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, 2017 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: 389,379,754 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 [x] No [ ]

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company [ ]

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

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 23, 2018 for the Year Ended December 31, 2017 (filed as Exhibit 99.1 hereto);

(b) Management's Discussion and Analysis for the Year Ended December 31, 2017 (filed as Exhibit 99.2 hereto); and

(c) Annual Audited Consolidated Financial Statements for the Year Ended December 31, 2017, including Consolidated Statements of Financial Position as at December 31, 2017 and December 31, 2016 and Consolidated Statements of Comprehensive Income (Loss), Changes in Equity and Cash Flows for the Years Ended December 31, 2017 and December 31, 2016 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, 2017, 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, as well as those risk factors described in the section entitled "Risk Factors" in Alamos's Annual Information Form, dated March 23, 2018 for the Year Ended December 31, 2017, 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, 2017, 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. The scope of the evaluation of the effectiveness of disclosure controls and procedures was limited to exclude the business acquired as a result of the acquisition of Richmont Mines Inc. on November 23, 2017. The information appearing under the heading "Scope of Evaluation - Acquisition of Richmont Mines Inc." in Management's Discussion and Analysis for the Year Ended December 31, 2017 (filed as Exhibit 99.2 hereto) is hereby incorporated by reference herein.

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, 2017 (filed as Exhibit 99.2 hereto), and is hereby incorporated by reference herein. The scope of the evaluation of the effectiveness of internal control over financial reporting was limited to exclude the business acquired as a result of the acquisition of Richmont Mines Inc. on November 23, 2017. The information appearing under the heading "Scope of Evaluation - Acquisition of Richmont Mines Inc." in Management's Discussion and Analysis for the Year Ended December 31, 2017 (filed as Exhibit 99.2 hereto) 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, 2017, has issued its opinion on the effectiveness of Alamos's internal control over financial reporting as of December 31, 2017 (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, 2017, 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, 2017, 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, 2017 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 (Chair).

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 Governance*.

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 – Corporate 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, 2017, 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 23, 2018

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 23, 2018, for the Year Ended December 31, 2017
99.2	Management's Discussion and Analysis for the Year Ended December 31, 2017
99.3	Annual Audited Consolidated Financial Statements for the Year Ended December 31, 2017, including Consolidated Statements of Financial Position as at December 31, 2017 and December 31, 2016 and Consolidated Statements of Comprehensive Income (Loss), Changes in Equity and Cash Flows for the Years Ended December 31, 2017 and December 31, 2016 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, 2017, 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
99.14	Consent of Raynald Vincent
99.15	Consent of Léon Grondin Leblanc



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, 2017

March 23, 2018

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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 23, 2018, 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 daily exchange rate as reported by the Bank of Canada**.**

Canadian Dollars into United States Dollars	2017	2016	2015
Closing	$0.7971	$0.745	$0.723
Average	$0.7708	$0.755	$0.783
High	$0.8245	$0.797	$0.862
Low	$0.7276	$0.685	$0.714

The exchange rate on March 23, 2018, as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars was USD$0.78 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 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.

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 IFRS measures for the years ended December 31, 2017 and December 31, 2016 can be found in the Company's MD&A for the year ended December 31, 2017 as available on the Alamos website at www.alamosgold.com and on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

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.
"**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.
"**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 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.

"**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**"	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**"	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**"	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

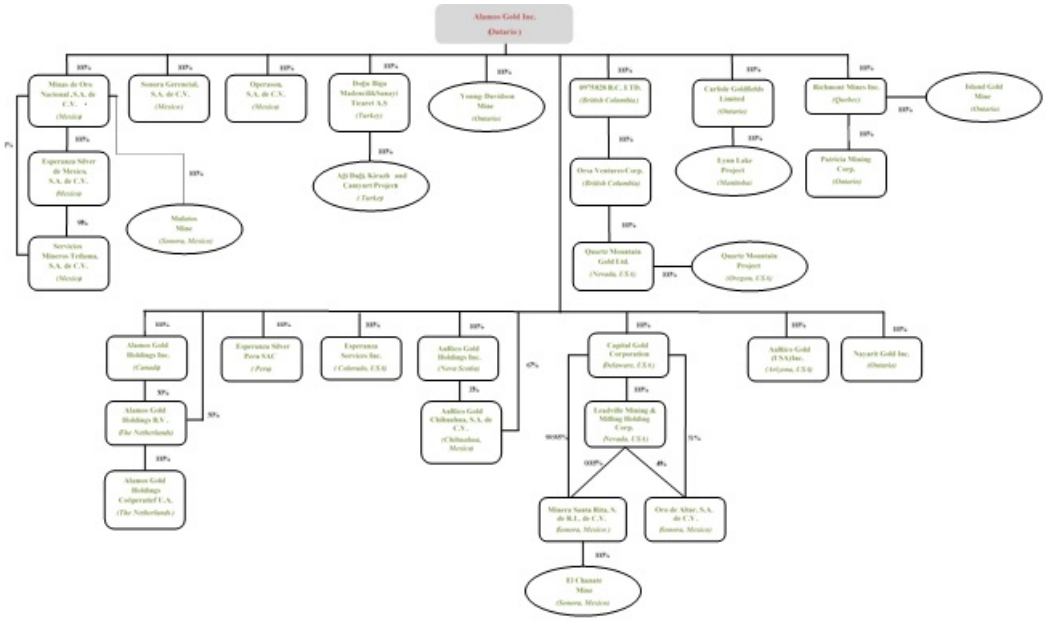
The name of the Company is Alamos Gold Inc. The Company's principal place of business and registered office is Brookfield Place, 181 Bay Street, Suite 3910, Toronto, Ontario M5J 2T3.

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$2.710 billion as of March 23, 2018.

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**"), and the Island Gold mine (the "**Island Gold Mine**") in Ontario, Canada and the Mulatos mine (the "**Mulatos Mine**") and El Chanate mine (the "**El Chanate Mine**") in the state of Sonora, Mexico. In 2017, the Young-Davidson Mine produced 200,000 ounces of gold, the Island Gold Mine produced 98,600 ounces of gold (9,000 ounces attributable to Alamos following completion of the Richmont Mines Inc. ("**Richmont**") acquisition on November 23, 2017), the Mulatos Mine produced 160,000 ounces of gold and the El Chanate Mine produced 60,400 ounces of gold for total gold production of 429,400 ounces. Alamos also owns the development-stage Ağı Dağı, Kirazlı and Çamyurt Projects in the Biga district of northwestern Turkey (acquired in 2010); the Esperanza Gold Project in Morelos State, Mexico (acquired in 2013), the Quartz Mountain Property in Oregon, USA (acquired in 2013), and the Lynn Lake Gold Project in Lynn Lake, Manitoba (acquired in 2016).

Three-Year History

- 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 Goldfields Limited (" **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 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 such financing (along with current cash reserves) to retire the $315 million 7.75% Senior Secured Notes in full.
- On February 22, 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, a 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.
- On March 31, 2017, the Company filed a technical report for its Kirazlı gold project, located in the Canakkale Province in northwestern Turkey in accordance with NI 43-101.
- On April 3, 2017, the Company completed the redemption of its outstanding USD$315 million 7.75% Senior Secured Second Lien Notes (the "**Notes**") due in 2020. This resulted in annual interest savings of USD$24.4 million. The Notes were redeemed at a price of 103.875% of the principal amount plus accrued interest to the date of redemption. The Notes were retired with net proceeds of USD$239 million from the equity financing completed in February 2017 along with existing cash.
- On April 7, 2017, the Company filed a technical report for its Ağı Dağı and Çamyurt gold projects, located in the Canakkale Province in northwestern Turkey. The report included results from the feasibility study conducted on Ağı Dağı and preliminary economic assessment completed on Çamyurt. The report was prepared in accordance with NI 43-101.

- On September 7, 2017, the Company announced that construction of the first phase of the La Yaqui mine was complete, on budget, and ahead of schedule.
- On September 21, 2017, the Company announced that it had secured amendments to its existing undrawn revolving credit facility (the "**Facility**") including an increase in the size of the Facility from USD$150 million to USD$400 million on more favourable terms. The maturity date of the Facility was extended to September 20, 2021.
- On November 23, 2017, the Company announced the completion of the previously announced plan of arrangement (the " **Transaction**") whereby Alamos acquired all of the issued and outstanding shares of Richmont. Under the terms of the Transaction, all Richmont issued and outstanding common shares were exchanged on the basis of 1.385 Alamos common shares for each Richmont common share.

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.

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 funds not being available or the acceleration of any outstanding debt, if any. 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.

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 four mines for all of its commercial production.

The Young-Davidson, Island Gold, Mulatos and El Chanate Mines accounted for all of the Company's commercial production in 2017 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, Island Gold, 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, leach pad inventory, 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 both the Young-Davidson and Island Gold Mines 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 and expansion of the mill at Island Gold. 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 and silver 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. Turkey has recently experienced significant political, social, legal and regulatory instability. The impact of the change in political climate in Turkey in recent years is at this point largely unknown, but will in instances likely 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, 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 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 and continues to increase 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 continues to pursue the GSM (Business Opening and Operation) permit which is granted by the Çanakkale Governorship. The Company cannot provide assurance it will be able to maintain its existing permits and/or obtain all additional permits that it requires for its proposed mining activities. 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 current or future 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 ongoing litigation cannot be predicted with certainty. The costs of defending and settling litigation can be significant, even for claims that Alamos believes 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 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. The Company cannot currently determine the expected timing, outcome of such negotiations or costs associated with the relocation of property owners and possessors and potential land acquisitions. 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.

Environmental and regulatory authorities in Mexico and Canada conduct periodic or annual inspections of the Young-Davidson, Island Gold, 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 where we do business, 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 operation 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, Island Gold 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 km 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 approximately 7,000 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, three 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 an affiliate of Centerra Gold 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, and the availability of sources of power, water, mining personnel, potential tailings storage areas, and potential waste disposal are sufficient for planned mining operations. 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 m 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 m 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, 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 900 m east-west by 300 m 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 m of surface and underground diamond drill holes were completed. With the exception of the holes pre-dating 1980 (324 holes, 20,236 m), 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 m. No surface exploration was undertaken in 2016 or 2017.

From 2009 to 2015 a total of four underground exploration drill holes were completed for a total of 918 m. No underground exploration was undertaken in 2016 or 2017.

From 2009 to 2017 a total of 1,936 underground infill drill holes were completed for a total of 253,775 m.

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 m 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.

