	2,037.7	1,979.0	2,097.8	Long term assets increased by $58.7 million primarily due to the acquisition of Carlisle. The acquisition added $19.9 million of mineral properties to the Company's balance sheet. The remainder of the increase was due to capital expenditures offset by amortization charges.
Total assets	$2,492.2	$2,462.2	$2,281.8	
Current liabilities	$99.6	$99.9	$52.0	Current liabilities remained relatively flat compared to 2015, as changes in trade payables and accruals were offset by an increase in liabilities for share-based payments.
Long-term financial liabilities	301.3	315.0	308.1	Long-term financial liabilities decreased as the Company repaid approximately $4.0 million of finance leases in the fourth quarter, continued draw-down of existing lease contracts, and did not enter into any significant new equipment financing obligations. The carrying value of the senior secured notes was reduced due to the revaluation of the embedded prepayment option on the senior secured notes.
Other long-term liabilities	331.9	323.1	290.4	Other long-term financial liabilities increased by $8.8 million from December 31, 2015. This is primarily due to the movement in foreign exchanges rates and the impact of these changes on the deferred tax liability balances.
Total liabilities	$732.8	$738.0	$650.5	
Shareholders' equity	$1,759.4	$1,724.2	$1,631.3	Shareholders' equity increased primarily due to the issuance of shares related to the acquisition of Carlisle and flow-through financings completed in 2016. This is partially offset by the loss realized in the year, as well as dividends paid.
Total liabilities and equity	$2,492.2	$2,462.2	$2,281.8	

Liquidity and Capital Resources

The Company's strategy is based on achieving positive cash flows from operations to internally fund operating, capital and project development requirements. Material increases or decreases in the Company's liquidity and capital resources will be substantially determined by the success or failure of the Company's operations, exploration, and development programs, the ability to obtain equity or other sources of financing, the price of gold, and currency exchange rates.

As at December 31, 2016, the Company had cash and cash equivalents of $252.2 million compared to $282.9 million at December 31, 2015. In addition, the Company has access to $150.0 million credit facility ($150.0 million at December 31, 2015), and $14.1 million in available-for-sale securities ($6.7 million at December 31, 2015). In the opinion of management, the Company's liquidity position of $416.3 million at December 31, 2016 comprised of cash and cash equivalents, available-for-sale securities and availability under the credit facility, together with cash flows from operations, are sufficient to support the Company's normal operating requirements and capital commitments on an ongoing basis. The Company has outstanding notes in the principal amount of $315.0 million maturing in 2020, and annual interest payments of $24.4 million.

As discussed in the Key Business Development section, on February 9, 2017, the Company closed an equity financing generating proceeds of approximately $239.5 million, after transaction costs. The Company intends on using the net proceeds of the financing and existing cash to repay all of its outstanding $315.0 million senior secured 7.75% high yield notes maturing 2020. Upon repayment of the high yield notes, the Company will be debt-free with a substantial net cash and available-for-sale securities position and additional liquidity under its revolving credit facility, available for future growth projects. Through ongoing cash flow and available liquidity, the Company has sufficient resources to develop its near-term growth portfolio.

Cash Flow

(in millions)

	Three Months Ended December 31,		Years Ended December 31,		
	2016	2015	2016	2015	2014
Cash flow provided by (used in) operating activities	$38.3	$23.3	$135.7	$60.0	$77.4
Cash flow (used in) provided by investing activities	(39.4)	(40.7)	(151.5)	97.9	(150.8)
Cash flow (used in) provided by financing activities	(18.7)	(13.2)	(12.8)	40.4	21.2
Effect of foreign exchange rates on cash	(1.9)	(0.1)	(2.1)	(4.4)	(1.5)
Net increase (decrease) in cash	(21.7)	(30.7)	(30.7)	193.9	(53.7)
Cash and cash equivalents, beginning of period	273.9	313.6	282.9	89.0	142.7
Cash and cash equivalents, end of period	$252.2	$282.9	$252.2	$282.9	$89.0

Cash flow provided by operating activities

In the fourth quarter of 2016, operating activities generated cash flows of$38.3 million compared to $23.3 million in the same period of 2015 due to higher gold production and realized gold prices. For the year ended 2016, operating activities generated $135.7 million compared to $60.0 million in 2015, due to higher production and realized gold prices, as well as lower corporate and administration costs, offset by higher mining and processing costs and royalties.

Cash flow (used in) provided by investing activities

For the fourth quarter of 2016, investing activities used cash of $39.4 million compared to $40.7 million in 2015. Capital expenditures were lower in the quarter at $37.5 million compared to $40.7 million in the prior year due to lower spending at Young-Davidson. For the year ended December 31, 2016, capital expenditures were $146.5 million compared to $163.1 million in the prior-year period, with lower spending at Young-Davidson and El Chanate. This was partially offset by higher spending at Mulatos, as spending was included the full year in 2016 at Mulatos, as well as increased activity at Lynn Lake in 2016.

The primary inflow of cash from investing activities in 2015 was the $249.1 million cash acquired upon the completion of the merger on July 2, 2015. Additionally in 2015, the Company terminated the retained interest royalty which resulted in proceeds of $16.7 million.

Cash flow (used in) provided by financing activities

In the fourth quarter of 2016, the Company used cash of $18.7 million from financing activities, reflecting $12.2 million in interest paid, $3.8 million of regular payments on leases and lease buyouts, and $2.7 million paid in dividends.

For the year ended 2016, the Company used $12.8 million compared to a source of $40.4 million in 2015. This reflects $20.4 million CDE flow-through share financings as well as $7.4 million received through the exercise of stock options and warrants. These inflows were partially offset by capital lease payments of $9.7 million, dividend payments of $5.4 million, semi-annual interest payments on the senior secured notes of $24.4 million and $1.1 million in transaction fees related to the amended credit facility.

Senior Secured Notes

On March 27, 2014, the Company completed an offering of $315.0 million senior secured notes (the "secured notes"), secured by a second-ranking lien on all present and future assets, property and undertakings of the Company. The secured notes were sold at 96.524% of par, resulting in total proceeds of $304.1 million. The secured notes pay interest in semi-annual installments on April 1 and October 1 of each year, commencing on October 1, 2014, at a rate of 7.75% per annum, and mature on April 1, 2020. The Company incurred transaction costs of $7.8 million, which have been offset against the carrying amount of the secured notes and are amortized using the effective interest rate method. These notes contain transaction-based restrictive covenants that limit the Company's ability to incur additional indebtedness in certain circumstances. There are no covenants that are based on the Company's historical financial performance.

The senior secured notes indenture grants the Company the option to prepay the notes prior to the maturity of the instruments, and specifies a premium during each applicable time period. These prepayment options have been accounted for as embedded derivatives, and are outlined below:

- Subsequent to April 1, 2017, the secured notes may be repurchased at 103.875% of par value
- Subsequent to April 1, 2018, the secured notes may be repurchased at 101.938% of par value
- Subsequent to April 1, 2019, the secured notes may be repurchased at 100% of par value

The fair value of the prepayment option embedded derivative was $6.0 million at March 27, 2014, and was offset against the carrying amount of the secured notes. As at December 31, 2016, the fair value of the prepayment option embedded derivative was $9.6 million (December 31, 2015 - $0.1 million) and was offset against the carrying amount of the secured notes. The Company recorded

a gain of $9.5 million for the year ended December 31, 2016 (for the year ended December 31, 2015 - $6.6 million loss), which is recorded in Other gain (loss).

Credit Facility

On March 22, 2016, the Company amended and restated its existing $150.0 million credit facility, extending the maturity from April 26, 2016 to February 29, 2020. The amended facility consists of a committed $150.0 million revolving credit facility (the "Facility"), with an option to draw an additional $70.0 million, subject to commitments from existing and/or new lenders. The terms of the Facility reflect a reduction in pricing and removal of certain covenants compared to the previous facility. The Facility bears an interest at a 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 net leverage ratio, as defined in the agreement.

The Facility is secured by a first-ranking lien on all material present and future assets, property and undertakings of the Company. The Facility contains various 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 3.0:1.0 and (b) a maximum net leverage ratio of 3.5:1.0.

As a result of moving from a gross leverage to a net leverage ratio, the Company has improved pricing significantly under the amended facility. Based on the Company's current net leverage ratio as defined in the credit facility agreement, the rates of the undrawn and drawn fees would be 0.48% and Libor plus 2.125%, respectively, as compared to 0.78% of undrawn fees and Libor plus 3.5% of drawn fees under the previous credit facility. This is expected to result in annual savings of $0.5 million in undrawn fees. The Company paid $1.1 million in transaction costs and upfront fees on closing of the amended credit facility, which will be amortized over the term of the facility. As at December 31, 2016, the Company is in compliance with all covenants and has not drawn any funds under the Facility.

Commitments

The following table summarizes the Company's contractual obligations at December 31, 2016:

Contractual Obligations (in millions)	Total	Less than 1 year	2 - 3 years	4 - 5 years	More than 5 years
Long-term debt	315.0	—	—	315.0	—
Interest payments on long-term debt	85.4	24.4	48.8	12.2	—
Operating and financing leases	23.2	8.2	9.0	2.6	3.4
Accounts payable and accrued liabilities	94.3	94.3	—	—	—
Decommissioning liability (undiscounted)	51.3	—	—	—	51.3
Contract mining	254.6	75.6	123.0	50.7	5.3
Capital commitments	2.8	2.8	—	—	—
	$826.6	$205.3	$180.8	$380.5	$60.0

Contractual obligations exist with respect to royalties; however gold production subject to royalty cannot be ascertained with certainty and the royalty rate varies with the gold price. Based on the current gold price and rates of production, royalty expense is expected to be in the range of $3.0 to $3.5 million per quarter for 2017.

The obligations related to contract mining are based on current mine plans, and are subject to change.

Outstanding Share Data

(in 000's)	February 22, 2017
Common shares	298,731,738
Stock options	9,010,305
Warrants	11,841,630
Deferred share units	378,345
Performance share units	380,980
Restricted share units	1,875,435
	322,218,433

Related party transactions

There were no related party transactions during the year other than those disclosed in the Company's consolidated financial statements for the year ended December 31, 2016.

Off-Balance Sheet Arrangements

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

Financial Instruments

The Company seeks to manage its exposure to fluctuations in commodity prices, interest rates and foreign exchange rates by entering into derivative financial instruments from time to time.

Commodity option and forward contracts

As at December 31, 2016, the Company held option contracts to protect against the risk of a decrease in the value of the gold price on approximately 10% of gold sales. These option contracts ensure a minimum average realized gold price of $1,225 per ounce and a maximum realized gold price of $1,450 per ounce, regardless of the movement in gold prices during 2017.

The following gold collar contracts are outstanding as of December 31, 2016:

Period Covered	Ounces subject to contract[1]	Average purchase put option	Average sold call option
2017	41,280	$1,225	$1,450

(1) Exclude put options sold at an average price of $1,050 that mature in the same period.

The fair value of these contracts was an asset of $3.0 million at December 31, 2016 (December 31, 2015 - $nil). The options mature through 2017. During the year ended December 31, 2016, the Company realized losses of $1.2 million related to the settlement of option contracts. Total unrealized gains for the year ended December 31, 2016 was $3.3 million.

As of December 31, 2016, the Company sold 130,595 ounces of silver forward contracts at an average price of $18.33 per ounce. The fair value of the silver forward contracts was an asset of $0.3 million at December 31, 2016 (2015 - $nil).

Foreign currency contracts

As at December 31, 2016, the Company held option contracts to protect against the risk of an increase in the value of the Canadian dollar and Mexican peso versus the US dollar. These option contracts are for the purchase of local currencies and the sale of US dollars, which settle on a monthly basis, are summarized as follows:

Canadian dollar contracts

Period Covered	Contract type	Contracts (CAD$ Millions)	Average minimum rate (USD/CAD)	Average maximum rate (USD/CAD)
2017	Collar and forwards	243	1.29	1.38

Mexican Peso contracts

Period Covered	Contract type	Contracts (MXN Millions)	Average minimum rate (USD/CAD)	Average maximum rate (USD/CAD)
2017	Collar and forwards	1,650.0	18.52	21.26

The fair value of these contracts was a liability of $3.3 million at December 31, 2016 (December 31, 2015 - liability of $3.3 million). During the year ended December 31, 2016, the Company made payments of $1.6 million related to the foreign currency collar contracts. Total realized losses and unrealized losses on foreign currency contracts for the year ended December 31, 2016 was $1.6 million (2015 - $8.0 million loss).

Summary of Quarterly Financial and Operating Results

(in millions, except ounces, per share amounts, and average realized prices)

	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Gold ounces produced (3)	105,676	99,228	92,464	94,632	104,734	87,633	62,606	54,027
Gold ounces sold (3)	107,505	94,791	95,866	90,989	104,419	92,229	59,725	53,095
Operating Revenues	$132.2	$125.6	$120.1	$104.3	$115.7	$103.6	$71.3	$64.5
Earnings (loss) from operations	$3.5	$17.2	$2.9	($2.3)	($55.5)	($18.9)	($415.4)	($2.8)
Net earnings (loss)	($20.6)	$4.8	($11.8)	$9.7	($60.5)	($33.4)	($379.5)	($35.3)
Earnings (loss) per share, basic and diluted (2)	($0.08)	$0.02	($0.04)	$0.04	($0.24)	($0.13)	($2.83)	($0.28)
Earnings before interest, taxes, depreciation and amortization (1)	$29.3	$51.1	$29.1	$25.9	($33.4)	($0.3)	($403.8)	$21.1
Cash provided by (used in) operating activities	$38.3	$36.7	$36.9	$23.8	$23.3	($8.4)	$21.0	$24.1
Average realized gold price(1)	$1,230	$1,325	$1,253	$1,146	$1,109	$1,123	$1,194	$1,216

(1) Refer to the "Non-GAAP Measures and Additional GAAP Measures" disclosure at the end of this MD&A for a description and calculation of these measures.
(2) In connection with the Plan of Arrangement of AuRico and Former Alamos, all issued and outstanding common shares of AuRico were exchanged for Class A common shares on July 2, 2015. The exchange ratio was 0.5046 Class A common share for each common share outstanding. Prior period loss per share for both basic and diluted earnings (loss) has been adjusted for the exchange ratio.
(3) Operating and financial results for Mulatos are included in periods subsequent to and including July 2, 2015 only.

Operating revenues have trended up since Q1 2015 as a result of higher production and gold price strength. Gold production increased starting in the third quarter of 2015 as a result of the addition of the Mulatos mine to the Company's financial and operating results. Seasonal conditions can also impact production and financial results in future periods.

The reported net loss in the second quarter of 2015 reflected impairment charges at Young-Davidson, El Chanate and Kemess. The reported net loss in the fourth quarter of 2015 was impacted by a net realizable value adjustment to the El Chanate leach pad inventory, as well as a write-off of the Orion joint venture project.

Non-GAAP Measures and Additional GAAP Measures

The Company has included certain non-GAAP financial measures to supplement its Consolidated Financial Statements, which are presented in accordance with IFRS, including the following:

- cash flow from operating activities before changes in working capital and taxes received;
- mine-site free cash flow;
- total cash cost per ounce of gold sold;
- all-in sustaining cost ("AISC") per ounce of gold sold;
- mine-site all-in sustaining cost ("Mine-site AISC") per ounce of gold sold;
- sustaining and non-sustaining capital expenditures; and
- earnings before interest, taxes, depreciation, and amortization

The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-GAAP financial measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is 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. Management's determination of the components of non-GAAP and additional measures are evaluated on a periodic basis influenced by new items and transactions, a review of investor uses and new regulations as applicable. Any changes in to the measures are dully noted and retrospectively applied as applicable.

Cash Flow from Operating Activities before Changes in Working Capital and Taxes Received

"Cash flow from operating activities before changes in working capital" is a non-GAAP performance measure that could provide an indication of the Company's ability to generate cash flows from operations, and is calculated by adding back the change in working capital and taxes received to "Cash provided by (used in) operating activities" as presented on the Company's consolidated statements of cash flows. "Cash flow from operating activities before changes in working capital" is a non-GAAP financial measure with no standard meaning under IFRS.

The following table reconciles the non-GAAP measure to the consolidated statements of cash flows.

(in millions)

	Three Months Ended December 31,		Years Ended December 31,	
	2016	**2015**	**2016**	**2015**
Cash flow from operating activities	$38.3	$23.3	$135.7	$60.0
Add back: Changes in working capital and taxes received	(4.3)	(6.3)	12.3	5.3
Cash flow from operating activities before changes in working capital and taxes received	**$34.0**	**$17.0**	**$148.0**	**$65.3**

Mine-site Free Cash Flow

"Mine-site free cash flow" is a non-GAAP financial performance measure calculated as cash flow from mine-site operating activities, less mineral property, plant and equipment expenditures. The Company believes this to be a useful indicator of our ability to operate without reliance on additional borrowing or usage of existing cash. Free cash flow is intended to provide additional information only and does not have any standardized meaning under IFRS and may not be comparable to similar measures of performance presented by other mining companies. Free cash flow should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Total Mine-Site Free Cash Flow

	Three Months Ended December 31,		Years Ended December 31,	
	2016	**2015**	**2016**	**2015**
(in millions)				
Cash flow from operating activities	$38.3	$23.3	$135.7	$60.0
Less: operating cash flow used by non-mine site activity	(7.5)	(0.4)	(28.0)	(40.5)
Cash flow from operating mine-sites	**$45.8**	**$23.7**	**$163.7**	**$100.5**
Mineral property, plant and equipment expenditure	$37.5	$40.7	$146.5	$163.1
Less: capital expenditures from development projects, and corporate	(5.2)	(5.3)	(18.2)	(23.0)
Capital expenditure from mine-sites	**$32.3**	**$35.4**	**$128.3**	**$140.1**
Total mine-site free cash flow	**$13.5**	**($11.7)**	**$35.4**	**($39.6)**

Young-Davidson Mine-Site Free Cash Flow

	Three Months Ended December 31,		Years Ended December 31,	
	2016	**2015**	**2016**	**2015**
(in millions)				
Cash flow from operating activities	$26.0	$20.7	$98.4	$84.7
Mineral property, plant and equipment expenditure	(22.6)	(26.4)	(94.6)	(108.1)
Mine-site free cash flow	**$3.4**	**($5.7)**	**$3.8**	**($23.4)**

Mulatos Mine-Site Free Cash Flow

	Three Months Ended December 31,		Years Ended December 31,	
	2016	2015	2016	2015
(in millions)				
Cash flow from operating activities	$19.6	$10.2	$59.7	($0.7)
Mineral property, plant and equipment expenditure	(9.5)	(8.8)	(32.9)	(18.3)
Mine-site free cash flow	**$10.1**	**$1.4**	**$26.8**	**($19.0)**

El Chanate Mine-Site Free Cash Flow

	Three Months Ended December 31,		Years Ended December 31,	
	2016	2015	2016	2015
(in millions)				
Cash flow from operating activities	$0.2	($7.2)	$5.6	$16.5
Mineral property, plant and equipment expenditure	(0.2)	(0.2)	(0.8)	(13.7)
Mine-site free cash flow	**$—**	**($7.4)**	**$4.8**	**$2.8**

Total Cash Costs per ounce

Total cash costs per ounce is a non-GAAP term typically used by gold mining companies to assess the level of gross margin available to the Company by subtracting these costs from the unit price realized during the period. This non-GAAP term is also used to assess the ability of a mining company to generate cash flow from operations. Total cash costs per ounce includes mining and processing costs plus applicable royalties, and net of by-product revenue and net realizable value adjustments. Total cash costs per ounce is exclusive of exploration costs.

Total cash costs per ounce is intended to provide additional information only and does not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other mining companies. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measure is not necessarily indicative of cash flow from operations under IFRS or operating costs presented under IFRS.

All-in Sustaining Costs per ounce and Mine-site All-in Sustaining Costs

The Company adopted an "all-in sustaining costs per ounce" non-GAAP performance measure in accordance with the World Gold Council published in June 2013. The Company believes the measure more fully defines the total costs associated with producing gold; however, this performance measure has no standardized meaning. Accordingly, there may be some variation in the method of computation of "all-in sustaining costs per ounce" as determined by the Company compared with other mining companies. In this context, "all-in sustaining costs per ounce" for the consolidated Company reflects total mining and processing costs, corporate and administrative costs, share-based compensation, exploration costs, sustaining capital, and other operating costs.

For the purposes of calculating "mine-site all-in sustaining costs" at the individual mine-sites, the Company does not include an allocation of corporate and administrative costs and share-based compensation, as detailed in the reconciliations below.

Sustaining capital expenditures are expenditures that do not increase annual gold ounce production at a mine site and excludes all expenditures at the Company's development projects as well as certain expenditures at the Company's operating sites that are deemed expansionary in nature. For each mine-site reconciliation, corporate and administrative costs, and non-site specific costs are not included in the all-in sustaining cost per ounce calculation.

All-in sustaining costs per gold ounce is intended to provide additional information only and does not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other mining companies. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The measure is not necessarily indicative of cash flow from operations under IFRS or operating costs presented under IFRS.

Total Cash Costs and All-in Sustaining Costs per Ounce Reconciliation Tables

The following tables reconciles these non-GAAP measures to the most directly comparable IFRS measures on a Company-wide and individual mine-site basis.