Certified reference material ("**CRM**") and blanks were inserted with samples prior to analysis. 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. 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 to 2016 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, CRM's, 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. Where analytical problems are identified the laboratory is required to reanalyze the samples.

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 circuit) 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 m to 1,500 m 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 m. In 2017 raiseboring of the Northgate shaft was completed to the ultimate depth of 1,500 m. Ground supporting of the shaft is expected to be complete by mid-2018. Completion of the lower mine development and the tying in of the Northgate shaft extension is expected to be completed in late 2019. In 2015 the existing MCM #3 shaft was extended to a depth of 1,500 m 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 1,070 m 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 m 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 (post 2019), the underground will have a mine life of approximately 14 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 m per year including capital, operating and ore categories for the first ten years of the underground mine operation. In the last five 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.

A pebble crusher was successfully added to the mill circuit in the fourth quarter of 2017.

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 $6.4 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. The Company entered into an Amended Impact Benefit Agreement with the Matachewan First Nation on December 18, 2017.

Capital and Operating Costs

Actual results for 2016 and 2017 and guidance for 2018 production, operating costs and capital are depicted below.

		2016 Actual	2017 Actual	2018 Guidance
Gold Production	(ounces)	170,000	200,000	200,000 – 210,000
Cost of sales, including amortization	($/ounce)	1,087	1,078	1,075
Total Cash Costs[1]	($/ounce)	657	658	675
Mine Site All-in Sustaining Costs[1]	($/ounce)	897	834	850
Capital	($ millions)	95	80	70-80

(1) Refer 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, 2017 and 2016 can be found in the Company's MD&A for the year ended December 31, 2017 as available on www.sedar.com.

2018 Outlook

Gold production at the Young-Davidson Mine is expected to increase approximately 2.5% in 2018 to between 200,000 and 210,000 ounces. Underground mining rates are expected to increase from an average rate of approximately 6,600 tpd in 2017, to approximately 7,000 tpd in 2018.

Underground mined grades are expected to be consistent with the mineral reserve grade of 2.67 g/t Au in 2018, though can vary as much as 10% from quarter to quarter. Mill throughput is expected to average approximately 7,800 tpd. Milled grades are expected to range between 2.45 and 2.55 g/t Au with lower grade surface stockpiles continuing to supplement higher grade underground ore. Mill recoveries are expected to range between 90 and 92%.

Total cash costs are expected to average $675 per ounce gold sold in 2018, reflecting a stronger Canadian dollar. Mine-site all-in sustaining costs are expected to average $850 per ounce.

The Company remains focused on reducing capital spending at the Young-Davidson Mine. Capital is expected to total between $70 million and $80 million in 2018, including $35 million to $40 million of sustaining capital. Spending in 2018 will be focused on the ongoing development of the upper and lower mine, lower mine infrastructure, and ongoing tailing dam expansions. The Company expects stronger free cash flow in the second half of the year reflecting higher production rates and lower capital spending.

ISLAND GOLD MINE

Summary

The Island Gold Mine is located approximately 83 km northeast of Wawa, in northern Ontario. Island Gold consists of an underground mine, currently mining at a rate of approximately 1,100 tonnes per day, a conventional carbon-in-pulp ("**CIP**") mill and associated infrastructure. The Company acquired Island Gold through its 2017 acquisition of Richmont. The mine has been in continuous operation since 2007.

Property Description, Location and Access

The Island Gold Mine is located within the Sault Ste. Marie Mining Division, and is approximately 83 km northeast of Wawa, Ontario. Dubreuilville, Ontario, is approximately 10 km northwest of the Island Gold Mine. Access to the Island Gold Mine is via an all-weather road from Highway 519, situated just west of the town of Dubreuilville, approximately 35 km east of the junction between Highways 17 and 519.

The Company owns 100% of the mineral rights to all of the mineral resource and mineral reserve related claims at the Island Gold Mine. These tenures were acquired either through staking, application, or option agreements. The Company holds 100% of the title and/or interest to the Island Gold Mine and its surrounding project lands (collectively, the "**IG Property**") in the name of Richmont Mines Inc. or Mines Richmont Inc. The IG Property, which is divided into nine (9) property areas, namely: Argonaut, Edwards, Ego, Goudreau, Goudreau Lake, Island Gold, Kremzar, Lochalsh and Salo, is comprised of 217 tenures consisting of patented fee simple and/or leasehold mining rights and surface rights claims, mining licences of occupation and unpatented claims covering 7,926, with the exception of:

(i) Part of one mining lease, for which it holds 100% below 100 m, on the Lochlash property;

(ii) Six patented fee simple claims, for which it owns 100% below 400 m, and part of one patented fee simple claim for which it owns 100% below 100 m, both situated on the Goudreau property; and,

(iii) Three patented fee simple claims, for which it owns 100% below 400 m, on the Argonaut property.

Collectively, Island Gold is subject to nine (9) 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) The Lochalsh property is subject to a 3% NSR payable to Osisko Gold Royalties Ltd. (" **Osisko**"). The Island Main and Lochalsh zones, as well as a part of the Island Gold Mineral Resources below the 400 m level, are located on this property;

(ii) The Goudreau Lake property is subject to a 31% interest in a 3% NSR royalty payable to Host's Gold Incorporated. This property is also subject to 1.38% NSR royalty payable to Osisko and a 10.38% net profit interest ("**NPI**") royalty in favour of Algoma Steel Inc. ("**Algoma**"); and

(iii) The Goudreau property is subject to a 2% NSR payable to Osisko and a 15% NPI royalty payable to Algoma.

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 the necessary surface rights to dispose of waste rock and tailings on additional areas of the IG Property. The Company's land ownership and interest in its' lands and mineral tenures are either registered or recorded with the Government of Ontario. All permits required to operate the Island Gold Mine are currently in place.

The surface rights possessed by the Company, along with the availability of sources of power, water, mining personnel, potential tailings storage areas, and potential waste disposal areas, are all sufficient for planned mining operations. Electricity is provided from Algoma Power Inc. through a transmission line connected to the provincial grid.

The IG Property is located within the Lake Superior Regional climatic zone, moderated by the influence of Lake Superior. The average daytime temperature is 2°C, ranging from -41°C to 31°C throughout the year. Annual precipitation is normally 669 mm of rain and 278 cm as snow. Winter winds are from the northwest and north, and during the summer south-westerly to westerly winds prevail. Given this climate, exploration and mining development activities can be carried out anytime throughout the year.

The IG Property is within the Precambrian Shield adjacent to Lake Superior, in an area of low rolling hills that trend in an east-west direction with widespread swamps, and mixed forests of broadleafs and conifers. The property relief is low, from a high point of 488 m above sea level near the Miller and Maskinonge Lakes, to a topographic low point of 381 m above sea level near Goudreau Creek. The Island Gold Mine area has been partially logged.

History

Canamax Resources Inc. ("**Canamax**") developed and operated the Kremzar mine and mill. From 1988 to 1990, production from the Kremzar mine was 306,000 tonnes grading 4.80 g/t Au. At the end of 1990, Canamax Resources suspended all operations at both the Kremzar and Island Gold Projects. During this period a total of 96,143 m of coring were completed on various parts of the Canamax Property.

In 1983 Canamax and Algoma Steel Corp (" **Algoma**") formed a joint venture to evaluate the mineral potential of Algoma's 117 patented claims covering the Goudreau iron range. In 1985, drilling by Canamax about two kilometres south of the Kremzar mine intersected a series of sub-parallel lenses containing gold mineralization within deformed rocks of the Goudreau Lake Deformation Zone ("**GLDZ**"). During 1989 and 1990, a 1,280 m long ramp was driven into the Island deposit. Drifts and raises totalling 382 m were developed on two levels and a bulk sample weighing 4,167 tonnes was extracted and processed at the Kremzar Mill.

Patricia Mining Corp. ("**Patricia**") acquired the project in 1996 and completed 16,862 m of diamond drilling in 49 holes on the Island deposit and Lochalsh Zone between 1996 and 2002. In 2004, Patricia started an underground exploration program and completed a resource estimate at a cost of CAN$3.0 million. A total of 125 m of exploration drifts, 53 m of ore sill and 8,137 m of drilling were completed. Richmont acquired 100% ownership of the Island Gold property through a combination of an earn-in arrangement with Patricia between 2003 and 2005, the purchase of the Algoma interest in 2006, the acquisition of Patricia in 2008, and the acquisition of the remaining 31% on four patented mining claims in 2014.

In October 2007, Island Gold began commercial production, with ore being processed in the existing Kremzar mill.

On May 9, 2012, Richmont acquired Red Pine Exploration's remaining 25% interest in the Edwards property, bringing Richmont's ownership to 100%, and on June 13, 2012, Richmont acquired the Salo property, which includes 3 claims located to the east of the Island Gold Mine.

In 2017 Richmont closed an agreement with Argonaut Gold Inc. (" **Argonaut**"), whereby Richmont acquired three claims in their entirety, and the mining rights below 400 m on three additional Argonaut claims, on the adjacent Magino property. Argonaut received one claim in its entirety and surface and mining rights down to a depth of 400 m on six claims. Argonaut also received surface rights on two claims down to a depth of 100 m. As part of the transaction Richmont received CAD$2.0 million in cash from Argonaut on closing.

Geological Setting, Mineralization and Deposit Types

The Island Gold property is located in the Michipicoten greenstone belt, which is part of the Wawa sub-province and Superior Province of Archean age. The property is stratigraphically positioned in the upper portion of the Wawa Assemblage, composed by intermediate to felsic volcanic rocks capped by pyrite-bearing iron formations.

The Island Gold property covers part of the interface between the Catfish assemblage, composed of mafic rocks, and the Wawa assemblage, which consists of felsic rocks. The pyrite-rich Goudreau iron formation lies at the contact between the Wawa and Catfish assemblages. A unit of pyroclastic rocks marks the transition between the two assemblages and hosts the gold occurrences encountered on the property. This gold mineralization is controlled by the Goudreau Lake Deformation zone (the "**GLDZ**"). The GLDZ hosts the Island, Lochalsh, Goudreau, Shore, and north shear gold zones, all located within the Island Gold property.