Total Cash Costs and AISC Reconciliation - Company-wide

	Three Months Ended December 31,		Years Ended December 31,		
	2016	2015	2016	2015	2014
(in millions, except ounces and per ounce figures)					
Mining and processing	$86.9	$98.8	$297.0	$259.2	$195.6
Royalties	3.6	3.6	13.3	7.3	1.4
Inventory and other adjustments [1]	—	(20.9)	—	(29.4)	(19.4)
Total cash costs	$90.5	$81.5	$310.3	$237.1	$177.6
Gold ounces sold	107,505	104,419	389,151	309,468	227,966
Total cash costs per ounce	**$842**	**$780**	**$797**	**$766**	**$779**
Total cash costs	$90.5	$81.5	$310.3	$237.1	$177.6
Corporate and administrative[2]	4.6	6.5	16.3	$17.6	$18.7
Sustaining capital expenditures[3]	12.3	19.0	49.2	68.2	68.6
Share-based compensation	0.9	1.2	10.2	5.1	7.2
Exploration	1.6	0.9	3.5	3.4	—
Accretion of decommissioning liabilities	0.5	0.5	2.1	1.3	0.6
Realized losses on FX options	0.6	2.4	1.6	5.0	—
Total all-in sustaining costs	$111.0	$112.0	$393.2	$337.7	$272.7
Gold ounces sold	107,505	104,419	389,151	309,468	227,966
All-in sustaining costs per ounce	**$1,033**	**$1,073**	**$1,010**	**$1,091**	**$1,195**

(1) Inventory and other adjustments include net realizable adjustments to El Chanate and Young-Davidson.
(2) Corporate and administrative expenses exclude expenses incurred at development properties.
(3) Sustaining capital expenditures are defined as those expenditures which do not increase annual gold ounce production at a mine site and exclude all expenditures at growth projects and certain expenditures at operating sites which are deemed expansionary in nature. Total sustaining capital for the period is as follows:

	Three Months Ended December 31,		Years Ended December 31,		
	2016	2015	2016	2015	2014
Capital expenditures per cash flow statement	$37.5	$40.7	$146.5	$163.1	$188.8
Less: Young-Davidson non-sustaining capital	(12.1)	(11.7)	(54.6)	(61.1)	(97.3)
Less: Mulatos non-sustaining capital	(7.9)	(4.7)	(24.5)	(9.9)	—
Less: El Chanate non-sustaining capital	—	—	—	(0.9)	(1.3)
Less: Corporate and other non-sustaining capital	(5.2)	(5.3)	(18.2)	(23.0)	(21.6)
	$12.3	$19.0	$49.2	$68.2	$68.6

Young-Davidson Total Cash Costs and Mine-site AISC Reconciliation

	Three Months Ended December 31,		Years Ended December 31,	
	2016	2015	2016	2015
(in millions, except ounces and per ounce figures)				
Mining and processing	$26.5	$24.7	$107.4	$107.5
Royalties	0.8	0.9	3.7	2.9
Inventory and other adjustments [1]	—	—	—	(3.0)
Total cash costs	$27.3	$25.6	$111.1	$107.4
Gold ounces sold	40,934	41,509	168,979	157,161
Total cash costs per ounce	**$667**	**$617**	**$657**	**$683**
Total cash costs	$27.3	$25.6	$111.1	$107.4
Sustaining capital expenditures	10.5	14.7	40.0	47.0
Exploration	0.1	0.4	0.3	0.4
Accretion of decommissioning liabilities	—	—	0.1	0.2
Total all-in sustaining costs	$37.9	$40.7	$151.5	$155.0
Gold ounces sold	40,934	41,509	168,979	157,161
Mine-site all-in sustaining costs per ounce	**$926**	**$980**	**$897**	**$986**

[1] Inventory and other adjustments include net realizable adjustments.

Mulatos Total Cash Costs and Mine-site AISC Reconciliation

	Three Months Ended December 31,		Years Ended December 31,	
	2016	2015	2016	2015 [1]
(in millions, except ounces and per ounce figures)				
Mining and processing	$41.2	$34.5	$117.2	$118.2
Royalties	2.8	2.7	9.6	9.5
Total cash costs	$44.0	$37.2	$126.8	$127.7
Gold ounces sold	50,178	44,135	151,337	147,035
Total cash costs per ounce	**$877**	**$843**	**$838**	**$869**
Total cash costs	$44.0	$37.2	$126.8	$127.7
Sustaining capital expenditures	1.6	4.1	8.4	20.8
Exploration	0.7	0.5	1.9	3.9
Accretion of decommissioning liabilities	0.4	0.4	1.6	1.5
Total all-in sustaining costs	$46.7	$42.2	$138.7	$153.9
Gold ounces sold	50,178	44,135	151,337	147,035
Mine-site all-in sustaining costs per ounce	**$931**	**$958**	**$916**	**$1,047**

[1] The 2015 financial results from Mulatos are included in Alamos' interim consolidated financial statements for the period subsequent to July 2, 2015 only. Gold production and gold sales from Mulatos have been included in this table for periods prior to this for comparative purposes only. Gold production from Mulatos for the year ended December 31, 2015 was 140,330 ounces. Gold sales for the year ended December 31, 2015 was 147,035 ounces.

El Chanate Total Cash Costs and Mine-site AISC Reconciliation

	Three Months Ended December 31,		Years Ended December 31,	
	2016	**2015**	**2016**	**2015**
(in millions, except ounces and per ounce figures)				
Mining and processing	$19.2	$18.7	$72.4	$89.9
Inventory and other adjustments[1]	—	—	—	(26.4)
Total cash costs	$19.2	$18.7	$72.4	$63.5
Gold ounces sold	16,393	18,775	68,835	78,576
Total cash costs per ounce	**$1,171**	**$994**	**$1,052**	**$808**
Total cash costs	$19.2	$18.7	$72.4	$63.5
Sustaining capital expenditures	0.2	0.2	0.8	12.7
Exploration	—	—	—	0.3
Accretion of decommissioning liabilities	0.1	0.1	0.4	0.4
Total all-in sustaining costs	$19.5	$19.0	$73.6	$76.9
Gold ounces sold	16,393	18,775	68,835	78,576
Mine-site all-in sustaining costs per ounce	**$1,190**	**$1,009**	**$1,069**	**$978**

[1] Inventory and other adjustments include net realizable adjustments.

Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA")

EBITDA represents net earnings before interest, taxes, depreciation, and amortization. EBITDA is an indicator of the Company's ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures.

EBITDA does not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other mining companies. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The following is a reconciliation of EBITDA to the consolidated financial statements:

(in millions)

	Three Months Ended December 31,		Years Ended December 31,	
	2016	**2015**	**2016**	**2015**
Net earnings (loss)	($20.6)	($60.5)	($17.9)	($508.9)
Add back:				
Finance expense	6.4	6.8	24.0	24.2
Amortization	31.1	37.5	119.0	117.5
Amortization included in other income / (loss)	—	—	—	0.7
Deferred income tax expense (recovery)	11.5	(18.8)	6.5	(52.6)
Current income tax expense	0.9	1.6	3.8	2.8
EBITDA	**$29.3**	**($33.4)**	**$135.4**	**($416.3)**

Additional GAAP Measures

Additional GAAP measures are presented on the face of the Company's consolidated statements of comprehensive income and are not meant to be a substitute for other subtotals or totals presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. The following additional GAAP measures are used and are intended to provide an indication of the Company's mine and operating performance:

- *Earnings from operations* -represents the amount of earnings before net finance income/expense, foreign exchange gain/loss, other income/loss, and income tax expense

Accounting Estimates, Policies and Changes

Accounting Estimates

The preparation of financial statements under IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. Accounts which require management to make material estimates and significant assumptions in determining amounts recorded include: recoverable reserves, inventory recoveries, share-based payments, decommissioning liabilities, units of production amortization, and provisions and contingencies.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years include: impairment of tangible and intangible assets, determination of functional currency, amortization methods, uncertain tax positions and recovery of deferred tax assets.

(i) Impairment:

The Company assesses its mineral property, plant and equipment and exploration and evaluation assets annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance.

(ii) Recoverable mineral reserves:

Mineral reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its recoverable mineral reserves based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and requires complex geological judgments to interpret the data. The estimation of recoverable mineral reserves is based upon factors such as estimates of, commodity prices, production costs, future capital requirements, and foreign exchange rates, along with geological assumptions and judgments made in estimating the size and grade of the ore body, and metallurgical assumptions made in estimating recovery of the ore body. Changes in the mineral reserve or resource estimates may impact the carrying value of exploration and evaluation assets, mineral property, plant and equipment, decommissioning liabilities, and amortization expense.

(iii) Units-of-production ("UOP") amortization:

Estimated recoverable proven and probable mineral reserves and the portion of mineral resources expected to be reclassified into mineral reserves in the future are used in determining the amortization of certain mineral property, plant and equipment. This results in an amortization charge proportional to the depletion of the anticipated remaining mine life. These calculations require the use of estimates and assumptions, including the amount of recoverable proven and probable reserves, the estimate of mineralization expected to convert to mineral reserves, and estimates of future capital expenditures. Numerous UOP amortization methods are available to choose from; the Company has adopted a methodology based on estimated recoverable proven and probable mineral reserves and an estimate of mineral resources expected to be reclassified into mineral reserves over the life of mine.

(iv) Inventory:

The Company accounts for its in-process precious metals and ore in stockpiles inventory using a process flow for applicable costs appropriate to the physical transformation of ore through the mining, crushing, leaching and gold recovery process. The Company is required to estimate the ultimate recovery based on laboratory tests and ongoing analysis of leach pad kinetics in order to determine the recoverable metals from the leach pad at the end of each accounting period. If the Company determines at any time that the ultimate recovery should be adjusted downward, then the Company will adjust the average carrying value of a unit of metal content in the in-process inventory and adjust upward on a prospective basis the unit cost of subsequent production. The Company estimates concentrate production based on assays and moisture samples taken and tested in laboratories, as well as weights using a calibrated scale. Final weights and assays are taken on settlement with the buyer, which are reconciled to production. Should an upward adjustment in the average carrying value of a unit of metal result in the carrying value exceeding the realizable value of the metal, the Company would write down the carrying value to the realizable value.

(v) Share based payments:

The Company follows accounting guidelines in determining the fair value of share-based compensation. The computed amount is not based on historical cost, but is derived based on subjective assumptions input into an option pricing model. The model requires that management make forecasts as to future events, including estimates of: the average future hold period of issued stock options

or stock appreciation rights before exercise, expiry or cancellation; future volatility of the Company's share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. Share-based compensation incorporates an expected forfeiture rate. The expected forfeiture rate is estimated based on historical forfeiture rates and expectations of future forfeiture rates, and is adjusted if the actual forfeiture rate differs from the expected rate.

The resulting value calculated is not necessarily the value that the holder of the instrument could receive in an arm's length transaction, given that there is no market for these instruments and they are not transferable. It is management's view that the value derived is highly subjective and dependent upon the input assumptions made.

(vi) Decommissioning liabilities:

The Company is required to determine the expected value of the estimated costs of decommissioning liabilities and to recognize this value as a liability when reasonably determinable. Key assumptions in determining the amount of the liability are: total undiscounted cash outflows, expected timing of payment of the cash outflows and appropriate inflation and discount rates to apply to the timing of cash outflows. Because the liability is recorded on a discounted basis, it is increased due to the passage of time with an offsetting charge to financing expense in the statement of comprehensive income. The Company calculated its estimated mine site closure costs based on a mine closure and reclamation plan prepared by management and reviewed by an independent third party. The majority of the expenditures associated with reclamation and mine closure will be incurred at the end of the mine life, expected to be approximately 7 years based on expected proven and probable mineral reserves and the current rate of production.

(vii) Provisions:

The Company records provisions which include various estimates, including the Company's best estimate of the future costs associated with settlement of the obligation, and discount rates applied. Such estimates are necessarily calculated with reference to external sources, all of which are subject to annual review and change.

(viii) Recovery of deferred tax assets:

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets require management to assess the likelihood that the Company will generate taxable income in future periods in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows and the application of existing tax laws in each jurisdiction.

Critical accounting judgements

The following are critical judgements that management has made in the process of applying accounting policies that may have a significant impact on the amounts recognized in the consolidated financial statements.

- The Company makes judgements about whether or not indicators of impairment, or indicators of a reversal of impairment, exist at each reporting period. This determination impacts whether or not a detailed impairment assessment is performed at the reporting date. These judgements did not impact cash generating units at December 31, 2016, however for the year ended December 31, 2015, the Company recorded impairment charges. Refer to note 11 for further information.
- The Company is subject to income taxes in different jurisdictions. Significant judgment is required in determining the provision for income taxes, due to the complexity of legislation.

New Standards issued and adopted

The Company adopted the following amendments to accounting standards, effective January 1, 2016:

Amendments to International Accounting Standards ("IAS") 16, *Property, Plant and Equipment* and IAS 38, *Intangibles*. These amendments prohibit the use of revenue-based depreciation methods for property, plant and equipment and limit the use of revenue-based amortization for intangible assets. These amendments had no impact on the Company's consolidated financial statements as revenue-based depreciation or amortization methods are not used.

Amendments to IFRS 11, *Joint Arrangements*. The amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business. The amendments had no impact on the consolidated financial statements.

Standards issued but not yet adopted

Standards issued, but not yet adopted include:

Asset	Effective
Amendments to IAS 12, Income taxes	January 1, 2017
IFRS 15, Revenue from Contracts with Customers	January 1, 2018
IFRS 16, Leases	January 1, 2019
IFRS 9, Financial Instruments	January 1, 2017
IFRIC 22, Foreign Currency Transactions and Advance Consideration	January 1, 2018

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The standard replaces IAS 11, Construction Contracts; IAS 18, Revenue; IFRIC 13, Customer Loyalty Programmes; IFRIC 15, Agreements for the Construction of Real Estate; IFRIC 18, Transfer of Assets from Customers; and SIC 31, Revenue - Barter Transactions Involving Advertising Services. This standard establishes principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contract with customers. This standard is effective for annual periods beginning on or after January 1, 2018, and permits early adoption. The Company is currently evaluating the impact of this standard on the consolidated financial statements, however, no material impact to the consolidated financial statements is anticipated.

On January 6, 2016, the IASB issued IFRS 16, Leases. This standard specifies the methodology to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. This standard replaces IAS 17, Leases. The standard is effective for reporting periods beginning on or after January 1, 2019 with early adoption permitted. The Company is initiating a project during 2017 to assess the impact of the adopting the new standard on its consolidated financial statements.

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 Company will adopt the amendments to IAS 12 in its financial statements for the annual period beginning on January 1, 2017. The extent of the impact of adoption of the amendments has not yet been determined.

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 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 Interpretation to have a material impact on the financial statements.

In July 2014, the IASB issued IFRS 9, Financial Instruments, which will replace IAS 39, Financial Instruments: Recognition and Measurement. The replacement standard provides a new model for the classification and measurement of financial instruments. IFRS 9 also includes a substantially reformed approach to hedge accounting which aligns hedge accounting more closely with risk management. The Company has elected to early adopt the standard commencing January 1, 2017 on a retrospective basis, using certain available transitional provisions. The adoption of the standard will allow the Company to apply hedge accounting to certain currency derivatives the Company uses to manage its foreign currency exposure. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements, but will result in additional disclosures.

Internal Control over Financial Reporting

Management is responsible for the design and operating effectiveness of internal controls over financial reporting. Under the supervision of the Chief Executive Officer and Chief Financial Officer, management evaluated the effectiveness of the Company's internal control over financial reporting as of December 31, 2016. In making the assessment, management used the criteria set forth in Internal Control - Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, management determined internal control over financial reporting was operating effectively as at December 31, 2016.

KPMG LLP, an independent registered public accounting firm, has audited the effectiveness of the Company's internal control over financial reporting, and has expressed their opinion in their report included with our annual consolidated financial statements filed on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Disclosure Controls

Management is also responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is accumulated and communicated to the Company's certifying officers to allow timely decisions regarding required disclosure in its annual filings, interim filings or other reports filed or submitted by it under securities legislation, and that the information is recorded, processed, summarized and reported within the time periods specified in the securities legislation made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the effectiveness of the Company's disclosure controls and procedures as at December 31, 2016 and have concluded that these disclosure controls and procedures were appropriately designed and operating effectively as at December 31, 2016.

Limitations of Controls and Procedures

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

Risk Factors and Uncertainties

Risk Factors

The following is a discussion of risk factors relevant to the Company's operations and future financial performance. Additional risks not currently known by the Company, or that the Company currently deems immaterial, may also impair the Company's operations. You should carefully consider the risks and uncertainties described below as well as the other information contained and incorporated by reference in this AIF.

The financing, exploration, development and mining of any of the Company's properties is subject to a number of risk factors, including, among other things, the price of gold, laws and regulations, political conditions, currency fluctuations, and the ability to hire qualified people and to obtain necessary services in jurisdictions where the Company operates. Before deciding to invest in securities of the Company, investors should consider carefully such risks and uncertainties.

Commodity and Currency Risk

In recent years financial conditions have been characterized by volatility, which in turn has resulted in volatility in commodity prices and foreign exchange rates, tightening of the credit market, increased counterparty risk, and volatility in the prices of publicly traded entities. The volatility in commodity prices and foreign exchange rates directly impacts the Company's revenues, earnings and cash flow.

The volatility of the price of gold and the price of other metals could have a negative impact on the Company's future operations.

The value of the Company's mineral resources and future operating profit and loss is significantly impacted by fluctuations in gold prices, over which the Company has no control. A reduction in the price of gold may prevent the Company's properties from being economically mined or result in the write-off of assets whose value is impaired as a result of low gold prices. The price of gold may also have a significant influence on the market price of the Company's common shares. The price of gold is affected by numerous factors beyond the Company's control, such as the level of inflation, fluctuation of the United States dollar and foreign currencies, global and regional demand, sale of gold by central banks and the political and economic conditions of major gold producing countries throughout the world. The price of gold has decreased significantly in the past several years.

In addition to adversely affecting the Company's reserve and resource estimates and financial condition, declining metal prices can impact operations by requiring a reassessment of the feasibility of a particular project, and the Company may determine that it is not feasible to continue commercial production at some or all of its current projects. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays and/or may interrupt operations until the reassessment can be completed, which may have a material adverse effect on the results of operations and financial condition.

From time to time the Company may engage in commodity hedging transactions intended to reduce the risk associated with fluctuations in commodity prices, but there is no assurance that any such commodity-hedging transactions designed to reduce the risk associated with fluctuations in metal prices will be successful. Hedging may not protect adequately against declines in the price of the hedged metal. Furthermore, although hedging may protect the Company from a decline in the price of the metal being hedged, it may also prevent it from benefiting from price increases.

The Company is subject to currency fluctuations that may adversely affect the financial position of the Company.

The Company is subject to currency risks. The Company's functional currency is the United States dollar, which is exposed to fluctuations against other

currencies. The Company's mining operations are located in Canada and Mexico, with additional development stage assets in Canada, the United States, Mexico and Turkey, and as such many of its expenditures and obligations are denominated in Canadian dollars, Mexican pesos, Turkish lira and Euros. The Company maintains its principal office in Toronto (Canada), maintains cash accounts in U.S. dollars, Mexican pesos, Turkish lira, Euros and Canadian dollars and has monetary assets and liabilities in U.S. and Canadian dollars, Mexican pesos and Turkish lira.

The Company's operating results and cash flow are significantly affected by changes in the U.S./Canadian dollar and U.S./Mexican peso exchange rates. Revenues are denominated in U.S. dollars, while most expenses are currently denominated in Canadian dollars and Mexican pesos. Exchange rate movements can therefore have a significant impact on most of the Company's costs. The appreciation of non-U.S. dollar currencies against the U.S. dollar can increase the costs of production at Alamos' mines, making these mines less profitable.

From time to time the Company may engage in foreign exchange hedging transactions intended to reduce the risk associated with fluctuations in foreign exchange rates, but there is no assurance that any such hedging transactions designed to reduce the risk associated with fluctuations in exchange rates will be successful and as such, operating costs and capital expenditures may be adversely impacted.

Financial, Finance and Tax Risks

The Company's activities expose it to a variety of financial risks including interest rate risk, credit risk and liquidity risk. The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company may use derivative financial instruments to hedge certain risk exposures. The Company does not purchase derivative financial instruments for speculative investment purposes.

The Company's level of indebtedness could have material and adverse consequences to the Company's security holders.

The Company has a significant amount of secured indebtedness. The Company's high level of indebtedness, including the senior secured notes issued on March 27, 2014, could have material and adverse consequences to the Company and the Company's security holders, including:

- Making it more difficult for the Company to satisfy its obligations to pay interest and to pay principal when due;
- Limiting the Company's ability to obtain additional financing to repay existing indebtedness, fund future working capital, capital expenditures, acquisitions or other general corporate requirements, or requiring the Company to make non-strategic divestitures;
- Requiring a substantial portion of the Company's cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for payment of cash dividends, working capital, capital expenditures, acquisitions and other general corporate purposes;
- Increasing the Company's vulnerability to general adverse economic and industry conditions;
- Limiting the Company's flexibility in planning for and reacting to changes in the industry in which it competes;
- Placing the Company at a disadvantage compared to other, less leveraged competitors; and
- Increasing the Company's cost of borrowing.

The Company may not be able to generate sufficient cash to service all of its indebtedness, including the secured notes, and may be forced to take other actions to satisfy its obligations under such indebtedness, which may not be successful. The Company's ability to make scheduled payments on or refinance its debt obligations depends on its financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond its control. The Company may be unable to maintain a level of cash flows from operating activities sufficient to permit it to pay the principal, premium, if any, and interest on the Company's indebtedness.

If the Company's cash flows and capital resources are insufficient to fund its debt service obligations, it could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance its indebtedness. The Company may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternatives may not allow the Company to meet its scheduled debt service obligations. The Company's revolving credit facility and the indenture governing the secured notes will restrict its ability to dispose of assets and use the proceeds from those dispositions and may also restrict its ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. The Company may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. Should the Company incur additional debt, this could increase the risks to its financial condition described above.

On February 9, 2017, the Company announced that it had completed a US$250m equity financing, with the use of proceeds, along with existing cash resources, to eliminate the Company's senior secured notes.

The Company's revolving credit facility and the indenture governing the secured notes contain a number of restrictive covenants that impose significant operating and financial restrictions on the Company and may limit its ability to engage in acts that may be in the Company's long-term best interest.

The Company's failure to comply with covenants in its revolving credit facility and senior secured notes indenture could result in an event of default which, if not cured or waived, could result in a cross-default under other debt instruments and the acceleration of all its debt. The restrictions include, without limitation, restrictions on its ability to:

- Incur additional indebtedness;
- Pay dividends or make other distributions or repurchase or redeem its capital stock;
- Prepay, redeem or repurchase certain debt;
- Make loans and investments;
- Sell, transfer or otherwise dispose of assets;
- Incur or permit to exist certain liens;

- Enter into transactions with affiliates;
- Enter into agreements restricting its subsidiaries' ability to pay dividends; and
- Consolidate, amalgamate, merge or sell all or substantially all of the Company's assets.

The Company's ability to raise funds through the issuance of debt instruments could be adversely impacted by the credit rating of the Company's existing debt.

The Company's debt currently has a non-investment grade rating, and any rating assigned could be lowered or withdrawn entirely by a rating agency, if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Any future lowering of the Company's ratings likely would make it more difficult or more expensive for it to obtain additional debt financing.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available cash reserves and credit in order to meet its liquidity requirements at any point in time. The total cost and planned timing of acquisitions and/or other development or construction projects is not currently determinable and it is not currently known whether the Company will require external financing in future periods.

In order to finance future operations, the Company may raise funds through the issuance of shares or the issuance of debt instruments or other securities convertible into shares.

The Company cannot predict the potential need or size of future issuances of common shares or the issuance of debt instruments or other securities convertible into shares or the effect, if any, that this would have on the market price of the Company's common shares. Any transaction involving the issuance of shares, or securities convertible into shares, could result in dilution, possibly substantial, to present and prospective security holders.

The Company is subject to taxation in multiple jurisdictions and adverse changes to the taxation laws of such jurisdictions could have a material adverse effect on its profitability.

The Company has operations and conducts business in multiple jurisdictions and it is subject to the taxation laws of each such jurisdiction. These taxation laws are complicated and subject to change. The Company may also be subject to review, audit and assessment in the ordinary course. Any such changes in taxation law or reviews and assessments could result in higher taxes being payable or require payment of taxes due from previous years, which could adversely affect the Company's profitability. Taxes may also adversely affect the Company's ability to repatriate earnings and otherwise deploy its assets.

The Company may not be able to obtain the external financing necessary to continue its exploration and development activities on its mineral properties.

The ability of the Company to continue the exploration and development of its property interests will be dependent upon its ability to increase revenues from its existing production and planned expansions, and potentially raise significant additional financing thereafter. The sources of external financing that the Company may use for these purposes may include project debt, corporate debt or equity offerings. There is no assurance that the financing alternative chosen by the Company will be available to the Company, on favourable terms or at all. Depending on the alternative chosen, the Company may have less control over the management of its projects. There is no assurance that the Company will successfully increase revenues from existing and expanded production. Should the Company not be able to obtain such financing and increase its revenues, it may become unable to acquire and retain its exploration properties and carry out exploration and development on such properties, and its title interests in such properties may be adversely affected or lost entirely.

Production, Mining and Operating Risks

The Company is, and expects to continue to be, dependent on three mines for all of its commercial production.

The Young-Davidson, Mulatos and El Chanate mines accounted for all of the Company's commercial production in 2016 and are expected to continue to account for all of its commercial production for the foreseeable future. Any adverse condition affecting mining, processing conditions, expansion plans or ongoing permitting at Young-Davidson, Mulatos or El Chanate could have a material adverse effect on the Company's financial performance and results of operations.

Forecasts of future production are estimates based on interpretation and assumptions and actual production may be less than estimated.

The Company prepares estimates of future production for its operating mines. The Company cannot give any assurance that it will achieve its production estimates. The failure of the Company to achieve its production estimates could have a material and adverse effect on future cash flows, profitability, results of operations and financial condition. These production estimates are dependent on, among other things, the accuracy of mineral reserve estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions, physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics and the accuracy of estimated rates and costs of mining and processing.

The Company's actual production may vary from its estimates for a variety of reasons, including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors such as the need for sequential development of orebodies and the processing of new or different ore grades from those planned; mine failures, slope failures or equipment failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for operation, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; labour shortages or strikes; civil disobedience and protests; and restrictions or regulations imposed by government agencies or other changes in the regulatory environments. Such occurrences could result in damage to mineral properties, interruptions in production, injury or death to persons, damage to property of the Company or others, monetary losses and legal liabilities. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable, forcing the Company to cease production. It is not unusual in new mining operations to experience unexpected problems during the start-up phase. Depending on the price of gold or other minerals, the Company may determine that it is impractical to commence or, if commenced, to continue commercial production at a particular site.

Mining operations and facilities are intensive users of electricity and carbon-based fuels. Energy prices can be affected by numerous factors beyond the Company's control, including global and regional supply and demand, political and economic conditions, and applicable regulatory regimes. The prices of various sources of energy may increase significantly from current levels. An increase in energy prices for which the Company is not hedged could materially adversely affect the results of operations and financial condition.

The Company's production costs are also affected by the prices of commodities consumed or used in operations, such as lime, cyanide and explosives. The prices of such commodities are influenced by supply and demand trends affecting the mining industry in general and other factors outside the Company's control. Increases in the price for materials consumed in mining and production activities could materially adversely affect the Company's results of operations and financial condition.

Risks and costs relating to development, ongoing construction and changes to existing mining operations and development projects.

The Company's ability to meet development and production schedules and cost estimates for its development and expansion projects cannot be assured. Without limiting the generality of the foregoing, the Company is in the process of completing a ramp-up and expansion at the Young Davidson Mine and development at its Cerro Pelon and La Yaqui deposits near the Mulatos mine in Mexico. In addition, the Company is undertaking permitting efforts with respect to expanded tailings dam facilities at the Young Davidson Mine. Technical considerations, delays in obtaining governmental approvals, inability to obtain financing or other factors - including specifically to the foregoing - could cause delays in current mining operations or in developing properties. Such delays could materially affect the financial performance of the Company.

The Company prepares estimates of operating costs and/or capital costs for each operation and project. No assurance can be given that such estimates will be achieved. Failure to achieve cost estimates or material increases in costs could have an adverse impact on future cash flows, profitability, results of operations and financial condition.

Development projects are uncertain and it is possible that actual capital and operating costs and economic returns will differ significantly from those estimated for a project prior to production.

Alamos has a number of development stage projects in Canada, Mexico, the United States and Turkey. Mine development projects require significant expenditures during the development phase before production is possible. Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and availability of adequate financing. The economic feasibility of development projects is based on many factors such as: estimation of mineral reserves, anticipated metallurgical recoveries, environmental considerations and permitting, future gold prices, and anticipated capital and operating costs of these projects. Our development projects have no operating history upon which to base estimates of future production and cash operating costs. Particularly for development projects, estimates of proven and probable mineral reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of gold from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual capital and operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

Any of the following events, among others, could affect the profitability or economic feasibility of a project: unanticipated changes in grade and tonnes of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems, incorrect data on which engineering assumptions are made, availability of labour, costs of processing and refining facilities, availability of economic sources of power, adequacy of water supply, availability of surface on which to locate processing and refining facilities, adequate access to the site, unanticipated transportation costs, government regulations (including regulations with respect to the environment, prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, environmental), fluctuations in gold prices, and accidents, labour actions and force majeure events.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production. It is likely that actual results for our projects will differ from current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favourable than currently estimated, our business, results of operations, financial condition and liquidity could be materially adversely affected.

The figures for the Company's reserves and resources are estimates based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated.

The Company must continually replace reserves depleted by production to maintain production levels over the long term. Reserves can be replaced by expanding known orebodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature. Alamos' exploration projects involve many risks and are frequently unsuccessful. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change.

The Company's mineral reserve and mineral resource estimates are estimates only and no assurance can be given that any particular level of recovery of gold or other minerals from mineral resources or mineral reserves will in fact be realized. There can also be no assurance that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited. Additionally, no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. These estimates may require adjustments or downward revisions based upon further exploration or development work or actual production experience.

Estimates of mineral resources and mineral reserves can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ dramatically from that indicated by results of drilling, sampling and other similar examinations. Short term factors relating to mineral resources and mineral reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations.

Material changes in mineral resources and mineral reserves, grades, stripping ratios or recovery rates may affect the economic viability of projects. There is a risk that depletion of reserves will not be offset by discoveries, acquisitions or the conversion of mineral resources into mineral reserves. The mineral base of Alamos' mines may decline if reserves are mined without adequate replacement and the Company may not be able to sustain production beyond the current mine lives, based on current production rates.

Mineral resources and mineral reserves are reported as general indicators of mine life. Mineral resources and mineral reserves should not be interpreted as

assurances of mine life or of the profitability of current or future operations. There is a degree of uncertainty attributable to the calculation and estimation of mineral resources and mineral reserves and corresponding grades being mined or dedicated to future production. Until ore is actually mined and processed, mineral reserves and grades must be considered as estimates only.

In addition, the quantity of mineral resources and mineral reserves may vary depending on mineral prices. Extended declines in market prices for gold, silver and copper may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material change in mineral resources and mineral reserves, grades or stripping ratios may affect the economic viability of the Company's projects.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. The SEC does not permit mining companies in their filings with the SEC to disclose estimates other than mineral reserves. However, because the Company prepares its reserve and resource estimates in accordance with Canadian disclosure requirements, it contains resource estimates, which are required by NI 43-101. Mineral resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill hole information, which is not necessarily indicative of the conditions between and around drill holes. Accordingly, such mineral resource estimates may require revision as more drilling information becomes available or as actual production experience is gained. No assurance can be given that any part or all of mineral resources constitute or will be converted into reserves.

Legal, Permitting, Regulatory, Title and Political Risk

The Company's operating and development properties are located in jurisdictions that are subject to changes in economic and political conditions and regulations in those countries.

The economics of the mining and extraction of precious metals are affected by many factors, including the costs of mining and processing operations, variations of grade of ore discovered or mined, fluctuations in metal prices, foreign exchange rates and the prices of goods and services, applicable laws and regulations, including regulations relating to royalties, allowable production and importing and exporting goods and services. Depending on the price of minerals, the Company may determine that it is neither profitable nor advisable to acquire or develop properties, or to continue mining activities.

The Company's mineral properties are located in Canada, Mexico, Turkey and the USA. Economic and political conditions in these countries could adversely affect the business activities of the Company. These conditions are beyond the Company's control, and there can be no assurances that any mitigating actions by the Company will be effective.

Changing laws and regulations relating to the mining industry or shifts in political conditions may increase the costs related to the Company's activities including the cost of maintaining its properties. Operations may also be affected to varying degrees by changes in government regulations with respect to restrictions on production, price controls, export controls, income taxes, royalties, expropriation of property, environmental legislation (including specifically legislation enacted to address climate change) and mine safety. The effect of these factors cannot be accurately predicted. Economic instability could result from current global economic conditions and could contribute to currency volatility and potential increases to income tax rates, both of which could significantly impact the Company's profitability.

The Company's activities are subject to extensive laws and regulations governing worker health and safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters. Regulators have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards.

Risk factors specific to certain jurisdictions are described throughout, including specifically: "Risks related to development stage assets in Turkey", "Water Management at the Company's Mining operations", "Security in Mexico" and "The Company will be unable to undertake its required drilling and other development work on its properties if all necessary permits and licenses are not granted." The occurrence of the various factors and uncertainties related to economic and political risks of operating in the Company's jurisdictions cannot be accurately predicted and could have a material adverse effect on our operations or profitability.

Risk related to development stage assets in Turkey

The Company has development stage mineral properties located in Turkey. Economic and political conditions in Turkey could adversely affect the business activities of the Company.

These conditions are beyond the Company's control, and there can be no assurances that any mitigating actions by the Company will be effective. In the past year, Turkey has experienced significant political, social, legal and regulatory instability, including an attempted coup. The impact of the change in political climate in Turkey is yet unknown, but may include heightened control of the judiciary, bureaucracy, media and the private business sector. Changes to existing governmental regulations may affect the Company's ability to conduct business and mineral exploration and mining activities more broadly and the Company's ability to generate cash flow and profits from operations. Associated risks include, but are not limited to, resource nationalism, terrorism, corruption, extreme fluctuations in currency exchange rates and high rates of inflation.

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Security in Mexico

In recent years, criminal activity and violence has increased in parts of Mexico. The mining sector has not been immune to the impact of criminal activity and violence, including in the form of kidnapping for ransom and extortion by organized crime, as well as direct armed robberies of mining operations. The Company takes measures to protect employees, property and production facilities from these and other security risks. There can be no assurance, however, that security incidents, in the future, will not have a material adverse effect on our operations.

The Company will be unable to undertake its required drilling and other development work on its properties if all necessary permits and licenses are not granted.

A number of approvals, licenses and permits are required for various aspects of exploration, development and expansion projects. The Company is uncertain if all necessary permits will be maintained or obtained on acceptable terms or in a timely manner. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration and development activities or any other projects with which the Company becomes involved. Any failure to comply with applicable laws and regulations or failure to obtain or maintain permits, even if inadvertent, could result in the interruption of production, exploration or development, or material fines, penalties or other liabilities. It remains uncertain if the Company's existing permits may be affected in the future or if the Company will have difficulties in obtaining all necessary permits that it requires for its proposed or existing mining activities.

On January 5, 2017, the Company announced that it had received its forestry permit in connection with its Kirazli project in Turkey. The Company is pursuing the GSM (Business Opening and Operation) permit which is granted by the Çanakkale Governorship. It remains uncertain if the Company will be able to maintain its existing permits and/or obtain all additional permits that it requires for its proposed mining activities. Although the Company has reason to expect the GSM permit in the first half of 2017, there can be no certainty with respect to permitting timelines.

In order to maintain mining concessions in good standing, concession holders must advance their projects efficiently, including by obtaining the necessary permits prior to stipulated deadlines. The Company has implemented plans to obtain all necessary permits prior to the relevant deadlines. While the Company is confident in its ability to meet all required deadlines or milestones so as to maintain its concessions in good standing, there is risk that the relevant permitting and licensing authorities will not respond in a timely manner. If these deadlines are not met, the Company believes that extensions to deadlines for obtaining the required approvals and permits could be negotiated so that the concessions would remain in good standing. However, there is no guarantee that the Company will be able to obtain the approvals and permits as planned or, if unable to meet such deadlines, that negotiations for an extension will be successful in order to maintain its concessions in good standing. If the concessions were to expire, this could have a material adverse impact on the Company and its ability to control and develop its Turkish projects.

Litigation could be brought against the Company and the resolution of legal proceedings or disputes may have a material adverse effect on the Company's future cash flows, results of operations or financial condition.

The Company could be subject to legal claims and/or complaints and disputes with other parties that result in litigation, including unexpected environmental remediation costs, arising out of the normal course of business. The results of litigation cannot be predicted with certainty. The costs of defending and settling litigation can be significant, even for claims that have no merit. There is a risk that if such claims are determined adversely to the Company, they could have a material adverse effect on the Company's financial performance, cash flow and results of operations.

Some of the Company's mineral assets are located outside Canada and are held indirectly through foreign affiliates.

It may be difficult if not impossible to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of the securities laws of certain provinces against substantially all of the Company's assets which are located outside Canada.

Failure of the Company to comply with laws and regulations could negatively impact current or planned mining activities and exploration and developmental activities.

The Company's mining, exploration and development activities are subject to extensive laws and regulations concerning the environment, worker health and safety, employment standards, waste disposal, mine development, mine operation, mine closure and reclamation and other matters. The Company requires permits and approvals from various regulatory authorities for many aspects of mine development, operation, closure and reclamation. In addition to meeting the requirements necessary to obtain such permits and approvals, they may be invalidated if the applicable regulatory authority is legally challenged that it did not lawfully issue such permits and approvals. The ability of the Company to obtain and maintain permits and approvals and to successfully develop and operate mines may be adversely affected by real or perceived impacts associated with its activities that affect the environment and human health and safety at its development projects and operations and in the surrounding communities. The real or perceived impacts of the activities of other mining companies may also adversely affect our ability to obtain and maintain permits and approvals. The Company is uncertain as to whether all necessary permits will be maintained on acceptable terms or in a timely manner. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively affect current or planned mining, exploration and developmental activities on the projects in which the Company is or may become involved. Any failure to comply with applicable laws and regulations or to obtain or maintain permits, even if inadvertent, could result in the interruption of mining, exploration and developmental operations or in material fines, penalties, clean-up costs, damages and the loss of key permits or approvals. While the Company has taken great care to ensure full compliance with its legal obligations, there can be no assurance that the Company has been or will be in full compliance with all of these laws and regulations, or with all permits and approvals that it is required to have. Environmental and regulatory review has also become a long, complex and uncertain process that can cause potentially significant delays.

The Company cannot guarantee that title to its properties will not be challenged.

The validity of the Company's mining claims and access rights can be uncertain and may be contested. Although the Company is satisfied it has taken reasonable measures to acquire the rights needed to undertake its operations and activities as currently conducted, some risk exists that some titles and access rights may be defective. No assurance can be given that such claims are not subject to prior unregistered agreements or interests or to undetected or other claims or interests which could be materially adverse to the Company. While the Company has used its best efforts to ensure title to all its properties and secured access to surface rights, these titles or rights may be disputed, which could result in costly litigation or disruption of operations. From time to time, a land possessor may dispute the Company's surface access rights, and as a result the Company may be barred from its legal occupation rights. Surface access issues have the potential to result in the delay of planned exploration programs, and these delays may be significant. The Company expects that it will be able to resolve these issues, however, there can be no assurance that this will be the case.

Additional future property acquisitions, relocation benefits, legal and related costs may be material. The Company cannot currently determine the expected timing, outcome of negotiations or costs associated with the relocation of the remaining property owners and possessors and potential land acquisitions. The Company may need to enter into negotiations with landowners and other groups in the host communities where our projects are located in order to conduct future exploration and development work. There is no assurance that future discussions and negotiations will result in agreements with landowners or other local community groups so as to enable the Company to conduct exploration and development work on these projects.

The Company provides significant economic and social benefits to our host communities and countries, which facilitates broad stakeholder support for our operations and projects. There is no guarantee however that local residents will support our operations or projects.

Relationships with Key Stakeholders

Aboriginal title claims, rights to consultation/accommodation, and the Company's relationship with local communities may affect the Company's existing operations and development projects.

Governments in many jurisdictions must consult with Aboriginal peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of Aboriginal people may require accommodations, including undertakings regarding employment, royalty payments and other matters. This may affect the Company's ability to acquire, within a reasonable time frame, effective mineral titles in these jurisdictions, including in some parts of Canada, in which Aboriginal title is claimed, and may affect the timetable and costs of development of mineral properties in these jurisdictions. The risk of unforeseen Aboriginal title claims also could affect existing operations as well as development projects. These legal requirements may also affect the Company's ability to expand or transfer existing operations or to develop new projects.

The Company's relationship with the communities in which it operates are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Adverse publicity relating to the mining industry generated by non-governmental organizations and others could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Company is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this regard will mitigate this potential risk.

The inability of the Company to maintain positive relationships with local communities may result in additional obstacles to permitting, increased legal challenges, or other disruptive operational issues at any of our operating mines, and could have a significant adverse impact on the Company's ability to generate cash flow, with a corresponding adverse impact to the Company's share price and financial condition.

The Company's directors and officers may have interests that conflict with the Company's interests.

Certain of the Company's directors and officers serve as directors or officers of other public companies and as such it is possible that a conflict may arise between their duties as the Company's directors or officers and their duties as directors or officers of these other companies.

Exploration, development and production at the Company's mining operations are dependent upon the efforts of its key personnel and its relations with its employees and any labor unions that represent employees.

The Company's success is heavily dependent on its key personnel and on the ability to motivate, retain and attract highly skilled employees.

Relations between the Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by Mexican or Canadian governmental authorities in whose jurisdictions the Company carries on operations. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations and financial condition.

In addition, the Company anticipates that as it expands its existing production and brings additional properties into production, and as the Company acquires additional mineral rights, the Company may experience significant growth in its operations. This growth may create new positions and responsibilities for management personnel and increase demands on its operating and financial systems, as well as require the hiring of a significant number of additional operations personnel. There can be no assurance that the Company will successfully meet these demands and effectively attract and retain any such additional qualified personnel. The failure to attract and retain such qualified personnel to manage growth effectively could have a material adverse effect on the Company's business, financial condition or results of operations.

As a result of social media and other web-based applications, companies today are at much greater risk of losing control over how they are perceived.

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Although the Company places a great emphasis on protecting its image and reputation, it does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence and act as an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, cash flows and growth prospects.

Environmental Risks

The Company's activities are subject to environmental laws and regulations that may increase its costs of doing business and restrict its operations.

The Company's exploration and production activities are subject to regulation by governmental agencies under various environmental laws. These laws address noise, emissions, water discharges, waste management, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Environmental legislation in many countries is evolving and the trend has been towards stricter standards and enforcement, increased fines, penalties and potential for facilities to be shut-down for non- compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. There can be no assurance that future changes in environmental regulations will not adversely affect the Company's business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of the Company's business, causing the Company to re-evaluate those activities at that time.

Failure to comply with such laws and regulations can have serious consequences, including damage to the Company's reputation, stopping the Company from proceeding with the development of a project, negatively impacting the operation or further development of a mine, increasing the cost of development or production and litigation and regulatory actions against the Company. The Company cannot give any assurance that, notwithstanding its precautions, breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition and its results from operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. The Company may also acquire properties with known or undiscovered environmental risks. Any indemnification from the entity from which the Company has acquired such properties may not be adequate to pay all the fines,

penalties and costs (such as clean-up and restoration costs) incurred related to such properties. Some of the Company's properties also have been used for mining and related operations for many years before acquisition and were acquired as is or with assumed environmental liabilities from previous owners or operators.

The Company's failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Production at certain of the Company's mines involves the use of various chemicals, including cyanide, which is a toxic material. Should cyanide or other toxic chemicals leak or otherwise be discharged from the containment system, the Company may become subject to liability for cleanup work that may not be insured. While appropriate steps will be taken to prevent discharges of pollutants into the ground water and the environment, the Company may become subject to liability for hazards that it may not be insured against and such liability could be material.

Actual costs of reclamation are uncertain, and higher than expected costs could negatively impact the results of operations and financial position.

Land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance, and the Company is subject to such requirements at its mineral properties. Decommissioning liabilities include requirements to control dispersion of potentially deleterious effluents; and, reasonably re-establish pre-disturbance land forms and vegetation.

In order to carry out reclamation obligations arising from exploration and potential development activities, the Company must allocate financial resources that might otherwise be spent on further exploration and development programs. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required. If the Company is required to carry out unanticipated reclamation work, its financial position could be adversely affected.

Water management at the Company's mining operations

The water collection, treatment and disposal operations at the Company's mines are subject to substantial regulation and involve significant environmental risks. If collection or management systems fail, overflow or do not operate properly, untreated water or other contaminants could spill onto nearby properties or into nearby streams and rivers, causing damage to persons or property, injury to aquatic life and economic damages. This risk is most acute at the Mulatos mine during periods of substantial rainfall or flooding, which can be the main causes of overflow and system failures.

Environmental and regulatory authorities in Mexico and Canada conduct periodic or annual inspections of the Young-Davidson, Mulatos and El Chanate mines. As a result of these inspections, the Company is from time to time required to modify its water management program, complete additional monitoring work or take remedial actions with respect to the Company's operations as it pertains to water management.

Liabilities resulting from damage, regulatory orders or demands, or similar, could adversely and materially affect the Company's business, results of operations and financial condition. Moreover, in the event that the Company is deemed liable for any damage caused by overflow, the Company's losses or consequences of regulatory action might not be covered by insurance policies.

Problems with water sources could have a negative impact on the Company's exploration programs and future operations.

The Company may not be able to secure the water necessary to conduct its activities as planned. The Company will strive to ensure that its activities do not adversely impact community water sources. Future operations and activities may require that alternate water sources be provided to potentially affected communities at the Company's expense.

Climate Change Risks

The Company's mining and processing operations are energy intensive, resulting in a significant carbon footprint. The Company acknowledges climate change as an international and community concern. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impacts of climate change. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. We expect that in the long term this may result in increased costs at our Canadian and Mexican operations. While the Company has taken measures to manage the use of energy, the inability to achieve required energy efficiencies could have an adverse impact on the Company's ability to achieve cost guidance.

In addition, the physical risks of climate change may also have an adverse effect on our operations. These may include extreme weather events, changes in rainfall and storm patterns and intensities, water shortages, and changing temperatures. In particular, the Company's producing assets are located in northwest Mexico and Canada. Extended periods of high rainfall or drought conditions are typical in this part of Mexico. In Canada, cold temperatures and heavy snowfall may impact the Company's ability to achieve production forecasts, including anticipated recoveries. While the Company has taken measures to mitigate the impact of weather on its operations, severe rainfall or drought conditions could have an adverse impact on the Company's ability to achieve production forecasts.

Insurance and Compliance Risks

We may not have sufficient insurance coverage.