Within the GLDZ there are a series of parallel shear zones, up to 25 m wide by several hundred metres long, with dips ranging from -70° to -90°, which host the gold mineralization. Moderate to high strain intensity is present within the shear zones containing pervasive alterations occurring in the form of iron carbonate, silica and calcite. Gold is found primarily in grey quartz stringers and veins, 1 cm to 1.5 m wide, within areas of intense sericitization and silicification with 2% to 5% pyrite. Finely disseminated gold occurs in clusters up to 3 mm in diameter. At the Island Gold deposit, many zones are defined and characterized by the presence of alteration halos ranging from 0.5 m to over 8 m in thickness, and are comprised of intense silica alteration, albite alteration and quartz-carbonate veins.

Two dominant envelopes were defined in the upper part of the mine, namely the C/D envelope and the E/E1 envelope. The mineralized Island Gold Lower C Zone, corresponds to the continuation at depth of the mineralized zones that are above the -400 m level. The mineralization undergoes an inflection southward between the -400 m and -500 m levels, before returning with a high dip southward at depth. The average width of the deep C Zone resource is approximately 4.5 m, which is above the average of 2.7 m in mineralized zones above the -400 m level. Also, it appears that the number of gold-bearing quartz veins inside the alteration zone of the C Zone is slightly greater, with approximately 60% of the drill holes inside the first resource containing some visible gold, which translates into a higher average grade. Island Gold Lower mineral resources also include 6 additional zones that are sub-parallel to the C Zone and the main E1E zone in the extension 2 area.

Exploration

Patricia acquired the project in 1996 and completed 16,862 m of diamond drilling in 49 holes on the Island deposit and Lochalsh Zone between 1996 and 2002. In 2004, Patricia started an underground exploration program with a total of 125 m of exploration drifts, 53 m of ore sill and 8,137 m of drilling being completed.

In 2005, Richmont completed 2,111 m of underground development and 7,903 m of delimitation drilling. A total of 7,259 tonnes with a content of 6.23 g/t Au from ore development were stockpiled on the surface.

In 2006, Richmont continued the exploration program. A total of 28,149 m of underground diamond drilling were performed on the Island Zone, and 10,602 m of drilling were completed from the surface on the Lochalsh and Goudreau zones.

Between 2010 and 2012, drilling below the 400 m level was done from surface and from underground, and demonstrated the mine's resource potential at depth (Island Gold Deep program). More specifically, the drilling resulted in a first Mineral Resource estimation for the C Zone at depth in January 2013.

Since 2013, exploration drilling continued, from underground or from surface, with results shown in the continuous increase of the reserve and resource base.

Drilling

Exploration and Delineation drilling

The Company's objective is to increase the mineral reserves and the mineral resources of the Island Gold property through exploration at depth, along strike and elsewhere on the property. The Company remains confident regarding the long-term potential with a $15 million exploration million budget to continue the aggressive ongoing exploration program which has driven a more than 300% increase in mineral reserves and 44% increase in grade since 2014.

The Island Gold Mine spent $14.2 million on exploration costs in 2017, a 21% increase over the $11.7 million spent in 2016. The Phase 2 exploration drilling program (142,000 m), started in the second half of 2016, continued in 2017. Approximately 83,000 m of exploration drilling was completed in 2016 and 82,000 m in 2017.

Highlights of drilling program completed in 2017 include:

Eastern Lateral Exploration

In 2017, the objective of this program was to identify new gold zones east of the known gold mineral resources along the Goudreau deformation zone between the Island Gold mine and the Cline and Edwards deposits to the east. New anomalous gold zones were intersected up to 2 km east of the Island Gold Mine and will be the object of further drilling in 2018.

Deep Directional Drilling

In 2017, the deep drilling program continued to test down plunge extensions of the Island Gold Mine zones and tested the extension of a large Inferred Mineral Resource identified in 2016 (760,000 tonnes at a grade of 9.53 g/t gold for approximately 230,000 ounces). This block was extended and now contains an Inferred Mineral Resource of close to 1M tonnes at 9.69 g/t for approximately 310,000 ounces. Drilling was also done east of this block and gold mineralization has been intersected in several holes up to 500 m east of the eastern limit of this block. Drilling spacing is currently too wide to define mineral resources and part of the deep directional drilling proposed in 2018 will be infill drilling in this area to define Inferred Mineral Resources.

In 2018, the exploration program will continue in three key target areas, as highlighted below:

- The deep directional exploration drilling program will continue and will target the area between the 1,000 m and 1,500 m levels in the down plunge extension of known mineral resources blocks. Infill drilling will also be done in prospective areas.
- The eastern lateral exploration drilling program will continue to target additional mineral resources east of the main Preliminary Economic Assessment area, where new mineral resource blocks were identified as part of the 2016 drilling program.
- Exploration drilling will be also done to the west to the test the lateral extension of the Island Gold Mine gold zones.
- A regional drilling program will evaluate the potential extension of the mineralization below the Kremzar mine as well as other previously identified high-priority gold targets located elsewhere on the prospective Island Gold property. This drilling program is expected to begin later in 2018.

A total of approximately 35,000 m of successful delineation drilling was completed in 2017. The drilling was largely confirmatory and allowed for the conversion to mineral reserves of mineral resource blocks between the 860 and 1,000 m levels in the Island and Extension 1 areas. In the extension 2 area, mineral reserves were also defined between the 340 m and 620 m levels.

In 2018, the delineation drilling program will focus on three main objectives, as highlighted below:

- Complete the planned delineation drilling to upgrade the remaining mineral resources located within the PEA area, primarily in the fourth mining horizon, between the 785 m and the 1,000 m levels.
- Further test the down plunge extension of the main C Zone at depth, between the 1,000 m level and 1,100 m level, between the known mineral reserve blocks and the Inferred Mineral Resource block (310,000 ounces) identified below the 1,000 m level. Drilling will be completed from the main ramp and from the new 840 m level exploration drift.
- Further test the eastern lateral extension of the mineral reserve and mineral resource blocks between the 340 and 620 m level in the extension 2 area. Drilling will be completed from the 340 m level and from 620 m level exploration drifts, both drifts will extended to the east in 2018.

Drilling

Most of the delineation/definition drill holes are planned on vertical cross-sections, in order to intercept mineralized zones at right angles along a grid spacing of 20 m by 20 m. A 50 m x 100 m spacing pattern is used as a first phase of exploration drilling in new sectors. Drilling operations are performed by a drilling contractor, under the supervision of the geological staff at the Island Gold Mine. Underground drill holes are either BQ or NQ core. Core recovery is approximately 100%. The drill core is logged in detail by experienced and highly skilled staff, following established guidelines for the Island Gold Mine. A RQD analysis was completed for most of the drill holes drilled in the 2016 program and the RQD for the zones are generally excellent

(˃ 90%). The interpretation and development of each section was completed after receipt of the drill hole assays and section plots. This interpretation served to complete the reserve and resource estimates.

Sampling, Analysis and Data Verification

The drill hole sampling approach coincides with lithological contacts. Samples have a minimum width of 0.3 m and a maximum length of one metre. The core recovery is very good and can be considered to be representative.

The panel (or chip) sampling method consists of taking horizontal representative samples of the geology (units or alteration) that is exposed either in the face or in the adjacent walls. The samples weigh an average of 1.5 kg to 2 kg for a zone of 1.5 vertical metres by 0.3 to 1.0 horizontal metre. Each face is sampled and the number of assays varies based on the geology and the opening.

The drill cores and chip samples are representative and the mineralization style, with the presence of quartz veins and free gold, shows a nugget effect.

During 2017, core samples were sent mainly to Laboratoire Expert Inc. (" **LabExpert**") in Rouyn-Noranda, Quebec. Underground muck and chip samples were sent to Wesdome Laboratory ("**Wesdome**") in Wawa, Ontario.

In 2007, during the course of the geological confirmation program, an evaluation of the presence of quartz veins and free gold data was done to address the three main concerns of analytical determination protocols, namely: (i) contamination, (ii) accuracy, and (iii) precision, as measured by the results obtained from field and analytical blank standards, CRM's and an assortment of specific duplicate samples collected and/or prepared, in addition to the regular samples submitted to the laboratory. A CRM and blank assay were run with each sample batch. In addition, a duplicate assay was run on every 10th sample to check reproducibility of the assays. The results indicate that no significant contamination is likely to have occurred during the sampling/assaying programs completed for 2007.

In 2015, Analytical Solutions Ltd. (" **ASL**") audited the Island Gold Mine QA/QC program which consists of inserting blanks and CRM's to samples submitted to the laboratory (Wesdome, LabExpert and ActLab). Each laboratory has its own QA/QC program with the addition of analytical blank standards and CRM's to each batch of assays. Also, some core and chip sample duplicates were taken in 2015 and sent to the laboratories as part of the QA/QC program. ASL concluded that the Island Gold assay quality control program meets or exceeds industry standards and gold assays from the 2015 drill campaign are considered to be reliable for the purpose of resource estimation.

The assays supporting the current Island Gold Mineral Resource estimate are based on sample preparation and analytical protocols that meet standard industry practice.

In 2012, a new core logging facility was built on the mine site. A separate room was installed for core sawing and sample packing. The core is stored outdoors in covered racks or as separate cross-piles.

A security gate and personnel control access to the mine site at all times. Individual sample bags are sealed with tape. The samples are placed in large Fabrene bags identified and sealed before being placed on pallets. Shipping of production samples is done by pick-up by Island Gold Mine staff. The core samples are delivered to Lab Expert via transport companies.

Mineral Processing and Metallurgical Testing

The Island Gold mine has been in production since October 2007. The metallurgy is well known and overall metallurgical gold recovery achieved in 2014, 2015, 2016 and 2017 was 96.3%, 96.8%, 96.5%, and 96.8%, respectively. Mineralogical and metallurgical characterization studies were performed in 2013 by the Unité de Recherche et de Service en Technologie Minérale ("**URSTM**"), a research unit affiliated to the Université du Quebec Abitibi-Témiscamingue (" **UQAT**"). One set of samples from four different drill cores was selected and shipped to URSTM. The average gold grade was determined for each core sample. The samples were thereafter combined in a composite that was sent for metallurgical testwork. The composite was tested for mineral content using Inductively Coupled Plasma ("**ICP**") chemical analysis, Bond Ball Mill Work Index ("**BWI**") determination, free gold evaluation, and response to cyanidation.

An ICP multi-scan was performed on the composite sample. The ICP was conducted by LabExpert. The results showed that the composite sample did not contain any elements in sufficient concentration to be problematic for gold cyanidation.

The composite sample was tested at the Cégep de l'Abitibi-Témiscamingue for the BWI determination. The BWI expresses the material's resistance to ball milling. A high index value means the material is more difficult to grind. The BWI result was 12.6 kWh/t using the standard test procedure. A 12.6 kWh/t value is in the mid-range of most Canadian gold ores.