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

The Company's policies of insurance may not provide sufficient coverage for losses related to these or other risks. The Company's insurance does not cover all risks that may result in loss or damages and may not be adequate to reimburse the Company for all losses sustained. In particular, the Company does not have coverage for certain environmental losses or certain types of earthquake damage. The occurrence of losses or damage not covered by insurance could have a material and adverse effect on the Company's cash flows, results of operation and financial condition.

The Company's business involves uninsurable risks.

In the course of exploration, development and production of mineral properties, certain risks and, in particular, unexpected or unusual geological operating conditions including cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate

any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

The Company may fail to maintain the adequacy of internal control over financial reporting as per the requirements of the Sarbanes-Oxley Act of 2002 ("SOX").

The Company has documented and tested, during its most recent fiscal year, its internal control procedures in order to satisfy the requirements of Section 404 of SOX. Both SOX and Canadian legislation require an annual assessment by management of the effectiveness of the Company's internal control over financial reporting.

The Company may fail to maintain the adequacy of its internal control over financial reporting as such standards are modified, supplemented, or amended from time to time, and the Company may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting. The Company's failure to satisfy the requirements of Section 404 of SOX and equivalent Canadian legislation on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm the Company's business and negatively impact the trading price of the Company's common shares or market value of its other securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations.

The Company may be impacted by Anti-Bribery laws.

The Canadian Corruption of Foreign Public Officials Act and the U.S. Foreign Corrupt Practices Act and anti-bribery laws in other jurisdictions, prohibit companies and their intermediaries from making improper payments for the purposes of obtaining or retaining business or other commercial advantage. The Company's policies mandate compliance with these anti-bribery laws, which often carry substantial penalties. The Company operates in jurisdictions that have experienced governmental and private sector corruption to some degree, and, in certain circumstances, strict compliance with anti-bribery laws may conflict with certain local customs and practices. There can be no assurances that the Company's internal control policies and procedures will always protect it from reckless or other inappropriate acts committed by the Company's affiliates, employees or agents. Violations of these laws, or allegations of such violations, could have a material adverse effect on the Company's business, financial position and results of operations.

Alamos' critical operating systems may be compromised.

Cyber threats have evolved in severity, frequency and sophistication in recent years, and target entities are no longer primarily from the financial or retail sectors. Individuals engaging in cybercrime may target corruption of systems or data, or theft of sensitive data. While we invest in robust security systems to detect and block inappropriate or illegal access to our key systems, including supervisory control and data acquisition operating systems at our operations, and regularly review policies, procedures and protocols to ensure data and system integrity, there can be no assurance that critical systems will not be not inadvertently or intentionally breached and compromised. This may result in business interruption losses, equipment damage, or loss of critical or sensitive information.

Mining Industry Risks

The Company is in competition with other mining companies that have greater resources and experience.

The Company competes with other mining companies, many of which have greater resources and experience. Competition in the precious metals mining industry is primarily for: mineral rich properties which can be developed and produced economically; the technical expertise to find, develop, and produce such properties; the labour to operate the properties; and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a world-wide basis and some of these companies have much greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to successfully compete with other mining companies for these mineral deposits could have a material adverse effect on the Company's results of operations.

The Company may be unable to identify opportunities to grow its business or replace depleted reserves, and it may be unsuccessful in integrating new businesses and assets that it may acquire in the future.

As part of the Company's business strategy, it has sought and will continue to seek new operating, development and exploration opportunities in the mining industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses into its business. The Company cannot provide assurance that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favorable terms, if at all, or that any acquisitions or business arrangements completed will ultimately benefit its business. Further, any acquisition the Company makes will require a significant amount of time and attention of its management, as well as resources that otherwise could be spent on the operation and development of its existing business.

Any future acquisitions would be accompanied by risks, such as a significant decline in the relevant metal price after the Company commits to complete an acquisition on certain terms; the quality of the mineral deposit acquired proving to be lower than expected; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of its ongoing business; the inability of management to realize anticipated synergies and maximize its financial and strategic position; the failure to maintain uniform standards, controls, procedures and policies; and the potential for unknown or unanticipated liabilities associated with acquired assets and businesses, including tax, environmental or other liabilities. There can be no assurance that any business or assets acquired in the future will prove to be profitable, that the Company will be able to integrate the acquired businesses or assets successfully or that the Company will identify all potential liabilities during the course of due diligence. Any of these factors could have a material adverse effect on its business, expansion, results of operations and financial condition.

Mining is inherently dangerous and subject to conditions or events beyond the Company's control, which could have a material adverse effect on its business and which conditions and events may not be insurable.

Mining involves various types of risks and hazards, including, but not limited to:

- Environmental hazards;
- Industrial accidents;
- Metallurgical and other processing problems;

- Unusual or unexpected rock formations;
- Rock falls, pit wall failures and cave-ins;
- Seismic activity;
- Flooding;
- Fires;
- Periodic interruptions due to inclement or hazardous weather conditions;
- Variations in grade, deposit size, continuity and other geological problems;
- Mechanical equipment performance problems;
- Unavailability of materials and equipment;
- Theft of equipment, supplies and bullion;
- Labour force disruptions;
- Civil strife; and
- Unanticipated or significant changes in the costs of supplies.

Most of these risks are beyond the Company's control and could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, loss of key employees, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

The business of exploration for minerals and mining involves a high degree of risk, as few properties that are explored are ultimately developed into producing mines.

The Company is engaged in exploration, mine development and the mining and production of precious metals, primarily gold, and is exposed to a number of risks and uncertainties that are common to other companies in the same business. Unusual or unexpected ground movements, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable adequate machinery, equipment or labour are risks involved in the operation of mines and the conduct of exploration programs. The Company has relied on and may continue to rely upon consultants and others for mine operating and exploration expertise. Few properties that are explored are ultimately developed into producing mines. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineral deposit, the Company may not be able to raise sufficient funds for development. The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Where expenditures on a property have not led to the discovery of mineral reserves, spent costs will not usually be recoverable.

The trading price of the Company's common shares may be subject to large fluctuations and may increase or decrease in response to a number of events and factors.

These factors may include:

- The price of gold and other metals;
- The Company's operating performance and the performance of competitors and other similar companies;
- The public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities;
- Changes in earnings estimates or recommendations by research analysts who track the Company's common shares or the shares of other companies in the resource sector;
- Changes in general economic conditions;
- The number of the Company's common shares to be publicly traded after an offering;
- The arrival or departure of key personnel; and
- Acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Company's shares are affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Company's shares, and the attractiveness of alternative investments. In addition, securities markets have recently experienced an extreme level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The effect of these and other factors on the market price of the common shares on the exchanges in which the Company trades has historically made the Company's share price volatile and suggests that the Company's share price will continue to be volatile in the future.

Cautionary Note to U.S. Investors

Measured, Indicated and Inferred Resources: The Company is required to prepare its resource estimates in accordance with standards of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in Canadian National Instrument 43-101 (NI 43-101). These standards are materially different from the standards generally permitted in reports filed with the United States Securities and Exchange Commission. This MD&A uses the terms "measured", "indicated" or "inferred" resources which are not recognized by the United States Securities and Exchange Commission. The estimation of measured

resources and indicated resources involve greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves. U.S. investors are cautioned not to assume that any part of measured or indicated resources will ever be converted into economically or legally mineable proven or probable reserves. The estimation of inferred resources may not form the basis of a

feasibility or other economic studies and involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources.

International Financial Reporting Standards: The consolidated financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (see notes 2 and 3 to the consolidated financial statements for year ended December 31, 2016). These accounting principles differ in certain material respects from accounting principles generally accepted in the United States of America. The Company's reporting currency is the United States dollar unless otherwise noted.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains forward-looking statements and forward-looking information as defined under Canadian and U.S. securities laws. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements. Words such as "expect", "believe", "anticipate", "will", "intend", "estimate", "forecast", "budget" and similar expressions identify forward-looking statements.

Forward-looking statements include information as to strategy, plans or future financial or operating performance, such as the Company's expansion plans, project timelines, production plans and expected sustainable productivity increases, expected increases in mining activities and corresponding cost efficiencies, expected drilling targets, expected sustaining costs, expected improvements in cash flows and margins, expectations of changes in capital expenditures, forecasted cash shortfalls and the Company's ability to fund them, cost estimates, projected exploration results, reserve and resource estimates, expected production rates and use of the stockpile inventory, expected recoveries, sufficiency of working capital for future commitments and other statements that express management's expectations or estimates of future performance.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by management at the time of making such statements, are inherently subject to significant business, economic, political and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements.

Such factors and assumptions underlying the forward-looking statements in this document include, but are not limited to: changes to current estimates of mineral reserves and resources; changes to production estimates (which assume accuracy of projected ore grade, mining rates, recovery timing and recovery rate estimates and may be impacted by unscheduled maintenance, labour and contractor availability and other operating or technical difficulties); fluctuations in the price of gold; changes in foreign exchange rates (particularly the Canadian dollar, Mexican peso, Turkish Lira and U.S. dollar); the impact of inflation; changes in our credit rating; any decision to declare a quarterly dividend; employee relations; litigation; disruptions affecting operations; availability of and increased costs associated with mining inputs and labour; development delays at the Young-Davidson mine; inherent risks associated with mining and mineral processing; the risk that the Young-Davidson, Mulatos and El Chanate mines may not perform as planned; uncertainty with the Company's ability to secure additional capital to execute its business plans; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses and permits, including the necessary licenses, permits, authorizations and/or approvals from the appropriate regulatory authorities for the Company's development stage assets, including specifically its Turkish mineral properties; contests over title to properties; changes in national and local government legislation (including tax legislation) in Canada, Mexico, Turkey, the United States and other jurisdictions in which the Company does or may carry on business in the future; risk of loss due to sabotage and civil disturbances; the impact of global liquidity and credit availability and the values of assets and liabilities based on projected future cash flows; risks arising from holding derivative instruments; and business opportunities that may be pursued by the Company

Additional risk factors and details with respect to risk factors affecting the Company are set out in the Company's Annual Information Form for the year ended December 31, 2016 under the heading "Risk Factors", which is available on the SEDAR website at www.sedar.com. The foregoing should be reviewed in conjunction with the information found in this MD&A.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.

Qualified Persons

Chris Bostwick, Alamos' Vice President, Technical Services, who is a qualified person within the meaning of National Instrument 43-101 ("Qualified Person"), has reviewed and approved the scientific and technical information contained in this MD&A. Information pertaining to the geological and exploration content has been reviewed and approved by Aoife McGrath, Alamos' Vice President, Exploration, a Qualified Person. Drilling, sampling, QA/QC protocols and analytical methods for work areas in Mexico are as outlined in the NI 43-101 report titled, "Mulatos Project Technical Report Update" dated December 21, 2012, available on SEDAR. For further details see also the Corporation's news release dated February 23, 2017.

ALAMOS GOLD INC.

2016 FINANCIAL REPORT

December 31, 2016 and 2015

(Based on International Financial Reporting Standards ("IFRS") and stated in millions of United States dollars, unless otherwise indicated)

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Alamos Gold Inc. (the "Company") and the information in these annual financial statements are the responsibility of management and have been reviewed and approved by the Company's board of directors (the "Board of Directors"). The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. In the preparation of these consolidated financial statements, estimates are sometimes necessary when transactions affecting the current accounting period cannot be finalized with certainty until future periods. Management believes that such estimates, which have been properly reflected in the accompanying consolidated financial statements, are based on the best estimates and judgements of management. Management has prepared the financial information presented elsewhere in the annual financial statements and has ensured that it is consistent with that in the consolidated financial statements.

To discharge its responsibilities for financial reporting and safeguarding of assets, management depends on the Company's systems of internal control over financial reporting. These systems are designed to provide reasonable assurance that the financial records are reliable and form a proper basis for the timely and accurate preparation of financial statements. The Chief Executive Officer and Chief Financial Officer have assessed and concluded on the design and operating effectiveness of internal control over financial reporting.

The Board of Directors oversees management's responsibilities for the consolidated financial statements primarily through the activities of its Audit Committee, which is composed solely of directors who are neither officers nor employees of the Company. This Committee meets with management and the Company's independent auditors, KPMG LLP, to ensure that management is properly fulfilling its financial reporting responsibilities, review the consolidated financial statements, and recommend approval by the Board of Directors. The Audit Committee provides full and unrestricted access to the independent auditors and also meets with the independent auditors, without the presence of management, to discuss the scope and results of their audit, the adequacy of internal control over financial reporting, and the quality of financial reporting.

The consolidated financial statements have been audited by KPMG LLP, an independent registered public accounting firm, in accordance with Canadian generally accepted auditing standards and in accordance with the standards of the Public Company Accounting Oversight Board (United States).

"John A. McCluskey"
John A. McCluskey
President and Chief Executive Officer

"James R. Porter"
James R. Porter, CPA, CA, CPA (Illinois)
Chief Financial Officer

KPMG LLP
Bay Adelaide Centre
333 Bay Street Suite 4600
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Canada

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INDEPENDENT AUDITORS' REPORT OF REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Alamos Gold Inc.

We have audited the accompanying consolidated financial statements of Alamos Gold Inc., which comprise the consolidated statements of financial position as at December 31, 2016 and December 31, 2015, the consolidated statements of comprehensive loss, changes in equity and cash flows for each of the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board , and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Alamos Gold Inc. as at December 31, 2016 and December 31, 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board .

Other Matter
We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Alamos Gold Inc.'s internal control over financial reporting as of December 31, 2016, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 22, 2017 expressed an unmodified (unqualified) opinion on the effectiveness of Alamos Gold Inc.'s internal control over financial reporting.

"KPMG LLP"
Chartered Professional Accountants, Licensed Public Accountants
February 22, 2017
Toronto, Canada

KPMG LLP
Bay Adelaide Centre
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Canada

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Alamos Gold Inc.

We have audited Alamos Gold Inc.'s internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Alamos Gold Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, appearing under the heading Internal Control over Financial Reporting in Management's Discussion and Analysis for the year ended December 31, 2016. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Alamos Gold Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial position of Alamos Gold Inc. as of December 31, 2016 and 2015, and the related consolidated statements of comprehensive loss, changes in equity, and cash flows for each of the years in the two-year period ended December 31, 2016, and our report dated February 22, 2017 expressed an unqualified opinion on those consolidated financial statements.

"KPMG LLP"
Chartered Professional Accountants, Licensed Public Accountants
February 22, 2017
Toronto, Canada

ALAMOS GOLD INC.

Consolidated Statements of Financial Position
(Stated in millions of United States dollars)

	December 31, 2016	December 31, 2015
A S S E T S		
Current Assets		
Cash and cash equivalents	$252.2	$282.9
Available-for-sale securities	14.1	6.7
Amounts receivable (note 8)	44.9	44.0
Income taxes receivable	–	14.7
Inventory (note 9)	131.7	126.1
Other current assets	11.6	8.8
Total Current Assets	454.5	483.2
Non-Current Assets		
Long-term inventory (note 9)	75.8	70.1
Mineral property, plant and equipment (note 10)	1,918.2	1,859.2
Other non-current assets	43.7	49.7
Total Assets	**$2,492.2**	**$2,462.2**
L I A B I L I T I E S		
Current Liabilities		
Accounts payable and accrued liabilities (note 12)	$94.5	$94.6
Current portion of debt and financing obligations (note 13)	3.6	5.3
Income taxes payable	1.5	–
Total Current Liabilities	99.6	99.9
Non-Current Liabilities		
Deferred income taxes (note 15)	291.0	284.1
Decommissioning liabilities (note 14)	39.6	37.2
Debt and financing obligations (note 13)	301.3	315.0
Other non-current liabilities	1.3	1.8
Total Liabilities	732.8	738.0
E Q U I T Y		
Share capital (note 16)	$2,822.2	$2,773.7
Contributed surplus	70.9	69.2
Warrants	3.5	–
Accumulated other comprehensive income (loss)	0.4	(4.4)
Deficit	(1,137.6)	(1,114.3)
Total Equity	1,759.4	1,724.2
Total Liabilities and Equity	**$2,492.2**	**$2,462.2**

Commitments (note 23)
Subsequent event (note 24)
The accompanying notes form an integral part of these consolidated financial statements.

"John A. McCluskey" — John A. McCluskey, President and Chief Executive Officer
"Paul J. Murphy" — Paul J. Murphy, Chair

ALAMOS GOLD INC.

Consolidated Statements of Comprehensive Loss
For the years ended December 31, 2016 and 2015
(Stated in millions of United States dollars, except share and per share amounts)

	December 31, 2016	December 31, 2015
OPERATING REVENUES	$482.2	$355.1
COST OF SALES		
Mining and processing	297.0	259.2
Royalties (note 23)	13.3	7.3
Amortization	119.0	117.5
	429.3	384.0
EXPENSES		
Exploration	5.1	9.4
Corporate and administrative	16.3	19.8
Share-based compensation (note 16)	10.2	5.1
Revaluation of assets distributed (note 7)	–	40.1
Impairment charges (note 11)	–	389.3
	460.9	847.7
EARNINGS (LOSS) FROM OPERATIONS	**21.3**	**(492.6)**
OTHER EXPENSES		
Finance expense	(24.0)	(24.2)
Foreign exchange loss	(12.5)	(19.0)
Other gain (loss) (note 17)	7.6	(22.9)
LOSS BEFORE INCOME TAXES	**($7.6)**	**($558.7)**
INCOME TAXES (note 15)		
Current income tax expense	(3.8)	(2.8)
Deferred income tax (expense) recovery	(6.5)	52.6
NET LOSS	**($17.9)**	**($508.9)**
Other comprehensive income that is or may subsequently be reclassified to net loss :		
Realized disposition on available-for-sale securities, reclassified to net loss	(0.3)	–
Unrealized gains (losses) on available-for-sale securities	5.5	(4.2)
Tax impact of unrealized gains on available-for-sale securities	(0.4)	–
Total other comprehensive income (loss)	**$4.8**	**($4.2)**
COMPREHENSIVE LOSS	**($13.1)**	**($513.1)**
LOSS PER SHARE (note 16)		
– basic	**($0.07)**	**($2.62)**
– diluted	**($0.07)**	**($2.62)**
Weighted average number of common shares outstanding (000's)		
– basic	265,234	194,121
– diluted	265,234	194,121

The accompanying notes form an integral part of these consolidated financial statements.

ALAMOS GOLD INC.

Consolidated Statements of Changes in Equity
For the years ended December 31, 2016 and 2015
(Stated in millions of United States dollars)

	December 31, 2016	December 31, 2015
SHARE CAPITAL (note 16)		
Balance, beginning of the year	$2,773.7	$2,030.0
Issuance of shares related to Carlisle acquisition (note 5)	17.5	–
Issuance of shares related to share-based compensation	6.5	1.6
Issuance of shares related to employee share purchase plan	0.9	1.6
Issuance of shares related to exercise of warrants	1.2	–
Shares issued through dividend reinvestment plan	–	0.7
Fair value of share-based compensation redeemed	2.3	0.9
Shares issued through flow-through share agreement	20.1	13.2
Shares issued through private placement	–	83.3
Repurchase and cancellation of private placement shares	–	(79.7)
Shares issued related to the merger (note 6)	–	722.1
Balance, end of year	**$2,822.2**	**$2,773.7**
CONTRIBUTED SURPLUS		
Balance, beginning of the year	$69.2	$62.3
Fair value of share-based compensation redeemed	(3.1)	(0.9)
Equity settled share-based payments related to Carlisle acquisition (note 5)	0.4	–
Equity settled share-based payments related to the merger (note 6)	–	1.3
Share-based compensation	4.4	6.5
Balance, end of year	**$70.9**	**$69.2**
WARRANTS		
Balance, beginning of the year	–	–
Issuance of warrants related to Carlisle acquisition (note 5)	2.8	–
Exercise of warrants related to the Carlisle acquisition	(0.3)	–
Issuance of warrants, pursuant to the exercise of Carlisle equity instruments	1.0	–
Balance, end of year	**$3.5**	**–**
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		
Balance, beginning of the year	($4.4)	($0.2)
Realized disposition on available-for-sale securities, reclassified to net loss	(0.3)	–
Unrealized gains (losses) on available-for-sale securities	5.5	(4.2)
Tax impact of unrealized gains on available-for-sale securities	(0.4)	–
Balance, end of year	**$0.4**	**($4.4)**
DEFICIT		
Balance, beginning of the year	($1,114.3)	($460.8)
Dividends (note16(f))	(5.4)	(11.3)
Dividends related to AuRico Metals Inc. (note 7)	–	(133.3)
Net loss	(17.9)	(508.9)
Balance, end of year	**($1,137.6)**	**($1,114.3)**
TOTAL EQUITY	**$1,759.4**	**$1,724.2**

The accompanying notes form an integral part of these consolidated financial statements.

ALAMOS GOLD INC.

Consolidated Statements of Cash Flows
For the years ended December 31, 2016 and 2015
(Stated in millions of United States dollars)

	December 31, 2016	December 31, 2015
CASH PROVIDED (USED IN) BY:		
OPERATING ACTIVITIES		
Net loss for the year	($17.9)	($508.9)
Adjustments for items not involving cash:		
Amortization	119.0	117.5
Foreign exchange loss	12.5	14.0
Current income tax expense	3.8	2.8
Deferred income tax expense (recovery)	6.5	(52.6)
Share-based compensation	10.2	8.3
Revaluation of assets distributed	–	40.1
Impairment charges	–	389.3
Finance expense	24.0	24.2
Other non-cash items (note 18)	(10.1)	30.6
Changes in working capital and taxes received (note 18)	(12.3)	(5.3)
	135.7	**60.0**
INVESTING ACTIVITIES		
Mineral property, plant and equipment	(146.5)	(163.1)
Cash received from acquisition of Carlisle (note 5)	0.7	–
Cash received from completion of merger of Alamos Gold and AuRico Gold (note 6)	–	249.1
Proceeds from retained interest royalty	–	16.7
Purchase of available-for-sale securities	(2.9)	(4.3)
Other	(2.8)	(0.5)
	(151.5)	**97.9**
FINANCING ACTIVITIES		
Repayment of debt and equipment financing obligations	(9.7)	(7.5)
Interest paid	(24.4)	(24.4)
Debt financing and transaction fees (note 13)	(1.1)	–
Proceeds received from the exercise of stock options and warrants	7.4	0.7
Dividends paid	(5.4)	(10.6)
Proceeds from private placement	–	83.3
Cash transferred to AuRico Metals (note 7)	–	(20.0)
Proceeds from issuance of flow-through shares	20.4	18.9
	(12.8)	**40.4**
Effect of exchange rates on cash and cash equivalents	(2.1)	(4.4)
Net (decrease) increase in cash and cash equivalents	**(30.7)**	**193.9**
Cash and cash equivalents - beginning of year	282.9	89.0
CASH AND CASH EQUIVALENTS - END OF YEAR	**$252.2**	**$282.9**

The accompanying notes form an integral part of these consolidated financial statements.

ALAMOS GOLD INC.
Notes to Consolidated Financial Statements
December 31, 2016 and 2015
(In United States dollars, unless otherwise indicated, tables stated in millions of United States dollars)

1. NATURE OF OPERATIONS

Alamos Gold Inc., a company incorporated under the Business Corporation Act (Ontario), and its wholly-owned subsidiaries (collectively the "Company") are engaged in the acquisition, exploration, development and extraction of precious metals. The Company owns and operates the Young-Davidson mine in Canada, and the Mulatos and El Chanate mines in Mexico. In addition, the Company owns the Ağı Dağı, Kirazlı and Çamyurt gold development projects in Turkey, the Lynn Lake gold project in Canada, the Esperanza gold project in Mexico, as well as an option to acquire a 100% interest in the Quartz Mountain gold project in Oregon, USA.

Alamos is a publicly traded company with common shares listed on the Toronto Stock Exchange (TSX: AGI) and the New York Stock Exchange (NYSE: AGI).

The Company's registered office is located at 181 Bay St, Suite 3910, Toronto, Ontario, M5J 2T3.

2. BASIS OF PREPARATION

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been prepared using the historical cost convention, other than for certain financial instruments, which are measured in accordance with the policy disclosed in note 3.

The consolidated financial statements were authorized for issue by the Board of Directors on February 22, 2017.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

These consolidated financial statements include the accounts of the Company and the following subsidiaries:

Company	Principal activity	Country of incorporation
AuRico Gold Chihuahua, S.A. de C.V., SOFOM E.N.R.	Administrative services	Mexico
AuRico Gold Holdings Inc.	Holding company	Canada
AuRico Gold (USA), Inc.	Administrative services	United States of America
Capital Gold Corporation	Holding company	United States of America
Leadville Mining & Milling Holding Corporation	Holding company	United States of America
Minera Santa Rita, S. de R.L. de C.V.	Gold and silver mining	Mexico
Nayarit Gold Inc.	Holding company	Canada
Oro de Altar, S.A. de C.V.	Holding company	Mexico
0975828 B.C. LTD.	Holding company	Canada
Orsa Ventures Corp.	Holding company	Canada
Esperanza Resources (Cayman)	Holding company	Cayman Islands
Esperanza Exploration (BVI) Inc.	Holding company	British Virgin Islands
Minas de Oro Nacional, S.A. de C.V.	Gold and silver mining	Mexico
Operason S.A. de C.V.	Administrative services	Mexico
Sonora Gerencial S.A. de C.V.	Administrative services	Mexico
Esperanza Silver de Mexico SA de CV	Gold and silver mining	Mexico
Servicios Mineros Tetlama S.A. de C.V.	Administrative services	Mexico
Esperanza Silver Peru SAC	Gold and silver mining	Peru
Kuzey Biga Madencilik Sanayi Ticaret AS	Gold and silver mining	Turkey
Dogu Biga Madencilik Sanayi Ticaret AS	Gold and silver mining	Turkey
Alamos Eurasia Madencilik AS	Gold and silver mining	Turkey
Esperanza Services Inc.	Holding company	USA
Quartz Mountain Gold Ltd.	Gold and silver mining	USA
Carlisle Goldfields Ltd.	Holding company	Canada

These subsidiaries are controlled by the Company, and are wholly-owned. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company also consolidates the accounts of Caborca Industrial S.A. de C.V., a related party entity, which provides mining support services to the Company's El Chanate mine. This entity is consolidated in accordance with IFRS 10, Consolidated Financial Statements.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

(b) Investments in associates and joint ventures

The Company accounts for investments in associates and joint ventures using the equity method of accounting. The carrying value of the Company's investments in associates and joint ventures represents the cost of the investment, including the Company's share of retained earnings and losses subsequent to formation. At the end of each reporting period, the Company assesses its investments for any indicators of impairment.

(c) Foreign currency

Functional and presentation currency

These consolidated financial statements are presented in United States dollars ("US dollars"), which is the functional currency of the Company and all its subsidiaries.

Translation of transactions and balances into the functional currency

Transactions in currencies other than the Company's or a subsidiary's functional currency ("foreign currencies") are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at that date. Foreign currency non-monetary items that are measured in terms of historical cost are not retranslated.

Exchange differences are recognized in net loss in the period in which they arise. Exchange differences on deferred foreign tax assets and liabilities are presented as deferred income tax expense (recovery) on the Consolidated Statements of Comprehensive Loss.

(d) Revenue recognition

Revenue from the sale of gold, including refined metal, dore and gold concentrate, is recognized when persuasive evidence of a sale arrangement exists, the risks and rewards of ownership pass to the purchaser, including title risk, the selling price is measurable, and collectability is probable. The risks and rewards of ownership are considered to have been transferred when title passes to the customer. Revenue is measured at the fair value of the consideration received or receivable, and may be subject to adjustment once final prices, weights and assays are determined.

Costs incurred or premium income related to forward sales or option contracts are recognized in revenue when the related contract is settled. Changes in the fair value of outstanding forward sales or option contracts are recognized in earnings or loss.

(e) Cash and cash equivalents

The Company considers deposits in banks, certificates of deposits, and short-term investments with original maturities of three months or less from the acquisition date as cash and cash equivalents. Cash and cash equivalents are classified as fair value through profit or loss and are recorded at fair value.

(f) Inventories

Parts and supplies inventory

Supplies inventory consists of mining supplies and consumables used in the operation of the mines, and is valued at the lower of average cost and net realizable value. Provisions are recorded to reflect present intentions for the use of slow moving and obsolete parts and supplies inventory.

Stockpile inventory

Stockpiles represent ore that has been mined and is available for further processing. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained ounces (based on assay data) and the estimated metallurgical recovery rates (based on the expected processing method). Stockpile ore tonnages are verified by periodic surveys. Costs are allocated to stockpiles based on the current mining cost per tonne incurred up to the point of stockpiling the ore, including applicable overhead, depletion and amortization relating to mining operations, to the extent determined recoverable, and are removed at the average cost per tonne. Stockpile inventory is measured at the lower of cost and net realizable value.

In-process inventory

The recovery of gold is achieved through milling and heap leaching processes. Costs are added to ore on leach pads and in the mill based on the current stockpiled mining cost and current processing cost, including applicable overhead, depletion and amortization relating to mining and processing operations. Costs are removed from ore on leach pads and in the mill as ounces are recovered, based on the average cost per recoverable ounce of gold in-process inventory. In-process inventory is measured at the lower of cost and net realizable value.

Finished goods inventory

Finished goods inventory consists of dore bars and gold concentrate containing predominantly gold by value which are generally refined off-site to return saleable metals. Dore and gold concentrate inventory is valued at the lower of cost to produce and net realizable value.

For all classes of gold inventory, net realizable value is calculated as the difference between the estimated future metal revenue based on prevailing and/or long-term metal prices as appropriate, and estimated costs to complete production into a saleable form.

(g) Long-lived assets

Mineral property, plant and equipment

Mineral property, plant and equipment is recorded at cost less accumulated amortization and accumulated impairment losses. The initial cost of an asset is comprised of its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any reclamation obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the fair value of consideration given to acquire the asset. The capitalized value of a finance lease is also included within property, plant and equipment, and is measured at the lower of the present value of the minimum lease payments and the fair value of the leased asset. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Company, and the costs can be measured reliably. This would include costs related to the refurbishment or replacement of major components of an asset, when the refurbishment results in a significant extension in the physical life of the component. All other repairs and maintenance costs are recognized in net loss as incurred.

The cost of property, plant and equipment, less any applicable residual value, is allocated over the estimated useful life of the asset on a straight-line basis, or on a unit-of-production basis if that method is more reflective of the allocation of benefits among periods. Amortization commences on an asset when it has been fully commissioned and is available for use. Amortization rates applicable to each category of property, plant and equipment, with the exception of land, are as follows:

Asset	Useful life
Leasehold improvements	3 years
Mobile equipment	2-10 years
Other equipment	2-20 years
Processing plant	2-20 years
Shaft, underground infrastructure and mineral properties	Unit-of-production
Vehicles	3-6 years
Buildings	7-20 years
Office equipment	2-8 years

When components of an item of property, plant and equipment have different useful lives than those noted above, they are accounted for as separate items of property, plant and equipment. Each asset or component's estimated useful life is determined considering its physical life limitations; however, this physical life cannot exceed the remaining life of the mine at which the asset is utilized. Estimates of remaining useful lives and residual values are reviewed annually. Any changes in estimates of useful lives are accounted for prospectively from the date of the change.

Exploration and evaluation assets

Expenditures incurred prior to the Company obtaining the right to explore are expensed in the period in which they are incurred.

Exploration and evaluation expenditures include costs such as exploratory drilling, sample testing, costs of pre-feasibility studies, and for qualifying assets, borrowing costs. Subsequent to obtaining the legal right to explore, these costs are capitalized on a project-by-project basis pending determination of the technical feasibility and commercial viability of the project. All capitalized exploration and evaluation expenditures are monitored for indications of impairment, to ensure that exploration activities related to the property are continuing and/or planned for the future. If an exploration property does not prove viable, an impairment loss is recognized in net loss as the excess of the carrying amount over the recoverable amount in the period in which that determination is made.

Exploration and evaluation expenditures are initially capitalized as exploration and evaluation assets and are subsequently reclassified to mine development costs upon determining that the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. The demonstration of the technical feasibility and commercial viability is the point at which management determines that it will develop the project. This typically includes, but is not limited to, the completion of an economic feasibility study; the establishment of mineral reserves; and the receipt of the applicable construction and operating permits for the project. Upon demonstrating the technical feasibility and commercial viability of establishing a mineral reserve, the Company performs an impairment test, based on the recoverable amount, prior to reclassification of exploration and evaluation assets to mine development costs in accordance with IFRS 6, *Exploration for and evaluation of Mineral Resources* . In addition, the carrying values of exploration and evaluation assets are reviewed periodically, when impairment indicators exist, for possible impairment, based on the recoverable amount.

Mining interests and mine development costs

The Company may hold interests in mineral properties in various forms, including prospecting licenses, exploration and exploitation concessions, mineral leases and surface rights. The Company capitalizes payments made in the process of acquiring legal title to these properties.

Property acquisition and mine development costs are recorded at cost. Mine development costs incurred to expand operating capacity, develop new ore bodies or develop mine areas in advance of current production are capitalized. Mine development costs related to current period production are recorded in inventory. Pre-production expenditures incurred prior to the mine being capable of operating in the manner intended by management are capitalized. Borrowing costs for qualifying assets are capitalized to mine development costs while construction and development activities at the property are in progress. Any proceeds from the sale of metals during the development and commissioning phase of a project are netted against the expenditures being capitalized. The development and commissioning phase ceases upon the commencement of commercial production.

Subsequent to the commencement of commercial production, further development expenditures incurred with respect to a mining interest are capitalized as part of the mining interest, when it is probable that additional future economic benefits associated with the expenditure will flow to the Company. Otherwise, such expenditures are classified as mining and processing costs.

Upon commencement of commercial production, mining interests are depleted over the life of the mine using the unit-of-production method based on estimated proven and probable mineral reserves of the mine and the portion of mineralization from measured, indicated and inferred resources expected to be classified as reserves, in applicable mines. The Company determines the portion of mineralization expected to be classified as reserves by considering the degree of confidence in the economic extraction of the resource, which is affected by long-term metal price assumptions, cut-off grade assumptions, and drilling results. These assessments are made on a mine-by-mine basis.

The expected useful lives used in depletion calculations are determined based on the facts and circumstances associated with the mining interest. Any changes in estimates of useful lives are accounted for prospectively from the date of the change.

Commercial production

Commercial production is reached when an open pit or underground mine is in the condition necessary for it to be capable of operating in the manner intended by management. The Company considers a range of factors when determining whether commercial production has been reached, which may include the completion of all required major capital expenditures, the demonstration of continuous production near the level required by the design capacity of the processing facilities, and the demonstration of continuous throughput levels at or above a target percentage of the design capacity. The Company assesses the ability to sustain production and throughput over a certain period, depending on the complexity of the operation, prior to declaring that commercial production has been reached.

Capitalized stripping costs

Pre-production stripping costs are capitalized as part of the cost of constructing a mine.

Mining costs associated with stripping activities during the production phase of a mine are capitalized only if the Company can identify the component of the ore body for which access is obtained, the costs associated with the related stripping activities can be measured reliably, and the activities represent a future benefit to the mining interest, in that access is gained to sources of reserves and resources that will be produced in future periods that would otherwise not have been accessible. Production stripping costs are allocated between inventory and capital based on the expected volume of waste extracted for a given volume of ore production. The expected volume of waste to be allocated to inventory is determined with reference to the life of mine stripping ratio of a particular mine or deposit, with the remaining amount allocated to capital. The amount of waste capitalized is calculated by multiplying the stripping tonnes mined during the period by the current mining cost per tonne in the open pit.

Capitalized stripping costs are depleted over the expected reserves and resources benefiting from the stripping activity using the unit-of-production method based on estimated proven and probable reserves, and the portion of mineralization expected to be classified as reserves.

Investment tax credits

Investment tax credits are earned as a result of incurring eligible exploration and development expenses prior to commercial production. Investment tax credits are accounted for as a reduction to property, plant and equipment or mining interests.

Investment tax credits also arise as a result of incurring eligible research and development expenses and these credits are recorded as a reduction to the related expenses.

Derecognition

Upon replacement of a major component, or upon disposal or abandonment of a long-lived asset, the carrying amounts of the assets are derecognized with any associated gains or losses recognized in the Consolidated Statements of Comprehensive Loss.

(h) Intangible assets

Identifiable intangible assets are recorded at fair value on the date of acquisition. Subsequent to initial recognition, they are recorded at cost less accumulated amortization and accumulated impairment losses. Identifiable intangible assets with a finite useful life are amortized on a straight-line basis over their expected useful life, unless another method represents a more accurate allocation of the expense over their useful life. Amortization expense resulting from intangible assets, is included in amortization expense in the Consolidated Statements of Comprehensive Loss.

(i) Goodwill

Goodwill represents the difference between the consideration transferred in a business combination and the fair value of the identifiable net assets acquired, and is not amortized. Goodwill, if identified upon acquisition, is allocated to the cash-generating unit ("CGU") or group of CGUs expected to benefit from the related business combination for the purposes of impairment testing. A CGU is defined as the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from other assets. As at December 31, 2016 and 2015, no goodwill is recorded on the Consolidated Statements of Financial Position.

(j) Impairment of non-financial assets and goodwill

The carrying amounts of non-financial assets, excluding inventories and deferred income tax assets, are reviewed for impairment at each reporting date, or whenever events or changes in circumstances indicate the carrying amounts may not be recoverable. If there are indicators of impairment, a review is undertaken to determine whether the carrying amounts are in excess of their recoverable amounts. Reviews are undertaken on an asset-by-asset basis, except where the recoverable amount for an individual asset cannot be determined, in which case the review is undertaken at the CGU level.

On an annual basis, the Company evaluates the carrying amount of CGUs to which goodwill has been allocated to determine whether such carrying amount may be impaired. To accomplish this, the Company compares the recoverable amount of a CGU to its carrying amount. This evaluation is performed more frequently if there is an indication that a CGU may be impaired.

If the carrying amount of a CGU or non-financial asset exceeds the recoverable amount, being the higher of its fair value less costs to sell and its value-in-use, an impairment loss is recognized in net loss as the excess of the carrying amount over the recoverable amount. With respect to CGUs, impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

Where the recoverable amount is assessed using discounted cash flow techniques, the estimates are based on detailed mine or production plans. The mine plan is the basis for forecasting production output in each future year and for forecasting production costs. For value-in-use calculations, production costs and output in the mine plan may be revised to reflect the continued use of the asset in its present form.

Non-financial assets that have previously been impaired are tested for a possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed, or may have partially reversed. In these instances, the impairment loss is reversed to the recoverable amount but not beyond the carrying amount, net of amortization, that would have arisen if the prior impairment loss had not been recognized. Goodwill impairments are not reversed.

(k) Impairment of financial assets

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets, other than those classified as fair value through profit or loss, is impaired. Financial assets include amounts receivables and available-for-sale ("AFS") securities. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset that negatively impact the estimated future cash flows of the financial asset or the group of financial assets.

Impairment losses on AFS securities are recognized by transferring the cumulative loss that has been recognized in accumulated other comprehensive income (loss) to earnings or loss. The cumulative loss that is removed from accumulated other comprehensive income (loss) is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in earnings or loss.

(l) Flow-through shares

The Company may issue flow-through common shares to finance its Canadian exploration program or qualifying Canadian underground development. Pursuant to the Canadian Income Tax Act and the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. Proceeds received from flow-through share agreements are separated into a liability and share capital. The liability, which represents the obligation to renounce flow-through exploration and/or development expenditures, is calculated as the excess of cash consideration received over the market price of the Company's shares on the agreement's closing date. Upon qualifying exploration and/or development expenditures being incurred, the Company derecognizes the liability and recognizes it as other income. The related deferred tax expense is also recognized at the time the expenditures are incurred.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced, in accordance with the Canadian Income Tax Act flow-through regulations. When applicable, the estimated tax payable is accrued until paid.

(m) Uncertain tax positions

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective subsidiary's country of domicile.

(n) Provisions

Decommissioning liabilities

The Company's mining and exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. These environmental regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. The timing of these expenditures is dependent upon a number of factors including the life of the mine, the operating licence conditions, and the laws, regulations, and environment in which the mine operates.

Decommissioning liabilities are recognized at the time an environmental disturbance occurs and are measured at the Company's best estimate of the expected future cash flows required to reclaim the disturbance for each mine operation, which are adjusted to reflect inflation, and discounted to their present value. The inflation rate used is determined based on external forecasts for inflation in the country in which the related mine operates. Expected future cash flows reflect the risks and probabilities that alternative estimates of cash flows could be required to settle the obligation. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money specific to the currency in which the cash flows are expected to be paid. The discount rate does not reflect risks for which the cash flows have been adjusted. Significant estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are based on existing environmental and regulatory requirements or, if more stringent, Company policies that give rise to a constructive obligation.

Upon initial recognition of a decommissioning liability, the corresponding cost is capitalized as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalized cost is recognized in mineral property and amortized in accordance with the Company's policy for the related asset.

The provision is progressively increased over the life of the operation as the effect of discounting unwinds, creating an expense included in finance expense on the Consolidated Statements of Comprehensive Loss.

Decommissioning liabilities are adjusted for changes in estimates. Such adjustments, which are not the result of the current production of inventory, are accounted for as a change in the corresponding capitalized cost, except where a reduction in the provision is greater than the unamortized capitalized cost of the related assets. In instances where the capitalized cost of the related assets is nil, or will be reduced to nil, the remaining adjustment is recognized in earnings or loss. If reclamation and restoration costs are incurred as a consequence of the production of inventory, the costs are recognized as a cost of that inventory. Factors influencing such changes in estimates include revisions to estimated reserves, resources and lives of mines; developments in technologies; regulatory requirements and environmental management strategies; changes in estimated costs of anticipated activities, including the effects of inflation; and movements in interest rates affecting the discount rate applied.

Other provisions

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

(o) Share-based compensation

The Company measures all equity-settled share-based awards made to employees and others providing similar services (collectively, "employees") based on the fair value of the options or units on the date of grant.

The grant date fair value of options is estimated using an option pricing model and is recognized as compensation expense over the vesting period, based on the number of options that are expected to vest. A corresponding increase is recognized in equity. The grant date fair values of the Company's equity-settled deferred share units, performance share units, and restricted share units are determined using an option pricing model and is recognized as compensation expense over the vesting period.

The Company awards cash-settled share-based compensation to certain employees in the form of deferred share units, restricted share units and stock appreciation rights. In accounting for these awards, the Company recognizes the fair value of the amount payable to employees, using the Black-Scholes option pricing model for certain units, as they are earned based on the estimated number of units that are expected to vest. Based on the plan some units are initially measured at fair value and recognized as an obligation at the grant date using the Company's share price. The corresponding liability is re-measured at fair value on each reporting date and upon settlement, with changes in fair value recognized in net loss for the period. The fair value of restricted share units is determined by reference to the Company's share price when the units are awarded or re-measured.

The Company also maintains an employee share purchase plan. Under this plan, contributions by the Company's employees are matched to a specific percentage by the Company and are recognized as an expense when the Company's obligation to contribute arises.

Share-based arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions regardless of how the equity instruments are obtained by the Company. These share-based arrangements are measured at the fair value of goods or services received unless the fair value of the goods or services cannot be reliably measured, in which case they are measured at the fair value of the equity instruments issued.

(p) Income taxes

Income tax expense is comprised of current and deferred income tax. Current and deferred income taxes are recognized in earnings or loss except to the extent that they relate to a business combination, or to items recognized directly in equity or other comprehensive income.

Current income taxes

Current income tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with respect of previous years.

Deferred income taxes

Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following do not result in deferred tax assets or liabilities:

- temporary differences arising from the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit;
- taxable temporary differences arising from the initial recognition of goodwill; and
- taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements where the timing of the reversal of the temporary differences can be controlled by the parent and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings or loss in the period that substantive enactment occurs except to the extent it relates to items recognized directly in equity or in other comprehensive income.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced to its recoverable amount.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to the same taxable entity and income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

(q) Loss per share

Basic loss per share is calculated based on the weighted average number of common shares and common share equivalents outstanding for the period. Diluted loss per share is calculated using the treasury method, except when assessing the dilution impact of convertible senior notes, equity-settled restricted share units, deferred share units and performance shares units, where the if converted method is used. The treasury method assumes that outstanding stock options and share purchase warrants with an average exercise price below the market price of the underlying shares, are exercised and the assumed proceeds are used to repurchase common shares of the Company at the average market price of the common shares for the period. The if converted method assumes that all convertible senior notes, restricted share units, and performance share units have been converted in determining fully diluted loss per share if they are in-the-money, except where such conversion would be antidilutive.

(r) Financial instruments

Financial instruments are measured at fair value on initial recognition of the instrument. Measurement in subsequent periods depends on whether the financial instrument has been classified as “financial assets at fair value through profit or loss”, “available-for-sale financial assets”, “held-to-maturity investments”, “loans and receivables”, “financial liabilities at fair value through profit or loss”, or “other financial liabilities”.

The Company’s financial instruments are classified and subsequently measured as follows:

Asset / Liability	Classification	Subsequent Measurement
Cash and cash equivalents	Fair value through profit or loss	Fair value
Amounts receivable	Loans and receivables	Amortized cost
Prepayment option embedded derivative	Fair value through profit or loss	Fair value
AFS securities	Available-for-sale	Fair value
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Debt and equipment financing obligations	Other financial liabilities	Amortized cost
Option component of convertible senior notes	Fair value through profit or loss	Fair value
Derivatives	Fair value through profit or loss	Fair value
Share-purchase warrants (derivative liability)	Fair value through profit or loss	Fair value

Financial assets and financial liabilities classified as fair value through profit or loss are measured at fair value with changes in those fair values recognized in net loss. Financial assets classified as available-for-sale are measured at fair value, with changes in those fair values recognized in other comprehensive income.