Gold leaching of the composite sample was investigated at URSTM. The tests were performed at standard cyanidation conditions with grinds varying from 36 to 101 microns being tested. The leaching performance reached 99 % for the finest grind (36 microns) and was slightly lower (down to 96.8 %) for the coarsest grind. Cyanide consumptions have been found to be low and it is typical of this kind of non-problematic gold ore.

Mineral Reserve and Mineral Reserve Estimation

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

Mining Operations

The primary access for personnel and material at the Island Gold Mine is via a spiral shaped ramp from the Lochalsh portal at surface. This main ramp, in lower sections of the mine, splits in two at the 410 m level in order to access the Island Gold Lower Zones sector and the Extension 1 sector on the east side. The main ramp (accessing Island Gold Lower Zones) splits in two again at the 740 m level, where one ramp continues towards Island Gold Lower Zones and the other is progresses west at depth to enable mining of the Island Gold West Zones.

The extraction method is longitudinal long hole retreat mining with a maximum panel length fixed by a hydraulic radius of 6.0 m. Sublevels are fixed every 22 m to 25 m. After ore extraction, stopes are backfilled with unconsolidated waste rock fill. Going forward, the mine will be implementing cemented rock fill in some areas to increase the recovery of ore pillars and long-term stability of certain mined-out areas. Alimak mining will be used in a small portion of the reserve later in the mine life. The Island Gold ore is brought to the surface by haul trucks using the ramp system.

All mining, except for raise development and long hole drilling, is undertaken by Island Gold employees.

Processing and Recovery Operations

The Island Gold ore is hauled by truck to the Kremzar mill stockpile located approximately 0.8 km from the portal of the ramp. The ore from the stockpile is crushed by a jaw crusher followed by a secondary cone crusher. The crushed material is then sent to a ball mill operated in closed circuit and with cyclones and a regrind mill. Gold is leached in a leaching circuit and extracted in a CIP circuit. Gold is removed from the loaded carbon by elution (stripping) followed by electrowinning. The stripped carbon is regenerated in reactivation kilns before being returned to the process. Fine carbon is constantly removed and recovered from the process to avoid gold loss, while fresh carbon is continuously added to the process. The high grade electrowinning concentrate is sent to a bullion furnace for smelting of doré bars.

Gold recovery of the CIP circuit at the Kremzar mill is approximately 96%.

Infrastructure, Permitting and Compliance Activities

The Island Gold Mine infrastructure includes a primary tailings pond, secondary settling pond, the Kremzar mill (CIP mill), Lochalsh ramp and portal, mine access road, and hydro-electric power lines, all of which are located on the property. An office, core logging and storage facility, and a mine dry are also located on the previously producing Kremzar mine site. When the Kremzar CIP mill was constructed in 1988, it was capable of handling 650 tpd. Since then, its milling capacity was increased to 850 tpd in 2010 and to 900 tpd in October 2015. Island Gold is currently undertaking a mill expansion to 1,100 tpd which is expected to be completed in the second half of 2018. The primary tailings pond, which is located west of the Kremzar mine, is a fully permitted tailings area. The tailings and waste rock have been tested and are not acid generating. All permits for mining and milling operations have been maintained.

All permitting activities identify and address the various municipal, provincial, and federal environmental and social requirements and standards applicable to the Island Gold Mine. The Island Gold Mine is currently permitted to be designed and operated at a production rate of 401,500 tonnes per year of gold bearing ore.

Capital and Operating Costs

The Island Gold Mine was acquired in late November, 2017. Guidance for 2018 production, operating costs and capital are depicted below.

		2016 Actual[1]	2017 Actual[1]	2018 Guidance
Gold Production	(ounces)	83,300	98,800	90,000-100,000
Cost of sales, including amortization	($/ounce)	$851	$882	$1,175
Total Cash Costs[2]	($/ounce)	$587	$420	$575
Mine Site All-in Sustaining Costs[1]	($/ounce)	$745	$599	$825
Capital	($ millions)	$43	$33	$50-$55

(1) The Company acquired Island Gold mine on November 23, 2017. Operating and financial metrics prior to this time are for information purposes and relate to the period when the mine was operated by Richmont.

(2) Refer to 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, 2017 and 2016 can be found in the Company's MD&A for the year ended December 31, 2017 as available on www.sedar.com.

2018 Outlook

Island Gold is expected to produce 90,000 to 100,000 ounces of gold in 2018, consistent with the Phase I expansion preliminary economic assessment ("**PEA**") released in 2017. Mine-site all-in sustaining costs are expected to average $825 per ounce of gold sold, up from 2017 reflecting higher sustaining capital; however, below what was outlined in the PEA despite the stronger Canadian dollar. Total cash costs are expected to average $575 per ounce.

The Phase I expansion of the mill to 1,100 tpd remains on track and is expected to be completed in the second half of 2018. This is expected to drive strong production growth and lower costs in the fourth quarter and into 2019.

Underground mining rates are expected to average 1,000 tpd. Mill throughput is expected to average 980 tpd over the full year with higher throughput rates in the fourth quarter following completion of the mill upgrades. Milled grades are expected to range between 8.3 and 8.9 g/t Au. Mining and milling rates and grades processed are all expected to be consistent with the PEA. Mill recoveries are expected to range between 96 and 97%.

The Phase I expansion remains on track with a 2018 capital budget for Island Gold of between $50 million and $55 million, consistent with the PEA. This includes sustaining capital of between $25 million and $27 million. Capital spending will be focused on ongoing underground development and upgrades to the milling circuit. Higher gold production and lower costs are expected to drive strong free cash flow growth in the second half of 2018.

Capital spending is expected to decrease in 2019. Combined with higher gold production and lower costs, this is expected to translate into significant free cash flow growth.

In parallel to the Phase I expansion, the Company will continue an aggressive exploration program at Island Gold which has been successful in driving a more than 300% increase in Mineral Reserves and 44% increase in grade since 2014. Ongoing exploration success will be incorporated into an evaluation of the most effective and economic approach to a Phase II expansion of the operation beyond 1,100 tpd.

MULATOS MINE

Summary

The Mulatos Mine is located 220 km 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 km by air east from the city of Hermosillo, and 300 km 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, 2017, the royalty had been paid or accrued on approximately 1.8 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 km 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 km 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 m 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 km 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 km 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: El Carricito, El Halcon, Las Carboneras and El Jaspe.

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 km of the paleo-surface.

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 the Mulatos 2004 feasibility study. Including drilling completed in conjunction with the 2004 Feasibility Study. The property has now been subject to over 835,900 m of drilling in 4,986 holes. The majority of this drilling was completed in proximity to the Mulatos deposit, although since mid-2015 through 2016-2017, Alamos exploration focused mainly on the La Yaqui deposit with 28,783 m drilled during 2017.

Exploration was also undertaken in 2017 at the Los Bajios and El Refugio prospects with mapping followed by geophysics in Bajios and drilling in both projects. In addition, a small exploration program was undertaken at San Carlos with 5,726.6 m of drilling completed.

Overall, a total of 57,321 m of drilling was undertaken at Mulatos in 2017, most of which was for exploration but also included a small number of holes drilled for geotechnical investigations and for metallurgical tests.

Drilling

Drilling statistics for 2017 and project-to-date are presented below:

2017 Core Drilling

Zone Drilled	Drill Holes Completed (# 2017)	Total # Drill Holes on Project	Drilling 2017 (m)	Total Drilling on Project (m)
La Yaqui	167	413	28,330	77,183
San Carlos	63	364	5,726	50,604
Cerro Pelon	17	174	4,119	29,332
El Refugio	20	26	5,412	6,413
Los Bajios	28	29	8,592	9,075
Halcon	2	24	460	4,157
Mulatos Deposit	17	659	4,226	93,460
All others areas	0	42	0	7,489
Total	314	1731	56,868	277,715

2017 Reverse Circulation Drilling

Zone Drilled	Drill Holes Completed (# 2017)	Total # Drill Holes on Project	Drilling 2017 (m)	Total Drilling on Project (m)
La Yaqui	3	181	452	27,319
San Carlos	0	364	0	89,120
Cerro Pelon	0	165	0	30,490
El Refugio	0	0	0	0
Los Bajios	0	62	0	12,538
Halcon	0	36	0	5,759
Mulatos Deposit	0	2154	0	342,360
All others areas	0	293	0	50,600
Total	3	3255	452	558,189

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 and El Victor North 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 m had been drilled.

Limited exploration drilling was conducted in Victor, Puerto del Aire and Escondida in 2017 with only 17 holes for 4,226 m drilled adjacent to or beneath the whole zone. Drilling showed a strong structural control related with the higher grades areas.

Cerro Pelon

During 2008, Alamos announced the discovery of a new gold zone at Cerro Pelon. Cerro Pelon is located approximately 2.5 km 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 m 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 m 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 m x 1,425 m 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 m drilled in 98 holes. These programs have outlined a new zone of high-grade mineralisation about 100 m 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 m (15PEL012), 9.65 g/t Au over 34.60 m (15PEL020) and 2.46 g/t Au over 94.20 m and 2.21 g/t Au over 22.60 m (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. In addition to drilling on the northwest zone, scout holes were also drilled beneath the massive silica cap of Cerro Pelon to the north of the reserve pit. Late in 2016 drilling also re-commenced immediately to the north and along strike from the high-grade shoot discovered in 2015. Drilling continued systematically northwards in 2017 to explore for mineralisation under the main zone of silicification of Cerro Pelon. A NW-SE trending cross structures

however appears to cut off the mineralisation to the north of the high-grade shoot and results from the 2017 drilling under Cerro Pelon were not encouraging. In total 17 holes were drilled at Cerro Pelon in 2017 for a total of 4,119 m. Five of these were drilled for geotechnical investigations. One of the geotechnical drillholes drilled in the high-grade ore shoot 17PEL16 reported 69.1m at 16.771 g/t Au, including 48.7 m at 23.325 g/t Au.

La Yaqui & La Yaqui Grande

The La Yaqui Project is located approximately 9.5 km 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 m 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 over the larger La Yaqui Grande area 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 m x 2,210 m 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 m 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 m (15YAQ058), 1.34 g/t Au over 64.00 m (15YAQ064) and 2.03 g/t Au over 32.00 m (15YAQ068).

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.

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

The main focus for exploration at La Yaqui Grande in 2017 was drilling out Zone 3 in the north of the prospect, the east area of Zone 2 as well as infill drilling in Zone 2. A complete re-logging of existing drill core followed by geological modelling of the three zones of La Yaqui Grande was also undertaken in 2017. Geological mapping and sampling was extended northwards to cover all of Zone 3 and areas farther north and a campaign of revision geological mapping was undertaken over the entire Yaqui prospect to obtain conformity between subsurface geology interpreted from drill core with surface geology. At the end of the year a geological model was compiled for La Yaqui Grande and the resource and reserve estimate were updated in January 2018. Some of the best drill intercepts obtained during 2017 include: 36.5 m at 6.15g/t Au (17YAQ133); 35.6 m at 3.41g/t Au (17YAQ118); 23.1m at 2.81g/t Au (17YAQ065); and 10.8 m at 4.88g/t Au (17YAQ129).

San Carlos

A small underground drilling program was undertaken by the Exploration Department at San Carlos towards the end of 2017, with the objective to explore distal areas of the main mineralized areas. A total of 1,805 m were drilled on this program by the end of the year. Results from Zone 3130 were encouraging and the drilling campaign will therefore continue in early 2018. Some of the best intersections include: 1.5 m at 110.5 g/t Au and 6 m at 7.33g/t Au (17SCU036).

2018 Exploration Outlook for Mulatos

Alamos plans to continue its aggressive exploration program in 2018 with 41,000 m of drilling budgeted. The first part of 2018 will be focussed on surface exploration over the large El Carricito prospect in the southwest corner of the district in order to select targets for drilling in the second half of 2018. Smaller exploration drill programs will be conducted at El Refugio, San Carlos, El Jaspe and close to the main Mulatos Deposit.

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 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 m 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 for assay, ranging from 0.25 m to 3 m, 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. Where geological or mineralization differences are noted, drill core can be selectively sampled to a minimum length of 0.5 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 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 m 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 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, CRM 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 several 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 Mulatos 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, 2017 (including stockpiled ore) the Mulatos open pit complex has a remaining life of 8 years.

An additional open pit was started at La Yaqui in late 2017. The La Yaqui open pit has its own crushing and leaching facilities and loaded carbon is 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. Underground mining is currently at a nominal rate of approximately 250 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 Mulatos 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 km. It is expected that mining at the San Carlos underground will be completed in the first half of 2018.

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 m lifts.

Cyanide leach solution is applied to each lift for approximately 90 days. The gold bearing solution 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 m. 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 days on 7 days 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. In 2018 Mulatos will begin construction of a power line to bring grid power to the mine site, negating the need to operate the diesel powered power plants. It is expected that this project will be completed by mid-2019.

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 $28.4 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 2016 and 2017, and guidance for 2018 production, operating costs and capital are depicted below.

		2016 Actual	2017 Actual	2018 Guidance
Gold Production	(ounces)	154,000	160,000	150,000-160,000
Cost of sales, including amortization	($/ounce)	1,088	961	950
Total Cash Costs[1]	($/ounce)	838	775	800
Mine Site All-in Sustaining Costs[1]	($/ounce)	916	835	900
Capital[2]	($ millions)	33	44	26-30

(1) Refer to 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, 2017 and 2016 can be found in the Company's MD&A for the year ended December 31, 2017 as available on www.sedar.com.

(2) 2017 includes La Yaqui Phase I construction.

2018 Outlook

Total production from the Mulatos district (including La Yaqui Phase I) is expected to be between 150,000 to 160,000 ounces of gold in 2018, consistent with 2017. Mine-site all-in sustaining costs are expected to average $900 per ounce of gold sold and total cash costs $800 per ounce, both consistent with 2017 guidance.

Open pit grades mined and stacked on the heap leach pad are expected to range between 0.75 and 0.95 g/t Au (including La Yaqui) with stacked grades to increase through the year. The combined operating waste to ore ratio is expected to range between 0.7 and 0.9:1.

Total crusher throughput (excluding mill throughput) is expected to increase to an average 20,000 tpd in 2018, up from 18,500 tpd in 2017 reflecting a full year of production from La Yaqui Phase I. The combined recovery ratio is expected to average 75%.

The Company expects one quarter of production from the high grade mill with the underground San Carlos deposit and high grade surface stockpiles scheduled to be depleted by the end of the first quarter of 2018.

Capital spending at Mulatos is expected to total $26 million to $30 million including $8 million to $10 million of sustaining capital. This is down from the 2017 budget of $33 million to $40 million with development of La Yaqui Phase I complete.

Additionally, $13 million has been budgeted for the development of La Yaqui Grande and Cerro Pelon. Spending will be focused on engineering, permitting and early stage construction activities.

Total production from the Mulatos district is expected to remain in a similar range of 150,000 to 160,000 ounces of gold per year between 2018 and 2020, at declining costs. The decline will be driven in part by the end of the 5% NSR royalty at Mulatos in early 2019. Approximately 210,000 ounces remain subject to the royalty after which costs will decrease by $65 per ounce (assuming spot gold prices of $1,300 per ounce).

OTHER MINERAL PROPERTIES

El Chanate (Mexico)

El Chanate is expected to produce 40,000 to 50,000 ounces of gold in 2018. This is down from 60,400 ounces produced in 2017 reflecting lower mining rates with mining activities expected to cease mid-2018. Total crushed and run of mine ore is expected to average 9,700 tpd with an average processed grade of 0.69 g/t Au.

Mine-site all-in sustaining costs are expected to average $1,200 per ounce of gold sold; however, the Company expects strong cash flow growth once mining activities cease.

Given the long leach cycle at El Chanate, the Company expects to benefit from ongoing gold production beyond 2018 through residual leaching of the pad. This will be lower cost and higher margin production with mining activities completed and is expected to drive higher mine-site free cash flow from the operation.

To ensure El Chanate remains free cash flow positive, the Company has hedged all of its expected 2018 gold production through gold collar contracts. This will provide a minimum realized gold price of $1,270 per ounce and participation up to a price of $1,444 per ounce.

Kirazlı, Ağı Dağı, and Çamyurt (Turkey)

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 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
- For complete details of the Kirazlı Feasibility Study, see the Company's news release dated February 15, 2017. The Feasibility Study was filed on SEDAR on March 31, 2017.

Ağı Dağı Feasibility Study Highlights

- Declaration of an initial Proven and Probable mineral reserve of 54.4 million tonnes grading 0.67 g/t Au and 5.4 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
- For complete details of the Ağı Dağı Feasibility Study, see the Company's news release dated February 22, 2017. The Feasibility Study was filed on SEDAR on April 7, 2017.

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;
- 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; and
- For complete details of the Çamyurt PEA, see the Company's news release dated February 22, 2017. The PEA was filed on SEDAR on April 7, 2017.

The 2018 capital budget for Kirazlı is $100 million which will be focused on construction and development of the project. Development activities including power line construction, tree clearing and road relocation began in the second half of 2017 and will continue into 2018. The Company is in the process of awarding several key contracts which will comprise the bulk of the spending in 2018. These include civil works and the water reservoir with major construction activities expected to ramp up in the more favourable spring weather.

The Company has been granted the Environmental Impact Assessment and Forestry Permits for Kirazlı and continues to pursue the GSM (Business Opening and Operation) permit. Approximately 80% of the 2018 budget is contingent upon and will be spent following receipt of the GSM permit. The remainder of Kirazlı's initial capital will be spent in 2019 with initial gold production expected in the second half of 2019. Kirazlı is expected to produce more than 100,000 ounces of gold in its first full year of production at mine-site all-in sustaining costs of less than $400 per ounce. This is expected to drive company-wide production growth of more than 20% between 2018 and 2020, while significantly lowering the Company's cost profile.

Lynn Lake (Manitoba, Canada)

In December 2017, the Company reported results from the positive feasibility study conducted on the Lynn Lake gold project, located in northern Manitoba, Canada. The Lynn Lake Feasibility Study was filed on SEDAR on January 25, 2018.

Lynn Lake Feasibility Study Highlights

- Declaration of an initial Proven and Probable mineral reserve of 26.8 million tonnes grading 1.89 g/t Au, containing 1.62 million ounces of gold;
- Average annual gold production of 170,000 ounces over the first six years with total life of mine production of 1,495,000 ounces;
- Life of mine total cash costs of $645 per ounce of gold and mine-site all-in sustaining costs of $745 per ounce;
- Initial capital estimate of $338 million, and total sustaining capital and closure costs, of $148 million; and
- After-tax NPV of $123 million at a 5% discount rate and an after-tax IRR of 12.5%, representing a 4.6 year payback using base case gold price assumption of $1,250 and a US dollar to Canadian dollar exchange ratio of $0.75.

The 2018 capital budget for Lynn Lake is $12 million, comprised of $8 million for development activities and $4 million for exploration. Development spending will be focused on baseline work in support of the Environmental Impact Study ("**EIS**") for the project that will be submitted to satisfy federal and provincial EA requirements. The permitting process is expected to take approximately two years followed by two years of construction. The Company will also be evaluating various opportunities to enhance the project's economics as outlined in the December 2017 Feasibility Study. This includes incorporating exploration success over the past year and ongoing results with a further $4 million budgeted for exploration in 2018.