Investments in equity securities classified as available-for-sale financial assets are accounted for at their fair value, which is determined based on the last quoted market price. Changes in the market value of available-for-sale equity securities as well as the related foreign exchange and tax impact, if any, are accounted for in accumulated other comprehensive income (loss) until the equity securities are sold or are determined to be other-than-temporarily impaired. When available-for-sale equity securities are sold or are determined to be other-than-temporarily impaired, the related accumulated change in accumulated other comprehensive income (loss) is reclassified to net loss.

The Company has senior secured notes outstanding which represent a financial liability with an embedded derivative. The debt component of the senior secured notes is presented within debt and financing obligations on the Consolidated Statements of Financial Position. The embedded derivative, which is an option that represents a derivative asset to the Company, is presented as an offset to debt and equipment financing obligations on the Consolidated Statements of Financial Position. The debt component is initially recognized as the difference between the fair value of the financial instrument as a whole and the fair value of the embedded derivative.

Subsequently, the debt component is recognized at amortized cost using the effective interest rate method. The embedded derivative represents the prepayment option and is classified as a financial asset at fair value through profit or loss. The embedded derivative

is subsequently recognized at fair value with changes in fair value recognized in net loss. Interest expense relating to the debt component is also recognized in net loss, with the exception of interest expense capitalized as borrowing costs.

Fair values are based on quoted market prices where available, or where no active market exists, fair values are estimated using a variety of valuation techniques and models. These valuation techniques and models include recent arm's length market transactions for similar instruments, reference to current market value of another instrument which is substantially the same, discounted cash flow analysis, and option pricing models.

Transaction costs, other than those related to financial instruments classified as fair value through profit or loss, which are expensed as incurred, are combined with the fair value of the financial asset or financial liability on initial recognition and amortized using the effective interest rate method. If modifications are made to a financial liability that are not considered to be substantial, the transaction costs related to this modification are combined with the carrying amount, and amortized over the life of the instrument using the effective interest rate method. If modifications are made that are considered to be substantial, the transaction costs related to the modification are expensed.

All derivative instruments, including embedded derivatives, are recorded on the balance sheet at fair value unless exempted from derivative treatment as an own-use instrument. All changes in fair value are recorded in net loss unless they are designated in a valid cash flow hedging relationship, in which case changes in fair value are recorded in accumulated other comprehensive income (loss).

Financial assets are derecognized when the rights to receive cash flows from the asset have expired or have been transferred and the Company has transferred substantially all of the risks and rewards of ownership. Financial liabilities are derecognized when they have been settled by the Company, or when an obligation expires. In instances where a financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with any difference recognized in earnings or loss.

Financial assets and financial liabilities are offset and the net amount reported in the Consolidated Statements of Financial Position only if there is an enforceable legal right to offset the recognized amounts and the intention is to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(s) Hedges

Hedging relationships that meet documentation requirements, and that can be proven to be effective both at the inception and over the term of the relationship qualify for hedge accounting. At the inception of the transaction, the Company documents the relationship between hedging instruments and hedged items, the method for assessing effectiveness, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company makes an assessment, both at the inception of the hedge and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized as other comprehensive income and are presented within equity as accumulated other comprehensive income (loss). The gain or loss relating to the ineffective portion is recognized immediately in net loss. Amounts accumulated in equity are recycled to net loss in the period in when the hedged item will affect net loss. However, when the forecasted transaction that is hedged results in the recognition of a non-financial asset or liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the related asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecasted transaction is ultimately recognized in net loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss existing in accumulated other comprehensive income (loss) is immediately charged to net loss.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer. The Company's operating segments, before aggregation, have been identified as the Company's individual operating mines. Aggregation of one or more operating segment into a single operating segment is permitted if aggregation is consistent with the core principle of the standard, the operating segments have similar economic characteristics, and the operating segments have a number of other similarities, including similarities in the nature of their products, production processes, and regulatory environment. The Company's reportable segments are consistent with the identified operating segments.

(u) New Standards issued and adopted

The Company adopted the following amendments to accounting standards, effective January 1, 2016:

Amendments to International Accounting Standards ("IAS") 16, *Property, Plant and Equipment* and IAS 38, *Intangibles*. These amendments prohibit the use of revenue-based depreciation methods for property, plant and equipment and limit the use of revenue-based amortization for intangible assets. These amendments had no impact on the Company's consolidated financial statements as revenue-based depreciation or amortization methods are not used.

Amendments to IFRS 11, *Joint Arrangements*. The amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business. The amendments had no impact on the consolidated financial statements.

(v) Standards issued but not yet adopted

Standards issued, but not yet adopted include:

Asset	Effective
Amendments to IAS 12, Income taxes	January 1, 2017
IFRS 15, Revenue from Contracts with Customers	January 1, 2018
IFRS 16, Leases	January 1, 2019
IFRS 9, Financial Instruments	January 1, 2017
IFRIC 22, Foreign Currency Transactions and Advance Consideration	January 1, 2018

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The standard replaces IAS 11, Construction Contracts; IAS 18, Revenue; IFRIC 13, Customer Loyalty Programmes; IFRIC 15, Agreements for the Construction of Real Estate; IFRIC 18, Transfer of Assets from Customers; and SIC 31, Revenue - Barter Transactions Involving Advertising Services. This standard establishes principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contract with customers. This standard is effective for annual periods beginning on or after January 1, 2018, and permits early adoption. The Company is currently evaluating the impact of this standard on the consolidated financial statements, however, no material impact to the consolidated financial statements is anticipated.

On January 6, 2016, the IASB issued IFRS 16, Leases. This standard specifies the methodology to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. This standard replaces IAS 17, Leases. The standard is effective for reporting periods beginning on or after January 1, 2019 with early adoption permitted. The Company is initiating a project during 2017 to assess the impact of the adopting the new standard on its consolidated financial statements.

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 Company will adopt the amendments to IAS 12 in its financial statements for the annual period beginning on January 1, 2017. The adoption of the amendments did not have a material impact on the consolidated financial statements.

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 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 Interpretation to have a material impact on the financial statements.

In July 2014, the IASB issued IFRS 9, Financial Instruments, which will replace IAS 39, Financial Instruments: Recognition and Measurement. The replacement standard provides a new model for the classification and measurement of financial instruments. IFRS 9 also includes a substantially reformed approach to hedge accounting which aligns hedge accounting more closely with risk management. The Company has elected to early adopt the standard commencing January 1, 2017 on a retrospective basis, using certain available transitional provisions. The adoption of the standard will allow the Company to apply hedge accounting to certain currency derivatives the Company uses to manage its foreign currency exposure. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements, but will result in additional disclosures.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Many of the amounts included in the Consolidated Statements of Financial Position require management to make estimates and judgements. Accounting estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Critical accounting estimates

The following is a list of the accounting estimates that the Company believes are critical, due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liabilities, revenue or expense being reported. Actual results may differ from these estimates.

- The Company accounts for its ore stockpiles and in-process precious metals inventory using a process flow for applicable costs appropriate to the physical transformation of ore through the mining, crushing, leaching, milling and gold recovery process. The Company estimates the expected ultimate recovery based on laboratory tests and ongoing analysis of leach pad kinetics in order to estimate the recoverable metals from the leach pad at the end of each accounting period. If the Company determines at any time that the ultimate recovery should be adjusted downward, then the Company will adjust the average carrying value of a unit of metal content in the in-process inventory and adjust upward on a prospective basis the unit cost of subsequent production. The Company estimates concentrate production based on assays and moisture samples taken and tested in laboratories, as well as weights using a calibrated scale. Final weights and assays are taken on settlement with the buyer, which are reconciled to production. Should an upward adjustment in the average carrying value of a unit of metal result in the carrying value exceeding the realizable value of the metal, the Company would write down the carrying value to the realizable value.

- The Company values inventory at the lower of cost and net realizable value. The calculation of net realizable value relies on forecasted gold prices, estimated grades of ore on stockpiles, concentrate and heap leach pads, forecasted exchange rates, and estimated costs to complete the processing of ore inventory.

- The Company makes estimates of the quantities of proven and probable reserves of the mine and the portion of mineralization expected to be classified as reserves. The estimation of quantities of reserves and resources is complex, requiring significant subjective assumptions that arise from the evaluation of geological, geophysical, engineering and economic data for a given ore body. This data could change over time as a result of numerous factors, including new information gained from development activities, evolving production history and a reassessment of the viability of production under different economic conditions. Reserve estimates are used in the calculation of depletion expense and to calculate the recoverable amount of a CGU, and to forecast the life of the mine.

- The Company forecasts prices of commodities, exchange rates, production costs, discount rates, and recovery rates. These estimates may change the economic status of reserves and may result in reserves and resources being revised. In addition, these estimates are used to calculate the recoverable amount of a CGU for the purpose of impairment testing.

- The Company amortizes its property, plant and equipment, net of residual value, over the estimated useful life of each asset, not to exceed the life of the mine at which the asset is utilized. The Company uses estimated proven and probable mineral reserves, and an estimate of mineral resources as the basis for amortizing certain mineral property, plant and equipment. The physical life of these assets, and related components, may differ from the Company's estimate, which would impact amortization and depletion expense.

- The Company makes estimates of the likelihood of whether or not all or some portion of each deferred income tax asset and investment tax credits will be realized, which is impacted by interpretation of tax laws and regulations, historic and future expected levels of taxable income, timing of reversals of taxable temporary timing differences, and tax planning initiatives. Levels of future taxable income are affected by, among other things, market gold prices, production costs, quantities of proven and probable gold reserves, interest rates, and foreign currency exchange rates.

- The Company makes estimates of the timing and amount of expenditures required to settle the Company's decommissioning liabilities. The principal factors that can cause expected future expenditures to change are: the construction of new processing facilities; changes in the quantities of material in reserves and a corresponding change in the life of mine plan; changing ore characteristics that ultimately impact the environment; changes in water quality that impact the extent of water treatment required; and changes in laws and regulations governing the protection of the environment. In general, as the end of the mine life nears, the reliability of expected cash flows increases, but earlier in the mine life, the estimation of a decommissioning liability is inherently more subjective.

- The computed amount of share based compensation is not based on historical cost, but is derived based on subjective assumptions input into an option pricing model. The model requires that management make forecasts as to future events, including estimates of: the average future hold period of issued stock options, deferred share units, restricted share units, performance share units, or stock appreciation rights before exercise, expiry or cancellation; future volatility of the Company's share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. Share-based compensation incorporates an expected forfeiture rate. The expected forfeiture rate is estimated based on historical forfeiture rates and expectations of future forfeiture rates, and is adjusted if the actual forfeiture rate differs from the expected rate. The resulting value calculated is not necessarily the value that the holder of the instrument could receive in an arm's length transaction, given that there is no market for these instruments and they are not transferable. It is management's view that the value derived is highly subjective and dependent upon the input assumptions made.

Critical accounting judgements

The following are critical judgements that management has made in the process of applying accounting policies that may have a significant impact on the amounts recognized in the consolidated financial statements.

- The Company makes judgements about whether or not indicators of impairment, or indicators of a reversal of impairment, exist at each reporting period. This determination impacts whether or not a detailed impairment assessment is performed at the reporting date. These judgements did not impact cash generating units at December 31, 2016, however for the year ended December 31, 2015, the Company recorded impairment charges. Refer to note 11 for further information.
- The Company is subject to income taxes in different jurisdictions. Significant judgment is required in determining the provision for income taxes, due to the complexity of legislation.

5. ACQUISITION OF CARLISLE GOLDFIELDS LTD.

On January 7, 2016, the Company acquired all of the issued and outstanding shares of Carlisle Goldfields Limited ("Carlisle") not previously owned by the Company, by way of a court-approved plan of arrangement (the "Arrangement").

Under terms of the Arrangement, Carlisle shareholders received:

(i) 0.0942 of an Alamos common share for each Carlisle common share held, plus
(ii) 0.0942 of a warrant to purchase Alamos common shares at an exercise price of CAD$10.00 with an expiration date of January 7, 2019.

Upon closing of the transaction, the Company issued 4,142,087 shares and 4,142,087 share purchase warrants as part of the consideration. In addition, the Company issued 645,952 common shares as payment for the change of control obligations for departing management. Total consideration for the acquisition was $20.4 million (net of cash received), including transaction costs.

Management determined that the acquisition of Carlisle did not meet the definition of a business combination in accordance with IFRS 3, *Business Combinations*. Accordingly, the Company has accounted for the transaction as an asset acquisition. The principal asset acquired in the transaction is an interest in the Lynn Lake project. Upon completion of the acquisition, the Company owns a 100% interest in the Lynn Lake project.

The allocation of the purchase price (based on the consideration paid on January 7, 2016) to the net assets acquired is as follows:

Consideration transferred	
Common shares issued	$17.5
Warrants issued	2.8
Share-based compensation	0.4
Transaction costs	0.4
	$21.1

Net assets acquired	
Cash and cash equivalents	$0.7
Current assets, excluding cash and cash equivalents	0.6
Mineral property, plant and equipment	19.9
Current liabilities	(0.1)
	$21.1

In November 2014, the Company entered into an agreement with Carlisle to acquire a 25% interest in the Lynn Lake gold project in exchange for consideration of $4.4 million (CAD$5.0 million), which the Company classified as mineral property, plant and equipment. In conjunction with this transaction, a private placement was completed whereby the Company paid $5.0 million (CAD $5.6 million) in exchange for a 19.9% interest in Carlisle. On completion of the Arrangement in January 2016, the Company reclassified this investment in associate of Carlisle to mineral property, plant and equipment. Additionally, the Company spent $9.5 million on the Lynn Lake project from November 2014 up to the close of the transaction, which was recorded within mineral property, plant and equipment.

6. MERGER BETWEEN FORMER ALAMOS AND AURICO GOLD INC.

On July 2, 2015, AuRico and Former Alamos combined by way of a statutory arrangement under the Business Corporations Act (Ontario) to form a company operating under the name Alamos Gold Inc (the “Plan of Arrangement”). Former Alamos owned and operated the Mulatos Mine in Sonora, Mexico, and had exploration and development activities in Mexico, Turkey and the United States.

The Plan of Arrangement included the following:

(a) The exchange of all common shares of Former Alamos for AuRico common shares based on an exchange ratio of 1.9818 and cash of $0.0001;

(b) The amalgamation of Former Alamos and AuRico, forming the resulting company, Alamos;

(c) The formation of AuRico Metals Inc. (“AuRico Metals”) to hold certain assets (note 10);

(d) The reorganization of the capital of Alamos into Class A common shares (note 16), and the distribution of common shares of AuRico Metals to holders of AuRico common shares and holders of Former Alamos common shares (note 16).

On completion of the Plan of Arrangement, holders of AuRico common shares received 0.5046 Class A common shares of Alamos for each AuRico common share held and holders of Former Alamos common shares received one Class A common share of Alamos and $0.0001 in cash for each share held.

Under the Plan of Arrangement, former Alamos options and stock appreciation rights were replaced and converted to awards of Alamos. Former Alamos warrants, restricted share units and deferred share units were exchanged for warrants and awards of Alamos. All AuRico options, performance share units, restricted share units and deferred share units were converted to awards of Alamos. All such awards were amended to provide that on exercise or redemption, Class A common shares of Alamos will be issued, to the extent not redeemed for cash consideration (note 16).

In connection with the merger, on April 10, 2015, Former Alamos subscribed for approximately 27.9 million common shares of AuRico on a private placement basis. The common shares held by Former Alamos are included in the identified assets acquired by AuRico, and were subsequently repurchased and cancelled upon completion of the Plan of Arrangement on July 2, 2015.

The Company determined that the merger was a business combination in accordance with the definition in IFRS 3, *Business combinations*, and as such has accounted for it in accordance with this standard, with AuRico being the accounting acquirer on the acquisition date of July 2, 2015.

The following table summarizes the final fair value of the total consideration transferred from Former Alamos shareholders and the fair value of identified assets acquired and liabilities assumed, based on the calculated fair value estimates.

The Company used a discounted cash flow model to estimate the fair values of the properties. Expected future cash flows are based on estimates of future production and commodity prices, operating costs and forecast capital expenditures based on the respective life of mine plan as at the acquisition date.

Transaction costs of $6.0 million relating to the arrangement have been expensed in accordance with IFRS 3, *Business Combinations,* and have been included within Other loss for the year ended December 31, 2015. In addition, restructuring costs of $14.0 million incurred in connection with the transaction were included within Other loss for the year ended December 31, 2015.

Consideration transferred	
Common shares issued	$722.1
Share-based compensation	5.0
Warrants	1.3
	$728.4

Net Assets Acquired	
Cash and cash equivalents	$249.1
Current assets, excluding cash and cash equivalents	95.1
Available-for-sale securities	79.7
Long-term inventory	16.8
Mineral property, plant and equipment	422.6
Current liabilities	(38.1)
Decommissioning liabilities	(22.6)
Other liabilities	(0.4)
Deferred income tax liability	(73.8)
	$728.4

7. ASSETS AND LIABILITIES DISTRIBUTED

As part of the Plan of Arrangement, AuRico Metals, a public company listed on the TSX, was created to hold the Kemess project ("Kemess"), a new 1.5% net smelter return royalty on the Young-Davidson mine, the 2% and 1% net smelter return royalties from the Fosterville and Stawell mines (the "Australian royalties"), respectively, and $12.4 million in net cash. On July 2, 2015, the assets were sold to AuRico Metals, and 95.1% of the common shares of AuRico Metals were distributed to holders of AuRico and Former Alamos common shares. Subsequent to completion of the Plan of Arrangement, Alamos owned 4.9% of the issued and outstanding common shares of AuRico Metals.

As at June 30, 2015, the assets and liabilities to be transferred to AuRico Metals were recorded as assets held for distribution and liabilities associated with assets held for distribution, and were recorded at the lower of carrying value and fair value less costs to distribute, with carrying value at June 30, 2015 approximating fair value after the revaluation adjustment discussed below. Following shareholder approval, the Company recorded a distribution payable measured at the fair value of the net assets to be distributed. At the time of distribution, on July 2, 2015, there had been no change in fair value, and no additional gain or loss was recorded in the year ended December 31, 2015.

The Company determined the fair value of royalty assets distributed using a valuation model based on the discounted projected future cash flows. The valuations of the Young-Davidson and Australian royalties were completed assuming future gold prices

between $1,100 and $1,250, and using discount rates of 6% and 12.5%, respectively. The future production from these mines was estimated based on current mine plans and reported reserves.

The allocated cost of the Young-Davidson royalty was estimated at $37.0 million, which has been deducted from the Young-Davidson mineral property.

The Company determined the fair value of the Kemess assets, excluding mineral resources, using a discounted cash flow methodology taking into account the assumptions that would be expected to be made by market participants.

Assumptions used in determining the fair value of Kemess were as follows:

- Long-term gold price of $1,250 per ounce;
- Long-term copper price of $3.00 per pound;
- Long-term US dollar to Canadian dollar exchange rate of $0.85 to $1.00;
- Production, operating costs and capital expenditures based on a life of mine plan derived from technical reports;
- A discount rate of 8%; and
- A net asset value ("NAV") multiple of 0.3.

The fair value of the Kemess assets and liabilities distributed were determined to be $60.1 million, compared with a carrying amount of $90.1 million. As a result, a $40.1 million revaluation loss and a tax recovery of $10.1 million were recorded.

The distribution of assets and liabilities to AuRico Metals was completed on July 2, 2015.

After adjusting for the revaluation adjustment noted above, the major classes of assets and liabilities distributed on July 2, 2015 were as follows:

Cash and cash equivalents	$20.0
Amounts receivables	0.7
Inventories	5.4
Other current assets	1.3
Other non-current assets	60.4
Mineral property, plant and equipment	76.2
Assets distributed	**$164.0**
Accounts payables and accrued liabilities	$1.8
Income tax payable	0.2
Decommissioning liability	14.6
Liabilities associated with assets distributed	**$16.6**
Net assets distributed	**$147.4**

8. AMOUNTS RECEIVABLE

	December 31, 2016	December 31, 2015
Sales tax receivables		
Canada	$2.3	$4.3
Mexico	36.2	32.7
Other	0.5	0.2
Other receivables	5.9	6.8
	$44.9	**$44.0**

Sales tax receivables are mainly related to value-added taxes at the Company's Mexican and Canadian operations. The Company expects that these receivables will be collected within the next year.

9. INVENTORY

	December 31, 2016	December 31, 2015
In-process precious metals	$120.7	$123.5
Ore in stockpiles	37.6	29.4
Parts and supplies	35.7	33.8
Dore, refined precious metals and gold in concentrate	13.5	9.5
	207.5	**196.2**
Less: Long-term inventory	(75.8)	(70.1)
	$131.7	**$126.1**

Long term inventory consists of heap leach and long-term stockpiles of $ 75.8 million at December 31, 2016 (December 31, 2015 - $70.1 million) and are expected to be recovered after one year.

The amount of inventories recognized in mining and processing costs for the year ended December 31, 2016 was $304.1 million (December 31, 2015 - $262.5 million, including a net realizable value adjustment of $29.4 million). The amount of inventories recognized in amortization costs for the year ended December 31, 2016 was $119.0 million (December 31, 2015 - $117.5 million, including a net realizable value adjustment of $7.8 million).