December 31, 2017 Reserves and Resources

At December 31, 2017, Alamos' total proven and probable gold mineral reserves were 9.8 million gold ounces, a 2.2 million ounce increase from 2016. This increase in proven and probable mineral reserves is attributable to the conversion of mineral resources to mineral reserves at the Company's Mulatos and La Yaqui deposits, the acquisition of the Island Gold mine, and the conversion of mineral resources to mineral reserves at the Lynn Lake project, as a result of the completion of a feasibility study, 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, 2017 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, 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, 2017:

PROVEN AND PROBABLE GOLD RESERVES (as at December 31, 2017)

	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	857	0.98	27	0	0.00	0	857	0.98	27
Young-Davidson - Underground	14,688	2.75	1,298	25,323	2.63	2,142	40,011	2.67	3,440
Total Young-Davidson	**15,545**	**2.65**	**1,325**	**25,323**	**2.63**	**2,142**	**40,868**	**2.64**	**3,467**
Island Gold	**807**	**11.14**	**289**	**1,896**	**9.81**	**598**	**2,703**	**10.20**	**887**
Mulatos Main Pits	3,249	1.00	105	18,695	0.86	519	21,944	0.88	624
San Carlos Underground	29	13.27	12	11	8.72	3	39	12.05	15
Stockpiles	8,855	1.30	370	0	0.00	0	8,855	1.30	370
La Yaqui	374	1.49	18	1,070	1.36	47	1,444	1.39	65
La Yaqui Grande	0	0.00	0	14,325	1.40	644	14,325	1.40	644
Cerro Pelon	960	1.70	53	2,293	1.59	117	3,253	1.63	170
Total Mulatos	13,467	1.29	558	36,394	1.14	1,329	49,860	1.18	1,888
El Chanate - Open Pit	1,209	0.60	23	1,492	0.65	31	2,700	0.63	54
El Chanate - Leach Pad Inv.			80						80
Total El Chanate	**1,209**	**2.67**	**104**	**1,492**	**0.65**	**31**	2,700	1.55	135
MacLellan	9,552	1.91	586	8,528	1.32	361	18,080	1.63	947
Gordon	2,311	2.82	210	6,412	2.27	468	8,723	2.42	678
Total Lynn Lake	**11,863**	**2.09**	**796**	**14,939**	**1.73**	**829**	**26,803**	**1.89**	**1,625**
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	**45,040**	**2.17**	**3,135**	**158,359**	**1.32**	**6,697**	**203,399**	**1.50**	**9,832**

MEASURED AND INDICATED GOLD MINERAL RESOURCES (as at December 31, 2017)

	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	7,411	3.30	785	3,964	3.97	506	11,374	3.53	1,291
Total Young-Davidson	**7,907**	**3.16**	**803**	**5,206**	**3.33**	**557**	**13,113**	**3.23**	**1,361**
Island Gold	**48**	**4.46**	**7**	**542**	**5.98**	**104**	**591**	**5.86**	**111**
Mulatos	7,963	1.25	321	61,504	1.08	2,140	69,467	1.10	2,461
San Carlos UG	167	4.88	26	351	4.58	52	519	4.68	78
La Yaqui	0	0.00	0	3,045	1.11	109	3,045	1.11	109
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	**8,305**	**1.35**	**359**	**66,652**	**1.11**	**2,372**	**74,958**	**1.13**	**2,731**
El Chanate	**2,381**	**0.62**	**47**	**3,376**	**0.79**	**86**	**5,757**	**0.72**	**134**
MacLellan - Open Pit	2,110	1.86	126	2,236	1.24	89	4,347	1.54	215
MacLellan - Underground	0	0.00	0	1,161	4.37	163	1,161	4.37	163
Gordon	9	1.72	0	451	1.96	28	460	1.95	29
Burnt Timber	0	0.00	0	1,021	1.40	46	1,021	1.40	46
Linkwood	0	0.00	0	984	1.16	37	984	1.17	37
Total Lynn Lake	**2,119**	**1.86**	**127**	**5,853**	**1.93**	**364**	**7,972**	**1.91**	**490**
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	**41,384**	**1.50**	**1,998**	**166,088**	**1.00**	**5,360**	**207,472**	**1.10**	**7,357**

INFERRED GOLD MINERAL RESOURCES (as at December 31, 2017)

	Tonnes (000's)	Grade (g/t Au)	Ounces (000's)
Young-Davidson - Surface	31	0.99	1
Young-Davidson - Underground	3,498	2.75	310
Total Young-Davidson	**3,528**	**2.74**	**311**
Island Gold	**2,958**	**9.55**	**908**
Mulatos	8,804	0.92	261
San Carlos UG	162	4.93	26
La Yaqui	303	0.97	9
Cerro Pelon	109	1.23	4
Carricito	900	0.74	22
Total Mulatos	**10,278**	**0.97**	**322**
El Chanate	**52**	**0.79**	**1**
MacLellan - Open Pit	750	1.62	39
MacLellan - Underground	116	3.82	14
Gordon	615	1.30	29
Burnt Timber	23,438	1.04	781
Linkwood	21,004	1.16	783
Total Lynn Lake	**45,923**	**1.11**	**1,646**
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	**127,903**	**1.17**	**4,791**

PROVEN AND PROBABLE SILVER MINERAL RESERVES (as at December 31, 2017)

	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	374	8.62	104	1,070	7.19	247	1,444	7.56	351
La Yaqui Grande	0	0.00	0	14,325	17.05	7,853	14,325	17.05	7,853
MacLellan	9,552	5.01	1,538	8,528	3.79	1,040	18,080	4.44	2,578
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	**12,076**	**5.90**	**2,290**	**102,238**	**8.53**	**28,029**	**114,314**	**8.25**	**30,319**

MEASURED AND INDICATED SILVER MINERAL RESOURCES (as at December 31, 2017)

	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	3,045	12	1,140	3,045	12	1,140
MacLellan - Open Pit	2,110	5.34	362	2,236	4.24	305	4,347	4.77	667
MacLellan - Underground	0	0.00	0	1,161	6.23	233	1,161	6.23	233
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	**22,520**	**6.87**	**4,975**	**78,958**	**4.87**	**12,361**	**101,478**	**5.31**	**17,335**

INFERRED SILVER MINERAL RESOURCES (as at December 31, 2017)

	Tonnes (000's)	Grade (g/t Ag)	Ounces (000's)
La Yaqui Grande	303	5.80	57
MacLellan - Open Pit	750	2.80	67
MacLellan - Underground	116	3.43	13
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	**27,126**	**4.79**	**4,174**

Notes to Mineral Reserve and Mineral Resource estimates:

- The Company's mineral reserves and mineral resource as at December 31, 2017 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 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 Pits, 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 open pit 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. Metal prices, cut-off grades and metallurgical recoveries are set out in the table below.
- El Chanate reserve ounces include a December 31, 2017 inventory 80,300 recoverable ounces in the heap leach pad.

	Resources		Reserves		
	Gold Price	Cut-off	Gold Price	Cut-off	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	0.5	$1,250	see notes	75%
La Yaqui	$1,400	0.3	$1,250	see notes	75%
Carricito	$1,400	0.3	n/a	n/a	n/a
Young-Davidson - Surface	$1,400	0.5	$1,250	0.5	91%
Young-Davidson - Underground	$1,400	1.3	$1,250	1.9	91%
Island Gold	$1,400	4.0	$1,250	3.39-3.94	96.5%
El Chanate	$1,400	0.15	$1,250	0.15	30-65%
Lynn Lake - MacLellan	$1,400	0.42	$1,250	0.47	91-92%
Lynn Lake - MacLellan Underground	$1,400	2.0	n/a	n/a	n/a
Lynn Lake - Gordon	$1,400	0.62	$1,250	0.69	89-94%
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:

Project	Mineral Reserves 31-Dec-16	Processed in 2017	Increase / (Decrease) after Depletion	Mineral Reserves 31-Dec-17
Young-Davidson	3,687	(215)	(5)	3,467
Island Gold	752	(102)	236	887
Mulatos	1,885	(255)	258	1,888
El Chanate	293	(68)	(90)	135
Lynn Lake	0	0	1,625	1,625
Turkey	1,831	0	0	1,831
Total Alamos	8,448	(640)	2,024	9,832

Qualified Person(s) Disclosure

The following tables sets forth the Qualified Persons who supervised the preparation of Alamos' December 31, 2017 mineral reserve and mineral resource estimate. All are recognized as Qualified Persons according to the requirements of NI 43-101.

Resources QP	Company	Project
Jeffrey Volk, CPG, FAusIMM	Director - Reserves and Resource, Alamos Gold Inc.	Young-Davidson, El Chanate, San Carlos U/G, Lynn Lake
Raynald Vincent, P.Eng., M.G.P.	Chief Geologist - Island Gold	Island Gold
Marc Jutras, P.Eng	Principal, Ginto Consulting Inc.	Mulatos Pits, Cerro Pelon, La Yaqui, Carricito, Esperanza, Ağı Dağı, Kirazlı, Çamyurt, Quartz Mountain
Reserves QP	**Company**	**Project**
Chris Bostwick, FAusIMM	VP Technical Services, Alamos Gold Inc.	Young-Davidson, El Chanate, San Carlos Underground, Lynn Lake
Léon Grondin Leblanc, P.Eng	Chief Engineer - Island Gold	Island Gold
Herb Welhener, SME-QP	VP, Independent Mining Consultants Inc.	Mulatos Pits, Cerro Pelon, La Yaqui, Ağı Dağı, Kirazlı

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

Global exploration programs are overseen by Aoife McGrath, M.Sc., M.AIG, Vice President, Exploration for Alamos. Ms. McGrath is a Qualified Person within the meaning of Canadian Securities Administrator's NI 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, 2017, the Company had 48 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 630 full-time employees and 136 contractors as at December 31, 2017.

In addition, the Company's Island Gold Mine, which is based in Dubreuilville, Ontario, there are 345 full-time employees and 217 contractors as at December 31, 2017.

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, 2017, the Company's Mexican subsidiaries had 696 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 25 full-time administrative, engineering and exploration personnel in Turkey and 3 full-time personnel at the Esperanza Gold Project in Morelos State, Mexico and 2 employees at the Quartz Mountain Property in Oregon, U.S.A.

As at December 31, 2017, the Company had 3 full-time employees at the Lynn Lake Project in Manitoba. There are 10 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, 2017, Alamos paid a total of $6.0 million in dividends to its shareholders. The Company does not have a formal dividend policy.

Dividends	Year ended Dec 31, 2017	Year ended Dec 31, 2016
Declared and Paid	$6,000,000	$5,300,000
Weighted Average number of common shares outstanding	305,521,000	265,234,000
Dividend per share	$0.02	$0.02

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, 2017 a total of 389,101,550 common shares were issued and outstanding and as at March 23, 2018, a total of 389,379,754 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 of which 5.1 million remain outstanding at December 31, 2017. 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 7,188 of warrants of former Carlisle outstanding with an average exercise price of $4.14, convertible into 7,188 of common shares of Alamos and 7,188 warrants to acquire additional Alamos shares.

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", and 5.1 million share purchase warrants on the TSX under the tickler symbol "AGI.WT.A".

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, 2017 to December 31, 2017:

2017	Low (CAD$)	High (CAD$)	Volume
January	$9.17	$11.54	24,803,409
February	$9.42	$11.83	21,269,674
March	$8.66	$11.32	26,346,984
April	$9.28	$11.36	16,331,459
May	$8.20	$9.70	21,983,814
June	$8.88	$9.90	16,634,393
July	$8.38	$9.36	9,893,555
August	$8.70	$10.45	11,793,852
September	$8.38	$10.50	19,670,346
October	$7.99	$9.12	15,606,895
November	$7.79	$8.94	21,111,828
December	$7.53	$8.46	20,891,391

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, 2017 to December 31, 2017:

2017	Low (USD$)	High (USD$)	Volume
January	$6.82	$8.81	57,851,494
February	$7.09	$8.99	65,276,213
March	$6.46	$8.49	108,276,008
April	$6.82	$8.57	59,862,216
May	$6.02	$7.10	64,288,100
June	$6.60	$7.47	61,519,269
July	$6.59	$7.15	37,250,103
August	$6.95	$8.36	38,920,902
September	$6.71	$8.57	47,053,272
October	$6.20	$7.30	42,815,025
November	$6.11	$7.03	38,620,938
December	$5.93	$6.75	39,603,002

The following table sets out the monthly low and high trading prices and the monthly volume of trading of the AGI.WT common share purchase warrants of the Company on the TSX for January 1, 2017 to December 31, 2017:

2017	Low (CAD$)	High (CAD$)	Volume
January	$0.26	$0.53	408,878
February	$0.31	$0.55	169,778
March	$0.28	$0.42	185,204
April	$0.28	$0.34	170,618
May	$0.16	$0.31	108,697
June	$0.12	$0.20	173,074
July	$0.08	$0.16	89,404
August	$0.10	$0.16	180,639
September	$0.05	$0.12	133,748
October	$0.03	$0.07	75,598
November	$0.02	$0.04	304,200
December	$0.01	$0.04	774,630

The following table sets out the monthly low and high trading prices and the monthly volume of trading of the AGI.WT.A common share purchase warrants of the Company on the TSX for January 1, 2017 to December 31, 2017:

2017	Low (CAD$)	High (CAD$)	Volume
January	$2.75	$4.10	454,110
February	$2.74	$4.17	234,416
March	$2.12	$3.70	152,819
April	$2.51	$3.69	147,481
May	$1.80	$2.64	198,191
June	$2.00	$2.60	139,488
July	$1.60	$2.20	134,908
August	$1.74	$2.50	256,701
September	$1.24	$2.52	342,332
October	$1.04	$1.65	132,544
November	$1.00	$1.58	236,149
December	$0.93	$1.17	160,750

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
January 9, 2017	6,364	CAD 7.76	Common Shares(2)
January 10, 2017	16,820	CAD 7.75	Common Shares(2)
January 10, 2017	5,370	CAD 8.26	Common Shares(2)
January 10, 2017	1,459	CAD 8.17	Common Shares(2)
January 11, 2017	916	CAD 9.54	Common Shares(2)
January 12, 2017	4,565	CAD 7.75	Common Shares(2)

Date of Issuance	Number of Securities Issued	Price per Security (CAD$)	Type of Security
January 13, 2017	11,292	CAD 7.76	Common Shares(2)
January 16, 2017	23,548	CAD 7.75	Common Shares(2)
January 16, 2017	2,536	CAD 6.90	Common Shares(3)
January 17, 2017	43,794	CAD 7.75	Common Shares(2)
January 20, 2017	8,410	CAD 7.76	Common Shares(2)
January 23, 2017	21,025	CAD 7.75	Common Shares(2)
January 26, 2017	6,728	CAD 7.76	Common Shares(2)
January 27, 2017	3,364	CAD 7.75	Common Shares(2)
February 2, 2017	841	CAD 7.76	Common Shares(2)
February 8, 2017	1	CAD 28.47	Common Shares(3)
February 8, 2017	7,246	CAD 6.90	Common Shares(3)
February 9, 2017	31,450,000	USD 7.95	Common Shares(4)
February 13, 2017	94	CAD 10.00	Common Shares(3)
February 13, 2017	2,523	CAD 7.74	Common Shares(2)
February 14, 2017	28,622	CAD 6.48	Common Shares(3)
February 15, 2017	841	CAD 7.76	Common Shares(2)
February 15, 2017	5,000	CAD 6.90	Common Shares(2)
February 16, 2017	3,884	CAD 4.14	Common Shares(3)
February 22, 2017	2,133	CAD 7.76	Common Shares(2)
February 22, 2017	3,485	CAD 6.90	Common Shares(2)
February 16, 2017	72,461	CAD 4.97	Common Shares(3)
March 3, 2017	9,397	CAD 10.44	Common Shares(2)
March 20, 2017	3,364	CAD 7.76	Common Shares(1)
March 21, 2017	16,800	CAD 3.75	Common Shares(1)
March 22, 2017	64,341	CAD 7.74	Common Shares(1)
March 22, 2017	13,200	CAD 3.75	Common Shares(1)
March 23, 2017	20,000	CAD 3.75	Common Shares(1)
March 23, 2017	1,811	CAD 6.90	Common Shares(2)
March 23, 2017	4,130	CAD 5.52	Common Shares(1)
March 24, 2017	29,205	CAD 5.70	Common Shares(1)
March 27, 2017	2,052	CAD 6.90	Common Shares(2)
March 28, 2017	22,663	CAD 7.76	Common Shares(1)
March 29, 2017	3,638	CAD 5.46	Common Shares(1)
March 29, 2017	10,000	CAD 3.75	Common Shares(1)
March 30, 2017	11,738	CAD 5.01	Common Shares(1)
March 30, 2017	7,246	CAD 6.90	Common Shares(2)
March 30, 2017	2,898	CAD 6.90	Common Shares(2)
April 3, 2017	31,883	CAD 5.36	Common Shares(1)
April 3, 2017	3,000	CAD 7.76	Common Shares(1)
April 10, 2017	30,000	CAD 3.75	Common Shares(1)
April 10, 2017	10,000	CAD 5.52	Common Shares(1)
April 17, 2017	7,246	CAD 6.90	Common Shares(2)
April 19, 2017	16,666	CAD 6.90	Common Shares(2)
April 20, 2017	1,231	CAD 7.76	Common Shares(1)
April 26, 2017	5,000	CAD 5.52	Common Shares(1)
May 3, 2017	57,969	CAD 5.99	Common Shares(2)
May 31, 2017	56,037	CAD 6.90	Common Shares(2)
June 5, 2017	10,797	CAD 10.85	Common Shares(1)

Date of Issuance	Number of Securities Issued	Price per Security (CAD$)	Type of Security
June 9, 2017	5,000	CAD 5.52	Common Shares(1)
June 15, 2017	16,908	CAD 6.90	Common Shares(2)
June 19, 2017	364	CAD 7.76	Common Shares(1)
June 19, 2017	1,449	CAD 6.90	Common Shares(2)
June 23, 2017	14,492	CAD 4.14	Common Shares(2)
June 26, 2017	2,415	CAD 6.90	Common Shares(2)
July 10, 2017	11,956	CAD 4.26	Common Shares(1)
July 13, 2017	1,103,449	CAD 10.88	Common Shares(3)
July 13, 2017	198,086	CAD 15.15	Common Shares(3)
August 14, 2017	3,364	CAD 7.76	Common Shares(1)
August 15, 2017	15,000	CAD 3.75	Common Shares(1)
August 16, 2017	1,811	CAD 6.90	Common Shares(1)
August 16, 2017	1,449	CAD 4.14	Common Shares(2)
August 23, 2017	15,724	CAD 5.52	Common Shares(1)
October 20, 2017	4,205	CAD 7.75	Common Shares(1)
November 6, 2017	2,898	CAD 5.18	Common Shares(2)
November 23, 2017	88,398,804	CAD 8.88	Common Shares(4)
November 29, 2017	3,364	CAD 7.76	Common Shares(1)
December 13, 2017	8,695	CAD 4.31	Common Shares(2)
December 13, 2017	9,233	CAD 2.73	Common Shares(1)
December 21, 2017	17,391	CAD 5.18	Common Shares(2)
December 28, 2017	3,364	CAD 7.76	Common Shares(1)
January 4, 2018	3,648	CAD 7.84	Common Shares(1)
January 5, 2018	15,000	CAD 3.75	Common Shares(1)
January 10, 2018	2,899	CAD 4.14	Common Shares(2)
January 10, 2018	6,000	CAD 2.94	Common Shares(1)
January 22, 2018	23,275	CAD 4.14	Common Shares(2)
February 5, 2018	35,217	CAD 4.14	Common Shares(2)
February 8, 2018	27,049	CAD 4.14	Common Shares(2)
February 13, 2018	57,969	CAD 4.14	Common Shares(2)
February 20, 2018	100,000	CAD 1.82	Common Shares(1)
March 13, 2018	2,770	CAD 1.73	Common Shares(1)
March 23, 2018	4,377	CAD 2.24	Common Shares(1)

(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, FCA Chairman, Director Ontario, Canada	Chief Financial Officer and Executive Vice President, Finance, 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. Mr. McCluskey is currently a Director of the World Gold Council and New Pacific Metals Corp. and a former Director of AuRico Metals Inc. Prior thereto, Mr. McCluskey was the founder of Former Alamos, when the company merged with National Gold Corp. in 2003, and served as a Director and the President and Chief Executive Officer.	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 Governance & Human Resources Committee.	Since July 2, 2015
PATRICK DOWNEY, B.Comm., CPA, CA, 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 Buchans Resources Limited. Previously a Director of AuRico. Mr. Downey is certified by the Institute of Corporate Directors and holds a CPA, CA designation.	Since July 2, 2015
DAVID FLECK , B.A., MBA, ICD.D[2] [4] Director Ontario, Canada	Partner and Senior Vice President of Delaney Capital Management. Previously President and Chief Executive Officer of Macquarie Capital Markets Ltd. from 2011-2013. President of Mapleridge Capital Corp from 2009-2011. Currently a Director of Kew Media Group Inc. Previously a Director of Former Alamos and Yappn Corp. 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 Corp., which is a private company since 2009. Previously President and CEO of Castillian Resources Corporation from 2006-2010 and CEO of Apogee Opportunities Inc. from 2007-2012. Director of Apogee Opportunities Inc., Aguia Resources Ltd. 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 Managing Partner, Clients and Industries in the Toronto office of Bennett Jones LLP. Ms. Kennedy is a Director of the Bank of Canada, Chair of the Governing Council of the University of Toronto and Director of Neo Performance Materials Inc. Ms. Kennedy is also a member of the Dean's Advisory Committee at Rotman School of Management. Ms. Kennedy is a previous 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, FCPA, FCA, 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 Inc. since 2010. 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., Zenyatta Ventures Ltd. 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 1,218,839 common shares, directly or indirectly, representing approximately 0.31% 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. Kenneth 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.