10. MINERAL PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	Mineral property		Exploration and evaluation	**Total**
		Depletable	Non-depletable		
Cost					
At December 31, 2014	$725.6	$1,227.0	$16.3	$92.7	$2,061.6
Additions	76.6	51.2	32.1	22.2	182.1
Acquisition of Alamos (note 6)	155.6	45.5	–	221.5	422.6
Assets distributed to AuRico Metals Inc. (a)	(26.4)	(37.0)	–	(89.9)	(153.3)
Disposals	(8.5)	–	–	(2.2)	(10.7)
At December 31, 2015	$922.9	$1,286.7	$48.4	$244.3	$2,502.3
Additions	67.4	56.3	17.8	16.9	158.4
Acquisition of Carlisle Goldfields (note 5)	–	–	–	19.9	19.9
Transfer from other assets (note 5)	–	–	–	4.2	4.2
Disposals	(6.7)	–	–	–	(6.7)
At December 31, 2016	**$983.6**	**$1,343.0**	**$66.2**	**$285.3**	**$2,678.1**
Accumulated amortization and impairment charges					
At December 31, 2014	$127.5	$291.6	$3.2	$0.6	$422.9
Amortization	45.0	48.3	–	–	93.3
Revaluation of assets distributed (note 7)	9.1	–	–	31.0	40.1
Assets distributed to AuRico Metals Inc. (a)	(9.1)	–	–	(31.0)	(40.1)
Impairment charges (note 11)	35.7	85.3	1.9	5.7	128.6
Disposals	(1.7)	–	–	–	(1.7)
At December 31, 2015	$206.5	$425.2	$5.1	$6.3	$643.1
Amortization	69.0	49.9	–	–	118.9
Disposals	(2.1)	–	–	–	(2.1)
At December 31, 2016	**$273.4**	**$475.1**	**$5.1**	**$6.3**	**$759.9**
Net carrying value					
At December 31, 2015	$716.4	$861.5	$43.3	$238.0	$1,859.2
At December 31, 2016	**$710.2**	**$867.9**	**$61.1**	**$279.0**	**$1,918.2**

The net carrying values by segment (note 19) are as follows:

	Plant and equipment	Mineral property		Exploration and evaluation	Total
		Depletable	Non-depletable		
Young-Davidson	$580.7	$789.2	$61.1		$1,431.0
Mulatos	121.6	76.9	–	–	198.5
El Chanate	5.9	1.8	–	–	7.7
Corporate and other	2.0	–	–	279.0	281.0
At December 31, 2016	**$710.2**	**$867.9**	**$61.1**	**$279.0**	**$1,918.2**
Young-Davidson	$558.4	$807.7	$43.3	–	$1,409.4
Mulatos	151.3	52.8	–	–	204.1
El Chanate	5.2	1.0	–	–	6.2
Corporate and other	1.5	–	–	238.0	239.5
At December 31, 2015	**$716.4**	**$861.5**	**$43.3**	**$238.0**	**$1,859.2**

a. Assets distributed

As discussed in note 7, in accordance with the Plan of Arrangement, AuRico Metals received a 1.5% net smelter return royalty on the Young-Davidson mine. Assets distributed reflect the allocated carrying amount of this royalty of $37.0 million. In addition, the Company transferred the Australian royalty interests and net assets of the Kemess project (as defined in note 7) to AuRico Metals on July 2, 2015 and accordingly property, plant and equipment and exploration and evaluation property have been reduced by the respective carrying amounts of $17.3 million and $58.9 million.

b. Other

The carrying value of construction in progress at December 31, 2016 was $52.5 million (December 31, 2015 - $58.7 million).

During the year ended December 31, 2016, the Company capitalized $6.6 million of interest, to capital projects (year ended December 31, 2015 - $6.4 million). The applicable capitalization rate for general borrowings was 8.62% (2015 - 8.59%).

11. IMPAIRMENT

a) Mineral Property, plant and equipment and goodwill

In accordance with the Company's accounting policy and applicable IFRS, goodwill is tested for impairment each year at December 31 and also when there is an indicator of impairment. Other non-financial assets and cash generating units ("CGUs") are tested for impairment or a reversal of impairment whenever there are indicators that an impairment has occurred or should be reversed.

Indicators of impairment

At June 30, 2015, management identified certain facts and circumstances indicating possible impairments including: (a) changes in the economic assumptions based on a continued depressed long term gold price outlook and a reduction of NAV multiples applied to mining properties, (b) the market capitalization of the Company continued to be significantly below the carrying value of the net assets at year end, (c) results of operations to date in 2015, and (d) the results of an independent third party review of the cost estimates included in the Young-Davidson life of mine plan. As a result, an impairment assessment in accordance with IAS 36 was performed for the Young-Davidson and El Chanate CGUs.

As a result of this assessment, the Company determined that the carrying value exceeded the recoverable amount for both CGUs. The recoverable amount was determined using the fair value less costs of disposal ("FVLCD") based on the estimated discounted cash flows of the mining interests.

Consequently, an impairment charge of $326.0 million was recorded relating to the Young-Davidson CGU, consisting of a reduction in goodwill allocated to the CGU of $241.7 million, reducing the goodwill allocated to the CGU to $nil, and a reduction in mineral property, plant and equipment, and intangible assets of $84.3 million. In addition, an impairment charge of $40.0 million was recorded relating to the El Chanate CGU, consisting of a reduction in mineral property, plant and equipment, and intangible assets.

Key assumptions

As at June 30, 2015, the FVLCD at Young-Davidson was negatively impacted by an increase in operating and capital cost assumptions used in the LOM plan to reflect current and updated future estimated performance, a decrease in the long-term gold price assumption by $50 per ounce and a reduction in the NAV multiple by 0.05 to 1.00.

The key macro-economic assumptions and estimates used in determining the FVLCD as at June 30, 2015, were related to gold prices, discount rates, foreign exchange rates and NAV multiples. The key assumptions used in the Young-Davidson CGU impairment test are summarized in the table below.

Young-Davidson	**June 30, 2015**
Long-term gold price per ounce	$1,250
Discount rate	6.00%
NAV multiple	1.00
Foreign exchange rate (C$1 / US$)	$0.85

Operating cost and capital expenditure estimates were based on LOM plans and are management's best estimate. As a result of performance in 2015 and an independent third party review of costs, operating costs and capital expenditures in the LOM plan had increased from December 31, 2014 to June 30, 2015.

As at June 30, 2015, the FVLCD at El Chanate was negatively impacted by the decrease in the long-term gold price assumption by $50 per ounce and increased estimates of future processing costs.

The key macro-economic assumptions used in the El Chanate impairment test in the second quarter of 2015 are summarized in the table below.

El Chanate	**June 30, 2015**
Long-term gold price per ounce	$1,250
Discount rate	6.75%
NAV multiple	1.00
Foreign exchange rate (US$1 / MXN Peso)	$14.00

b) Other Assets

During the year ended December 31, 2015, the Company determined that it did not intend to proceed with exploration of the Orion joint venture project with Minera Frisco S.A. de C.V. ("Minera Frisco"). As a result, the Company recorded an impairment charge of $17.6 million, reducing the carrying amount of the investment in the joint venture to nil.

In addition, the Company wrote-off exploration projects with a carrying value of $5.7 million, as the Company determined that the projects were no longer economically viable.

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2016	December 31, 2015
Trade accounts payable and accrued liabilities	$75.6	$77.3
Royalties payable	3.6	2.4
Interest payable	6.1	6.1
Share-based compensation liability (note 16)	6.8	4.2
Derivative liabilities (note 20)	2.4	4.1
Other	—	0.5
	$94.5	**$94.6**

13. DEBT AND FINANCING OBLIGATIONS

	December 31, 2016	December 31, 2015
Revolving credit facility (a)	–	–
Senior secured notes (b)	$297.6	$305.1
Equipment financing obligations	$7.3	$15.2
	$304.9	$320.3
Less: Current portion of debt and financing obligations	($3.6)	($5.3)
	$301.3	**$315.0**

(a) Revolving credit facility

On March 22, 2016, the Company amended and restated its existing $150.0 million credit facility, extending the maturity from April 26, 2016 to February 29, 2020. The amended facility consists of a committed $150.0 million revolving credit facility (the “Facility”), with an option to draw an additional $70.0 million, subject to commitments from existing and/or new lenders. The terms of the Facility reflect a reduction in pricing and removal of certain covenants compared to the previous facility. The Facility bears an interest at a 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 net leverage ratio (net indebtedness to EBITDA), as defined in the agreement.

The Facility is secured by a first ranking lien on all material present and future assets, property and undertakings of the Company. The Facility contains various 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 3.0:1.0 and (b) a maximum net leverage ratio of 3.5:1.0, both as defined in the agreement. As at December 31, 2016, the Company is in compliance with the covenants.

(b) Senior secured notes

On March 27, 2014, the Company completed an offering of $315.0 million senior secured notes, secured by a second-ranking lien on all present and future assets, property and undertakings of the Company. The secured notes were sold at 96.524% of par, resulting in total proceeds of $304.1 million. The secured notes pay interest in semi-annual installments on April 1 and October 1 of each year, commencing on October 1, 2014, at a rate of 7.75% per annum, and mature on April 1, 2020. The Company incurred transaction costs of $7.8 million, which have been offset against the carrying amount of the secured notes and are amortized using the effective interest rate method. These notes contain transaction-based restrictive covenants that limit the Company’s ability to incur additional indebtedness in certain circumstances. There are no covenants that are based on the Company’s historical financial performance.

The senior secured notes indenture grants the Company the option to prepay the notes prior to the maturity of the instruments, and specifies a premium during each applicable time period. These prepayment options have been accounted for as embedded derivatives, and are outlined below:

- Subsequent to April 1, 2017, the secured notes may be repurchased at 103.875% of par value
- Subsequent to April 1, 2018, the secured notes may be repurchased at 101.938% of par value
- Subsequent to April 1, 2019, the secured notes may be repurchased at 100% of par value

The fair value of the prepayment option embedded derivative was $6.0 million at March 27, 2014, and was offset against the carrying amount of the secured notes. As at December 31, 2016, the fair value of the prepayment option embedded derivative was $9.6 million (December 31, 2015 - $0.1 million) and was offset against the carrying amount of the secured notes. The Company recorded a gain of $9.5 million for the year ended December 31, 2016 (for the year ended December 31, 2015 - $6.6 million loss), which is recorded in Other gain (loss).

14. DECOMMISSIONING LIABILITIES

A decommissioning liability is recognized in the period in which it is incurred, on a discounted cash flow basis, if a reasonable estimate can be made. The liability accretes to its full value over time through charges to earnings or loss. In addition, the discounted value is added to the carrying amount of mineral property, plant and equipment, and is amortized on a units-of-production basis over the life of the mine. A continuity of the decommissioning liability is as follows:

	Total
Balance – December 31, 2014	$28.8
Liability assumed on acquisition (note 6)	22.6
Decommissioning liability distributed to AuRico Metals (note 7)	(14.6)
Accretion expense	1.3
Reclamation expenditures	(1.1)
Revisions to expected discounted cash flows	0.2
Balance – December 31, 2015	$37.2
Reclamation expenditures	(0.3)
Accretion expense	2.1
Revisions to expected discounted cash flows	0.6
Balance – December 31, 2016	**$39.6**

The majority of the expenditures are expected to occur between 2020 and 2036. The discount rates used in discounting the estimated reclamation and closure cost obligations were between 2.3% and 7.4% for the year ended December 31, 2016 (2015 – 2.2% and 6.3%), and the inflation rate used was between 2.0% and 4.0% for the year ended December 31, 2015 (2015 – 1.5% and 2.0%).

The total undiscounted value of the decommissioning liabilities at December 31, 2016 was $51.3 million (2015 - $51.2 million).

15. INCOME TAXES

The following table represents the major components of income tax expense (recovery) recognized in net loss for the years ended December 31, 2016 and 2015:

	December 31, 2016	December 31, 2015
Current income tax expense	$3.8	$2.8
Deferred income tax expense (recovery)	6.5	(52.6)
Income tax expense (recovery) recognized in net loss	**$10.3**	**($49.8)**

The statutory tax rate for 2016 was 25.0% (2015 – 25.0%). The following table reconciles the expected income tax recovery at the Canadian combined statutory income tax rate to the amounts recognized in net loss for the years ended December 31, 2016 and 2015:

	December 31, 2016	December 31, 2015
Loss before income taxes	($7.6)	($558.7)
Income tax rate	25.00%	25.00%
Expected income tax recovery based on above rates	($1.9)	($139.7)
Effect of higher tax rates in foreign jurisdictions	0.3	(4.0)
Non-deductible expenses	4.1	3.5
Effect of non-deductible goodwill impairment	–	60.4
Impact of local mining taxes	5.9	6.4
Impact of foreign exchange	(5.1)	9.1
Impact of renouncement of flow through share expenditures	5.3	4.9
Withholding tax	1.1	1.1
Change in unrecognized temporary differences	0.1	7.6
Other	0.5	0.9
Income tax expense (recovery)	**$10.3**	**($49.8)**

The following table reflects the change in deferred income tax liability at December 31, 2016 and December 31, 2015:

	December 31, 2016	December 31, 2015
Balance, beginning of year	$284.1	$260.9
Deferred income tax expense (recovery) recognized in net loss	6.5	(52.6)
Deferred income tax expense recognized in OCI	0.4	–
Deferred income tax liability recognized on acquisition of Alamos	–	75.8
Balance, end of year	**$291.0**	**$284.1**

The following reflects the deferred income tax liability at December 31, 2016 and December 31, 2015:

	December 31, 2016	December 31, 2015
Accounting value of mineral property, plant and equipment in excess of tax value	$270.8	$273.3
Accounting value of inventories in excess of tax value	36.8	35.8
Other taxable temporary differences	18.1	12.4
Non-capital losses carried forward	(34.7)	(37.4)
Deferred income tax liability	**$291.0**	**$284.1**

The Company has Canadian tax losses of $94.6 million expiring between 2024 and 2035, Mexican tax losses of $54.7 million expiring between 2017 and 2026, United States tax losses of $20.3 million expiring between 2028 and 2035, as well as Turkish losses of $7.1 million expiring between 2017 and 2021.

The Company has unrecognized deferred income tax assets at December 31, 2016 in respect of aggregate loss carryforwards, deductible temporary differences and unused tax credits of $100.7 million (December 31, 2015 - $112.4 million).

At December 31, 2016, the Company has unrecognized deferred income tax liabilities on taxable temporary differences of $24.2 million (December 31, 2015 - $161.9 million) for taxes that would be payable on the unremitted earnings of certain subsidiaries of the Company.

16. SHARE CAPITAL

a) Authorized share capital of the Company consists of an unlimited number of fully paid Class A common shares without par value.

	Number of Shares	Amount
Outstanding at January 1, 2015	**249,648,617**	**$2,030.0**
Shares issued through private placement	27,852,769	83.3
Cancellation of private placement shares	(27,852,769)	(79.7)
Shares issued through exercise of options and employment compensation plans	940,283	3.5
Shares issued through flow-through share financing (i)	3,292,922	9.8
Shares issued associated with the merger (note 6)	252,473,595	722.1
Outstanding and issued at July 2, 2015	506,355,417	2,769.0
Capital reorganization, cancellation of common shares	(506,355,417)	(2,769.0)
Capital reorganization, issuance of Class A common shares	255,505,659	2,769.0
Shares issued through share purchase plan	383,537	1.3
Shares issued through flow-through share financing (i)	1,180,809	3.4
Outstanding at December 31, 2015	**257,070,005**	**$2,773.7**
Shares issued associated with the acquisition of Carlisle Goldfields (note 5)	4,788,039	17.5
Shares issued through share-based employment compensation plans	1,457,872	9.7
Shares issued through exercise of warrants	432,191	1.2
Shares issued through flow-through share financing (i)	3,328,388	20.1
Outstanding at December 31, 2016	**267,076,495**	**$2,822.2**

(i) Flow-through share financing

In 2015, the Company completed Canadian Development Expense ("CDE") and Canadian Exploration Expense ("CEE") flow-through financings for gross proceeds of $18.9 million, and completed the qualifying expenditures during 2015. As a result, the Company issued 4,473,731 Class A common shares.

In 2016, the Company completed CDE flow-through financings for gross proceeds of $20.4 million. As a result, the Company issued 3,328,388 Class A common shares. The Company has incurred and renounced $20.4 million in qualifying CDE.

b) Employee long-term incentive plan and share purchase plan

The Company has a long-term incentive plan under which share-based compensation, including stock options, deferred share units ("DSUs"), performance share units ("PSUs"), restricted share units ("RSUs") and stock appreciation rights ("SARs") may be granted to directors, officers, employees, and consultants of the Company. The incentive plan is a continuation of the incentive plan adopted by AuRico Gold Inc. in 2013 and was approved by shareholders in 2016. The Company also has an Employee Share

Purchase Plan which enables employees to purchase Class A common shares through payroll deduction. Employees can contribute up to 10% of their annual base salary, and the Company will match 75% of the employees' contributions. The Class A common shares are issued from treasury based on the volume weighted average closing price of the last five days prior to the end of the quarter. At the option of the Company, the shares may be purchased for plan participants in the open market. The maximum number of Class A common shares that may be reserved and set aside for issuance under the long-term incentive plan is 6.5% of the Class A common shares outstanding at the time of granting the award (on a non-diluted basis) inclusive of 0.2% of the issued and outstanding shares (on a non-diluted basis) specifically allocated to the employee share purchase plan.

Long-term incentives ("LTI") of Former Alamos and AuRico employees were converted to Alamos LTI as part of the Plan of Arrangement and continue to vest in accordance with the provisions of the plans of Former Alamos and AuRico.

c) Stock options

The following is a continuity of the changes in the number of stock options outstanding:

	Number	Weighted average exercise price (CAD$)
Outstanding at January 1, 2015	**13,773,685**	**$6.42**
Forfeited	(16,667)	4.03
Expired	(1,232,686)	7.46
Exercised	(215,610)	3.73
Outstanding AuRico options, June 30, 2015	**12,308,722**	**$6.33**
Conversion factor (note 6)	0.5046	
Outstanding Alamos options, July 2, 2015	**6,210,981**	**$12.31**
Conversion of Former Alamos options, July 2, 2015 (note 6)	4,088,700	11.91
Outstanding options, July 2, 2015	**10,299,681**	**$12.16**
Expired	(62,319)	12.89
Outstanding at December 31, 2015	**10,237,362**	**$12.15**
Granted	1,620,000	3.75
Conversion of Carlisle options to Alamos (note 5)	462,954	9.69
Exercised	(1,099,749)	7.63
Expired	(1,708,931)	13.56
Outstanding at December 31, 2016	**9,511,636**	**$10.87**

During the year ended December 31, 2016, the weighted average share price at the date of exercise for stock options exercised was CAD $11.37 per share (for the year ended December 31, 2015: CAD $4.49 per share)

(i) Stock options granted

During the year ended December 31, 2016, the Company granted 1,620,000 (year ended December 31, 2015 - nil) stock options. The following table presents the weighted average fair value assumptions used in the Black-Scholes valuation:

For options granted in the year ended:	**December 31, 2016**
Weighted average share price at grant date (CAD$)	$3.75
Risk-free rate	0.32% - 0.92%
Expected dividend yield	0.70%
Expected stock price volatility (based on historical volatility)	49%
Expected life of option (months)	42 - 84
Weighted average per share fair value of stock options granted (CAD$)	$1.52

Stock options outstanding and exercisable as at December 31, 2016:

	Outstanding			**Exercisable**	
Range of exercise prices (CAD$)	**Number of options**	**Weighted average exercise price (CAD$)**	**Weighted average remaining contractual life (years)**	**Number of options**	**Weighted average exercise price (CAD$)**
$3.01 - $7.00	1,869,213	3.95	5.62	249,213	5.22
$7.01 - $11.00	3,347,024	7.89	2.70	2,321,201	7.95
$11.01 - $15.00	1,139,719	14.10	1.51	1,139,719	14.10
$15.01 - $19.00	2,602,577	16.25	1.19	2,602,577	16.25
$19.01 - $23.00	553,103	20.24	0.64	553,103	20.24
	9,511,636	**$10.87**	**2.60**	**6,865,813**	**$13.01**

d) Other employee long-term incentives

The following is a continuity of the changes in the number of other long-term incentive plans ("LTI") outstanding for the years ended December 31, 2016 and 2015:

	Restricted share units ("RSU")	Stock appreciation rights ("SAR")	Deferred share units ("DSU")	Performance share units ("PSU")
Outstanding units at January 1, 2015	**747,654**	–	**253,140**	**625,223**
Granted	144,242	–	66,776	–
Dividend-equivalent units granted	9,033	–	3,154	6,574
Forfeiture	(16,286)	–	–	(49,528)
Redeemed	(23,038)	–	–	(60,007)
Outstanding AuRico units, June 30, 2015	**861,605**	–	**323,070**	**522,262**
Conversion factor (note 6)	0.5046	–	0.5046	0.5046
Adjustment as a result of AuRico Metals distribution (note 7)	15,739	–	5,903	9,540
Outstanding Alamos units, July 2, 2015	**450,504**	–	**168,924**	**273,073**
Former Alamos units, July 2, 2015 (note 6)	1,117,439	2,559,094	138,862	–
Outstanding units, July 2, 2015	**1,567,943**	**2,559,094**	**307,786**	**273,073**
Granted	66,525	–	28,809	290
Forfeited	(5,528)	(87,632)	–	–
Exercised	(224,615)	–	(59,665)	–
Outstanding units, December 31, 2015	**1,404,325**	**2,471,462**	**276,930**	**273,363**
Granted	574,088	–	130,009	340,188
Forfeited	(257,345)	(729,816)	(15,313)	(102,156)
Settled	(310,876)	(252,071)	(13,281)	(87,142)
Outstanding units, December 31, 2016	**1,410,192**	**1,489,575**	**378,345**	**424,253**

The settlement of LTI is either cash or equity based on the feature of the LTI. The settlement of SARs is in cash, and RSUs, DSUs and PSUs are either cash or equity settled depending on the whether the LTI relates to Former Alamos or AuRico.

e) Loss per share

Basic earnings or loss per share amounts are calculated by dividing earnings or loss for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated based on the weighted average number of common shares outstanding during the period, including the effects of dilutive common share equivalents.

	For the year ended December 31,	
	2016	**2015**
Net loss	**($17.9)**	**($508.9)**
Weighted average number of common shares outstanding (in thousands)	265,234	194,121
Basic loss per share	**($0.07)**	**($2.62)**
Dilutive effect of potential common share equivalents	–	–
Diluted weighted average number of common shares outstanding (in thousands)	265,234	194,121
Diluted loss per share	**($0.07)**	**($2.62)**

The following table lists the equity securities excluded from the computation of diluted loss per share. The securities were excluded as the exercise price relating to the particular security exceeded the average market price of the Company's common shares of CAD $8.78 for the year ended December 31, 2016 (2015 - CAD $6.46), or the inclusion of the equity securities had an anti-dilutive effect on net loss.

For the periods in which the Company records a loss, diluted loss per share is calculated using the basic weighted average number of shares outstanding, as using the diluted weighted average number of shares outstanding in the calculation would be anti-dilutive.

	For the year ended December 31,	
(thousands)	**2016**	**2015**
Stock options	9,512	10,279
Equity settled LTI	369	451
Warrants	11,310	7,168
	21,191	**17,898**

(f) Dividends

On March 29, 2016, the Company's Board of Directors approved a dividend of $0.01 per share, or $2.7 million paid on April 29, 2016.

On September 30, 2016, the Company's Board of Directors approved a dividend of $0.01 per share, or $2.7 million paid on October 31, 2016.

(g) Share purchase warrants

The Company has 7.2 million share purchase warrants outstanding related to the Esperanza acquisition in 2013. The warrants have an exercise price of CAD$28.46 per common share, and expire on August 30, 2018.

The warrants are classified as a derivative liability recorded at fair value through profit or loss, due to the currency of the exercise price of the warrants. The warrants are priced in Canadian dollars, which is not the functional currency of the Company. Therefore the warrants are fair valued using the market price with gains or losses recorded in net loss. The Company recorded a loss of $1.6 million recorded in other gain (loss) for the year ended December 31, 2016 (2015 - gain of $0.6 million).

In addition, as described in note 5, the Company issued 4.1 million warrants as consideration for the acquisition of Carlisle. The warrants have an exercise price of CAD$10.00, and expire on January 7, 2019. The warrants are recorded as equity, in accordance with IFRS 2, *Share-based payments*. The Company has 4.6 million share purchase warrants outstanding related to the Carlisle acquisition.

17. OTHER GAIN (LOSS)

Other gain (loss) recorded in net loss for the years ended:

	December 31, 2016	December 31, 2015
Reduction of obligation to renounce flow-through exploration expenditures	$1.3	$6.0
Unrealized gains on non-hedged derivatives	1.6	0.6
Fair value adjustment on prepayment option embedded derivative	9.5	(6.6)
Loss on disposal of assets	(4.6)	(6.6)
Interest income	2.1	1.0
Reclamation, care and maintenance	–	(1.6)
Transaction costs	–	(6.0)
Restructuring costs	–	(14.0)
Other	(2.3)	4.3
	$7.6	**($22.9)**

18. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in working capital and income taxes received or paid for the years ended:

	December 31, 2016	December 31, 2015
Amounts receivable	($5.7)	($15.2)
Inventory	(16.1)	(6.6)
Advances and prepaid expenses	3.8	0.5
Accounts payable and accrued liabilities	(7.5)	16.0
Income taxes refunded	13.2	–
	($12.3)	**($5.3)**

Interest received, for the years ended December 31, 2016 and 2015:		
Interest received	$2.1	$0.7

Other non-cash items for the years ended:

	December 31, 2016	December 31, 2015
Unrealized gains on non-hedged derivatives	($1.6)	($0.6)
(Gain) loss on prepayment option fair value adjustment	(9.5)	6.6
Reduction of obligation to renounce flow-through exploration expenditures	(1.3)	(6.0)
Loss on disposal of assets	4.6	6.6
Net realizable value adjustments	–	29.4
Gain on termination of retained interest royalty	–	(5.2)
Other non-cash items	(2.3)	(0.2)
	($10.1)	**$30.6**

19. SEGMENTED INFORMATION

(a) Segment revenues and results

The Company manages its reportable operating segments by operating mines. The Company operates in two principal geographical areas - Canada (country of domicile), and Mexico. The Young-Davidson mine is the only operating asset in Canada, and the Mulatos and El Chanate mines operate in Sonora, Mexico. The results from operations for these reportable operating segments are summarized in the following tables:

Year ended December 31, 2016

	Young-Davidson	Mulatos	El Chanate	Corporate/other[1]	Total
Operating revenues	$211.9	$187.3	$83.0	–	**$482.2**
Cost of sales					
Mining and processing	107.4	117.2	72.4	–	**297.0**
Royalties	3.7	9.6	–	–	**13.3**
Amortization	72.6	37.8	8.6	–	**119.0**
	183.7	164.6	81.0	–	**429.3**
Expenses					
Exploration	–	2.0	–	3.1	**5.1**
Corporate and administrative	–	–	–	16.3	**16.3**
Share-based compensation	–	–	–	10.2	**10.2**
Earnings (loss) from operations	$28.2	$20.7	$2.0	($29.6)	**$21.3**
Finance expense					**(24.0)**
Foreign exchange loss					**(12.5)**
Other gains					**7.6**
Loss before income taxes					**($7.6)**

1. Corporate and other consists of corporate balances and exploration and development projects.

Year ended December 31, 2015	Young-Davidson	Mulatos	El Chanate	Corporate/other[1]	Total
Operating revenues	$182.1	$81.9	$91.1	–	$355.1
Cost of sales					
Mining and processing	107.5	61.8	89.9	–	259.2
Royalties	2.9	4.4	–	–	7.3
Amortization	72.2	17.0	28.3	–	117.5
	182.6	83.2	118.2	–	384.0
Expenses					
Exploration	–	1.5	–	7.9	9.4
Corporate and administrative	–	–	–	19.8	19.8
Share-based compensation	–	–	–	5.1	5.1
Revaluation of assets distributed	–	–	–	40.1	40.1
Impairment charges	326.0	–	40.0	23.3	389.3
Loss from operations	(326.5)	(2.8)	($67.1)	($96.2)	($492.6)
Finance expense					(24.2)
Foreign exchange loss					(19.0)
Other loss					(22.9)
Loss before income taxes					($558.7)

1. Corporate and other consists of corporate balances and exploration and development projects.

(b) Segment assets and liabilities

The following table presents the segment assets and liabilities:

	Total Assets		Total liabilities	
	December 31, 2016	**December 31, 2015**	**December 31, 2016**	**December 31, 2015**
Young-Davidson	$1,548.9	$1,511.1	$260.4	$262.0
Mulatos	335.5	341.9	88.4	98.3
El Chanate	113.5	109.3	27.8	22.0
Corporate/other	494.3	499.9	356.2	355.7
Total assets and liabilities	**$2,492.2**	**$2,462.2**	**$732.8**	**$738.0**

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values of financial instruments

The following table sets forth the Company's financial assets and liabilities that are measured at fair value on a recurring basis by level within the fair value hierarchy. The Company does not have any non-recurring fair value measurements as at December 31, 2016. Levels 1 to 3 of the fair value hierarchy are defined based on the degree to which fair value inputs are observable or unobservable, as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the net asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable (supported by little or no market activity).

	December 31, 2016		December 31, 2015	
	Level 1	Level 2	Level 1	Level 2
Cash	$251.2	–	$281.9	–
Cash equivalents	1.0	–	1.0	–
Financial assets at fair value through profit or loss				
Prepayment option embedded derivative	–	9.6	–	0.1
Gold options and forwards	–	3.3	–	–
Available-for-sale financial assets				
Equity investments (b)	14.1	–	6.7	–
Financial liabilities at fair value through profit or loss				
Share purchase warrants	(2.4)	–	(0.7)	–
Currency options	–	(3.3)	–	(3.3)
	$263.9	**$9.6**	**$288.9**	**($3.2)**

The methods of measuring financial assets and liabilities has not changed during the year ended December 31, 2016. The Company does not have any financial assets or liabilities measured at fair value based on unobservable inputs (Level 3).

The fair value of option contracts are determined using a market approach with reference to observable market prices for identical assets traded in an active market. These are classified within Level 2 of the fair value hierarchy. The use of reasonably possible alternative assumptions would not significantly affect the Company's results.

The fair values of financial instruments measured at amortized cost, except for the senior secured notes, approximate their carrying amounts at December 31, 2016. The fair value of the senior secured notes was $328.4 million at December 31, 2016 compared to a carrying value of $297.6 million (December 31, 2015 - fair value of $284.3 million and a carrying value of $305.1 million), which includes the value of the prepayment option embedded derivative. The fair value of this liability was determined using a market approach with reference to observable market prices for identical assets traded in an active market.

Risks

In the normal course of operations, the Company is exposed to credit risk, liquidity risk and the following market risks: commodity price, market price, interest rate and foreign currency exchange rate. The Company has developed a risk management process to identify, analyze and assess these and other risks, and has formed a Risk Committee to monitor all significant risks to the Company. The Board of Directors has overall responsibility for the oversight of the Company's risk management framework, and receives regular reports from the Risk Committee.

Commodity price risk

The profitability of the Company's mining operations will be significantly affected by changes in the market price for gold. Gold prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for gold, the level of interest rates, the rate of inflation, investment decisions by large holders of gold, including governmental reserves, and the stability of exchange rates can all cause significant fluctuations in gold prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems, and political developments. From time to time, the Company will enter into zero cost collars or other financial instruments to manage short term commodity price fluctuations.

Market price risk

The Company's earnings or loss, cash flows and financial condition are subject to price risk due to fluctuations in the market price of gold and silver. Gold prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control. For the year ended December 31, 2016, the Company's revenues and cash flows were impacted by gold prices in the range of $1,077 to $1,366 per ounce. Metal price declines could cause the continued development of, and commercial production from, the Company's properties to be uneconomic. A 10% change in the gold price would impact the Company's net loss before tax for the year ended December 31, 2016 by $48.2 million (2015 - $34.8 million).

As at December 31, 2016, the Company held option contracts to protect against the risk of a decrease in the value of the gold price on approximately 10% of gold sales. These option contracts ensure a minimum average realized gold price of $1,225 per ounce and cap a maximum average realized gold price of $1,450 per ounce, regardless of the movement in gold prices during 2017.

The following gold collar contracts are outstanding as of December 31, 2016:

Period Covered	Ounces subject to contract (1)	Average purchase put option	Average sold call option
2017	41,280	$1,225	$1,450

(1) Exclude put options sold at an average price of $1,050 that mature in the same period.

The fair value of these contracts was an asset of $3.0 million at December 31, 2016 (December 31, 2015 - $nil). The options mature through 2017. During the year ended December 31, 2016, the Company realized losses of $1.2 million related to the settlement of option contracts. Total unrealized gains for the year ended December 31, 2016 was $3.3 million.

As of December 31, 2016, the Company sold 130,595 ounces of silver forward contracts at an average price of $18.33 per ounce. The fair value of the silver forward contracts was an asset of $0.3 million at December 31, 2016 (2015 - $nil).

The Company is exposed to fluctuations in the fair value of investments made in equity securities. A 10% increase or reduction in each company's share price at December 31, 2016 would have increased or reduced other comprehensive income (loss) by $1.4 million (2015 - $0.6 million).

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All of the Company's outstanding debt obligations bear interest at fixed rates and are therefore not exposed to changes in market interest rates. The interest rate on the credit facility (note 13) is variable, however, the Facility was undrawn as at December 31, 2016.

The Company is exposed to interest rate risk on its cash and cash equivalents. The cash and cash equivalent interest earned is based on bank account interest rates which may fluctuate. A 1.0% change in the interest rate would result in an increase or decrease of approximately $2.5 million in interest earned by the Company. The Company has not entered into any derivative contracts to manage this risk.

The fair value of the prepayment option embedded derivative is also impacted by fluctuations in interest rates.

Foreign currency exchange rate risk

Metal sales revenues for the Company are denominated in US dollars. The Company is exposed to currency fluctuations relative to the US dollar on expenditures that are denominated in Canadian dollars and Mexican pesos. These potential currency fluctuations could have a significant impact on production costs and thereby, the profitability of the Company. The Company is also exposed to the impact of currency fluctuations on its monetary assets and liabilities.

A 10% strengthening of these currencies against the US dollar at each balance sheet date would have resulted in a gain recorded in net loss by the amounts shown below. This analysis assumes that other variables, in particular interest rates, remain constant.

	December 31, 2016	**December 31, 2015**
Impact of a 10% change in foreign exchange rates		
Canadian dollar	$13.9	$14.3
Mexican peso	3.7	4.3

As at December 31, 2016, the Company held option contracts to protect against the risk of an increase in the value of the Canadian dollar and Mexican peso versus the US dollar. These option contracts are for the purchase of local currencies and the sale of US dollars, which settle on a monthly basis, are summarized as follows:

Canadian dollar contracts

Period Covered	Contract type	Contracts (CAD$ Millions)	Average minimum rate (USD/CAD)	Average maximum rate (USD/CAD)
2017	Collar and forwards	243	1.29	1.38

Mexican Peso contracts

Period Covered	Contract type	Contracts (MXN Millions)	Average minimum rate (USD/CAD)	Average maximum rate (USD/CAD)
2017	Collar and forwards	1,650.0	18.52	21.26

The fair value of these contracts was a liability of $3.3 million at December 31, 2016 (December 31, 2015 - liability of $3.3 million). During the year ended December 31, 2016, the Company made payments of $1.6 million related to the foreign currency collar contracts. Net realized and unrealized losses for the year ended December 31, 2016 was $1.6 million (2015 - $8.0 million loss).

Credit risk

Credit risk relates to receivables and other contracts, and arises from the possibility that any counterparty to an instrument fails to perform. For cash and cash equivalents, restricted cash, and receivables, the Company's credit risk is limited to the carrying amount on the balance sheet. The Company manages credit risk by transacting with highly-rated counterparties and establishing a limit on contingent exposure for each counterparty based on the counterparty's credit rating. Exposure on receivables is limited as the Company sells its products to a small number of organizations, on which the historical level of defaults is minimal.

The Company's maximum exposure to credit risk is as follows:

	December 31, 2016	**December 31, 2015**
Cash and cash equivalents	$252.2	$282.9
Trade receivables	42.1	44.0
Total financial instrument exposure to credit risk	**$294.3**	**$326.9**

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages this risk through regular monitoring of its cash flow requirements to support ongoing operations and expansionary plans. The Company ensures that there are sufficient committed loan facilities to meet its business requirements, taking into account anticipated cash flows from operations and holdings of cash and cash equivalents.

(a) Contractual commitments

The following table shows the contractual maturities of debt commitments. The amount presented represents the future undiscounted principal and interest cash flows, and therefore, do not equate to the carrying amounts on the consolidated statements of financial position.

	Less than 1 year	2 - 3 years	4 - 5 years	More than 5 years	Total
Long-term debt	–	–	$315.0	–	$315.0
Interest payments on long-term debt	24.4	48.8	12.2	–	85.4
Operating and financing leases	8.2	9.0	2.6	3.4	23.2
Accounts payable and accrued liabilities	94.3	–	–	–	94.3
Decommissioning liability	–	–	–	51.3	51.3
Contract mining	75.6	123.0	50.7	5.3	254.6
Capital commitments	2.8	–	–	–	2.8
	$205.3	**$180.8**	**$380.5**	**$60.0**	**$826.6**

Contractual obligations exist with respect to royalties (note 23); however gold production subject to royalty cannot be ascertained with certainty and the royalty rate varies with the gold price.

The obligations related to contract mining are based on current mine plans, and are subject to change.

The Company's future operating cash flow and cash position are highly dependent on gold prices, as well as other factors. Taking into consideration the Company's current cash position, volatile equity markets, and global uncertainty in the capital markets, the Company is continually reviewing expenditures and assessing business opportunities to enhance liquidity in order to ensure adequate liquidity and flexibility to support its growth strategy, including the development of its projects, while continuing production at its current operations. A period of continuous low gold prices may necessitate the deferral of capital expenditures which may impact the timing of development work and project completion, as well as production from mining operations. In addition, in such a price environment, the Company may be required to adopt one or more alternatives to increase liquidity.

(b) Available-for-sale financial assets

As at December 31, 2016, the Company held 15.0 million shares in AuRico Metals Inc valued at $11.3 million, and an investment in Corex Gold Corp. of 25.3 million shares valued at $2.4 million. The Company also has other investments valued at $0.4 million.

21. MANAGEMENT OF CAPITAL

The Company defines capital that it manages as its shareholders equity as well as debt and financing obligations. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders. At December 31, 2016, total managed capital was $2,064.3 million (2015 - $2,044.5 million).

	December 31, 2016	December 31, 2015
Shareholder's equity	$1,759.4	$1,724.2
Current portion of debt and financing obligations	3.6	5.3
Debt and financing obligations	301.3	315.0
	$2,064.3	**$2,044.5**

The Company's capital structure reflects the requirements of an entity focused on sustaining strong cash flows from its current mining operations and financing both internal and external growth opportunities and development projects. The Company faces lengthy development lead times as well as risks associated with increasing capital costs and project completion timing due to the availability of resources, permits and other factors beyond the Company's control. The Company's operations are also significantly affected by the volatility of the market price of gold.

The Company continually assesses its capital structure and makes adjustments to it with reference to changes in economic conditions and risk characteristics associated with its underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, pay dividends, sell assets or enter into new debt arrangements.

The Company manages its capital structure by performing the following:

- Maintaining sufficient liquidity in order to address any potential operational disruptions or industry downturns;
- Preparing detailed budgets and cash flow forecasts for each mining operation, exploration project, development project and corporate activities that are approved by the Board of Directors;
- Regular internal reporting and Board of Directors' meetings to review actual versus budgeted spending and cash flows; and
- Detailed project financial analysis to assess or determine new funding requirements.

There were no changes in the Company's approach to managing capital during the year.

22. RELATED PARTY TRANSACTIONS

Remuneration of key management (includes the Company's directors and executive team) for the years ended:

Expense by nature:	December 31, 2016	December 31, 2015
Short-term employee benefits	7.8	5.6
Termination benefits	–	6.3
Share-based payments	4.2	3.4
	$12.0	**$15.3**

These transactions are in the normal course of operations and all of the transactions are measured at the exchange amount of consideration established and agreed to by the parties.

23. COMMITMENTS

Capital commitments

As of December 31, 2016, the Company has $2.8 million in committed capital purchases (December 31, 2015 - $8.2 million).

Royalties

Production from certain concessions within the Salamandra district, including the Mulatos Mine, is subject to a production royalty payable to Royal Gold at a rate of 5% of the value of gold and silver production, less certain deductible refining and transportation costs (the "Royal Gold royalty"). Production to a maximum of two million ounces of gold is subject to the Royal Gold royalty. For the year ended December 31, 2016, the royalty was paid or accrued on approximately 1.7 million ounces of applicable gold production. Royalty expense related to the Royal Gold royalty was $8.7 million for the year ended December 31, 2016 (2015 - $3.9 million). In addition, the royalty expense includes the 0.5% Extraordinary Mining Duty, which totaled $0.9 million for the year ended December 31, 2016 payable to the Mexican government (2015- $0.5 million).

The Company is required to pay AuRico Metals a 1.5% net smelter royalty on production from the Young-Davidson mine effective July 2, 2015. For the year ended December 31, 2016, the Company recorded a royalty expense of $3.2 million (2015 - $1.2 million). In addition, other royalties related to production at Young-Davidson totaled $0.5 million for the year ended December 31, 2016 (2015 - $1.7 million).

In addition, a third party has a 2% net smelter return royalty on production from a portion of the Company's Turkish projects. The Company has not recorded an accrual for this royalty at December 31, 2016 as the project is not in production. The Company is also subject to 2% state royalty on production in Turkey based on current gold prices, subject to certain deductions.

In addition, a third party has a 3% Net Smelter Royalty on production from the Company's Esperanza Gold Project. The Company has not recorded an accrual for this royalty at December 31, 2016, as the project is not in production.

24. SUBSEQUENT EVENT

On February 9, 2017, the Company closed an equity financing with a syndicate of underwriters, pursuant to which, on a bought deal basis, 31,450,000 common shares of the Company were issued at a price of $7.95 per common share, for aggregate gross proceeds to the Company of approximately $250.0 million. Transaction costs related to equity financing are expected to be $10.7 million.

CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John A. McCluskey, certify that:

1. I have reviewed this annual report on Form 40-F of Alamos Gold Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 15, 2017

/s/ John A. McCluskey

John A. McCluskey
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James Porter, certify that:

1. I have reviewed this annual report on Form 40-F of Alamos Gold Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 15, 2017

/s/ James Porter

James Porter
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Alamos Gold Inc. (the "Company") on Form 40-F for the year ended December 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John A. McCluskey, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: */s/ John A. McCluskey*

John A. McCluskey
President and Chief Executive Officer

March 15, 2017

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Alamos Gold Inc. (the "Company") on Form 40-F for the year ended December 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James Porter, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: */s/ James Porter*

James Porter
Chief Financial Officer

March 15, 2017

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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Alamos Gold Inc.

We consent to the use in this annual report on Form 40-F of:

- our Independent Auditors' Report of Registered Public Accounting Firm, dated February 22, 2017, on the consolidated financial statements of Alamos Gold Inc. (the "Company"), comprising the consolidated statements of financial position of the Company as at December 31, 2016 and December 31, 2015, the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, and
- our Report of Independent Registered Public Accounting Firm, dated February 22, 2017 on the effectiveness of the Company's internal control over financial reporting as of December 31, 2016,

each of which is incorporated by reference in this annual report on Form 40-F of the Company for the fiscal year ended December 31, 2016.

We also consent to the incorporation by reference of such reports in the Registration Statement No. 333-206182 on Form S-8 of the Company.

/s/ KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
March 15, 2017
Toronto, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG Network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP

CONSENT OF EXPERT

I, Jeffrey Volk, do hereby consent to the filing of the resources information in the Annual Information Form (the "AIF") of Alamos Gold Inc. (the "Company") for the year ended December 31, 2016 and the use of my name in the Annual Information Form and Annual Report on Form 40-F of the Company for the year ended December 31, 2016, filed with the United States Securities and Exchange Commission, and any amendments thereto, and the incorporation by reference into any Registration Statement on Form S-8 of the Company filed with the United States Securities and Exchange Commission, of the Company's AIF and Annual Report on Form 40-F.

Dated: March 15, 2017

By: */s/ Jeffrey Volk*
Name: Jeffrey Volk

CONSENT OF EXPERT

I, Christopher Bostwick, do hereby consent to the filing of the resources information in the Annual Information Form (the "AIF") of Alamos Gold Inc. (the "Company") for the year ended December 31, 2016 and the use of my name in the Annual Information Form and Annual Report on Form 40-F of the Company for the year ended December 31, 2016, filed with the United States Securities and Exchange Commission, and any amendments thereto, and the incorporation by reference into any Registration Statement on Form S-8 of the Company filed with the United States Securities and Exchange Commission, of the Company's AIF and Annual Report on Form 40-F.

Dated: March 15, 2017

By: */s/ Christopher Bostwick*
Name: Christopher Bostwick

CONSENT OF EXPERT

I, Marc Jutras, do hereby consent to the filing of the resources information in the Annual Information Form (the "AIF") of Alamos Gold Inc. (the "Company") for the year ended December 31, 2016 and the use of my name in the Annual Information Form and Annual Report on Form 40-F of the Company for the year ended December 31, 2016, filed with the United States Securities and Exchange Commission, and any amendments thereto, and the incorporation by reference into any Registration Statement on Form S-8 of the Company filed with the United States Securities and Exchange Commission, of the Company's AIF and Annual Report on Form 40-F.

Dated: March 15, 2017

By: */s/ Marc Jutras*
Name: Marc Jutras

CONSENT OF EXPERT

I, Herbert Welhener, do hereby consent to the filing of the resources information in the Annual Information Form (the "AIF") of Alamos Gold Inc. (the "Company") for the year ended December 31, 2016 and the use of my name in the Annual Information Form and Annual Report on Form 40-F of the Company for the year ended December 31, 2016, filed with the United States Securities and Exchange Commission, and any amendments thereto, and the incorporation by reference into any Registration Statement on Form S-8 of the Company filed with the United States Securities and Exchange Commission, of the Company's AIF and Annual Report on Form 40-F.

Dated: March 15, 2017

By: */s/ Herbert Welhener*

Name: Herbert Welhener

CONSENT OF EXPERT

I, Aoife McGrath, do hereby consent to the filing of the resources information in the Annual Information Form (the "AIF") of Alamos Gold Inc. (the "Company") for the year ended December 31, 2016 and the use of my name in the Annual Information Form and Annual Report on Form 40-F of the Company for the year ended December 31, 2016, filed with the United States Securities and Exchange Commission, and any amendments thereto, and the incorporation by reference into any Registration Statement on Form S-8 of the Company filed with the United States Securities and Exchange Commission, of the Company's AIF and Annual Report on Form 40-F.

Dated: March 15, 2017

By: /s/ Aoife McGrath
Name: Aoife McGrath