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 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]
2016	$554,000	$11,500	$129,150	$Nil
2017	$659,000	$173,500	$109,200	$Nil

(1) All fees in USD.
(2) Fees charged for the annual financial statement audit, quarterly reviews. In 2017, the amount includes audit services related to the equity financing and acquisition of Richmont.
(3) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees". 2017 includes French translation fees associated with the equity financing.
(4) Fees charged for tax compliance, tax advice and tax planning services.
(5) Fees for services other than disclosed in any other column.

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, 2015 (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 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.

LEGAL PROCEEDINGS

As at March 23, 2018, 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.

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 most recent information circular available on SEDAR.

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;

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

(h) the system of cyber security controls.

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.

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

(c) 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, 2017

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This Management's Discussion and Analysis ("MD&A"), dated February 21, 2018, 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 year ended December 31, 2017 and 2016, and notes thereto. The financial statements have been prepared in accordance with 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 four operating mines in North America. The operating mines are: the Young-Davidson and the Island Gold mines in northern Ontario, Canada and the Mulatos and El Chanate mines in Sonora State, Mexico. In addition, Alamos has a significant portfolio of development stage projects in Canada, Mexico, Turkey, and the United States. Alamos employs more than 1,700 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,	
	2017	2016	2017	2016
Financial Results (in millions)				
Operating revenues	$161.7	$132.2	$542.8	$482.2
Cost of sales [1]	$136.6	$121.6	$456.8	$429.3
Earnings from operations	$17.1	$3.5	$56.0	$21.3
Net (loss) earnings	($4.7)	($20.6)	$26.6	($17.9)
Cash provided by operations before working capital and cash taxes[2]	$52.7	$34.0	$183.3	$148.0
Cash provided by operating activities	$48.6	$38.3	$163.5	$135.7
Capital expenditures (sustaining) [2]	$11.5	$12.3	$42.7	$49.2
Capital expenditures (growth) [2],[3]	$27.7	$25.2	$119.8	$97.3
Operating Results				
Gold production (ounces) [4]	120,300	105,676	429,400	392,000
Gold sales (ounces)	126,786	107,505	430,115	389,151
Per Ounce Data				
Average realized gold price	$1,275	$1,230	$1,262	$1,239
Average spot gold price (London PM Fix)	$1,275	$1,222	$1,257	$1,251
Cost of sales per ounce of gold sold (includes amortization) [1]	$1,077	$1,131	$1,062	$1,103
Total cash costs per ounce of gold sold [2]	$753	$842	$770	$797
All-in sustaining costs per ounce of gold sold [2]	$902	$1,033	$933	$1,010
Share Data				
Earnings per share, basic and diluted	($0.01)	($0.08)	$0.09	($0.07)
Weighted average common shares outstanding (basic) (000's)	337,178	267,067	305,521	265,234
Financial Position (in millions)				
Cash and cash equivalents			$200.8	$252.2
Total debt and financing obligations			$7.5	$304.9

(1) Cost of sales includes mining and processing costs, royalties, and amortization expense.
(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) Includes capitalized exploration and La Yaqui Phase I development.
(4) Gold production from Island Gold have been included in this table for the period subsequent to November 23, 2017 only. Gold production from Island Gold for the three and twelve months ended December 31, 2017 was 22,100 ounces (2016 - 24,086) and 98,600 ounces (2016 - 83,323), respectively.

	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016 [1]	2017	2016 [1]
Gold production (ounces)				
Young-Davidson	56,500	44,662	200,000	170,000
Mulatos	42,700	44,900	160,000	154,000
Island Gold [1]	9,000	—	9,000	—
El Chanate	12,100	16,114	60,400	68,000
Gold sales (ounces)				
Young-Davidson	52,475	40,934	197,937	168,979
Mulatos	50,006	50,178	159,276	151,337
Island Gold [1]	11,720	—	11,720	—
El Chanate	12,585	16,393	61,182	68,835
Cost of sales (in millions)[2]				
Young-Davidson	$58.1	$44.1	$213.4	$183.7
Mulatos	$47.7	$56.8	$153.0	$164.6
Island Gold [1]	$13.4	—	$13.4	—
El Chanate	$17.4	$20.7	$77.0	$81.0
Cost of sales per ounce of gold sold (includes amortization)				
Young-Davidson	$1,107	$1,077	$1,078	$1,087
Mulatos	$954	$1,132	$961	$1,088
Island Gold [1]	$1,143	—	$1,143	—
El Chanate	$1,383	$1,263	$1,259	$1,177
Total cash costs per ounce of gold sold [3]				
Young-Davidson	$690	$667	$658	$657
Mulatos	$762	$877	$775	$838
Island Gold [1]	$401	—	$401	—
El Chanate	$1,311	$1,171	$1,188	$1,052
Mine-site all-in sustaining costs per ounce of gold sold [3],[4]				
Young-Davidson	$859	$926	$834	$897
Mulatos	$798	$931	$835	$916
Island Gold [1]	$546	—	$546	—
El Chanate	$1,335	$1,190	$1,218	$1,069
Capital expenditures (growth and sustaining) (in millions)[3]				
Young-Davidson	$17.0	$22.6	$80.3	$94.6
Mulatos[5]	$9.0	$9.5	$43.9	$32.9
Island Gold [1],[5]	$4.8	—	$4.8	—
El Chanate	$0.2	$0.2	$1.4	$0.8
Other	$8.2	$5.2	$32.1	$18.2

(1) Operating and financial results from Island Gold are included in Alamos' consolidated financial statements for the period subsequent to November 23, 2017. Gold production from Island Gold for the three and twelve months ended December 31, 2017 was 22,100 ounces (2016 - 24,086) and 98,600 ounces (2016 - 83,323), respectively.
(2) Cost of sales includes mining and processing costs, royalties and amortization.
(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) 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.
(5) Includes capitalized exploration.

2017 Highlights

Fourth Quarter 2017

- Completed the acquisition of Richmont Mines Inc. ("Richmont") and its Island Gold mine, a high-grade, long life asset in Ontario, Canada
- Produced a record 120,300 ounces of gold at cost of sales of $1,077 per ounce, total cash costs[1] of $753 per ounce and all-in sustaining costs ("AISC")[1] of $902 per ounce. This included a record 56,500 ounces from Young-Davidson, 42,700 ounces from Mulatos, 12,100 ounces from El Chanate and 9,000 ounces from Island Gold (following completion of the Richmont acquisition on November 23, 2017)
- Sold 126,786 ounces of gold at an average realized price of $1,275 per ounce for record revenues of $161.7 million
- Reported a net loss of $4.7 million, or $0.01 per share, which was impacted by transaction costs related to the Richmont acquisition of $5.1 million ($0.02 per share), a fair value accounting adjustment on the Island Gold acquisition of $4.1 million net of tax ($0.01 per share) and unrealized foreign exchange losses of $5.1 million ($0.02 per share) recorded within both deferred taxes and foreign exchange
- Generated cash flow from operating activities of $48.6 million ($52.7 million before changes in working capital[1]), reflecting lower cash costs and stronger operating margins
- Generated $37.1 million in mine-site free cash flow[1], including a record $16.4 million at Young-Davidson. Company-wide, approximately $19 million of free cash flow[1] was generated excluding transaction costs of $10 million paid related to the Richmont acquisition
- Ended the quarter with no debt and $236.6 million in cash and cash equivalents and equity securities, up from $167.7 million as of September 30, 2017
- Reported a positive feasibility study for the Lynn Lake gold project located in Manitoba, Canada
- Achieved a significant safety milestone of five million hours without a lost-time incident ("LTI") at El Chanate

Full year 2017

- Produced a record 429,400 ounces of gold in 2017 marking a 10% increase from 2016, including approximately one month of production from Island Gold. Gold production was above the mid-point of 2017 production guidance and marked the third consecutive year production guidance has been achieved
- Achieved the top end of production guidance at Island Gold, Mulatos and El Chanate
- Sold 430,115 ounces of gold at an average realized price of $1,262 per ounce for record revenues of $542.8 million
- Cost of sales per ounce of gold sold of $1,062, and total cash costs of $770 both improved relative to 2016
- Significantly improved the Company's cost profile with all-in sustaining costs of $933 per ounce, an 8% reduction compared to 2016
- Realized net earnings of $27.4 million, or $0.09 per share
- Generated positive free cash flow at each of the Company's operations for total mine-site free cash flow of $77.5 million, including record free cash flow at Young-Davidson. Mine-site free cash flow more than doubled from $35.4 million in 2016, reflecting stronger production, lower costs and lower capital spending
- Strengthened the balance sheet with the repurchase and retirement of $315 million senior secured notes in April
- Enhanced liquidity with an amendment to the undrawn revolving credit facility including an increase in the size of the facility to $400 million on peer-leading terms
- Returned $6.0 million in the form of dividends to shareholders
- Completed construction of La Yaqui Phase I on budget and ahead of schedule with the first gold pour in August
- Reported positive feasibility studies for the Kirazlı and Ağı Dağı projects in Turkey, and the Lynn Lake project in Manitoba Canada, outlining more than 400,000 ounces of combined annual production growth potential

(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.

2017 Key Business Developments

Senior Secured Note Redemption

On April 3, 2017, the Company completed the redemption of its outstanding $315 million 7.75% Senior Secured Notes ("Notes") due in 2020. The Notes were redeemed at a price of 103.875% of the principal amount (premium of $12.2 million) plus accrued interest to the date of redemption of $12.2 million. The Notes were retired with net proceeds of $239.1 million from the equity financing completed in February 2017 along with existing cash. The Company recorded a pre-tax loss of $29.1 million ($21.8 million after-tax) on redemption. The redemption of the Notes results in annual interest savings of $24.4 million.

Amended Credit Facility

On September 21, 2017, the Company secured amendments to its existing undrawn revolving credit facility (the "Facility") including an increase in the size of the Facility from $150 million to $400 million on peer-leading terms.

Under the amended Facility, the Company benefits from improved pricing at its current leverage ratio including undrawn fees of 0.45% and drawn fees of LIBOR plus 2.00%. This compares to undrawn fees of 0.48% and drawn fees of LIBOR plus 2.125% under the previous credit facility. The Facility remains undrawn and the Company debt free with cash and equity securities of approximately $236 million as of December 31, 2017. The maturity date of the Facility is September 20, 2021.
The amended Facility was joint-led by the Bank of Nova Scotia, BMO Capital Markets, and TD Securities. Additionally, the syndicate includes the Canadian Imperial Bank of Commerce, National Bank of Canada, HSBC Bank Canada, ING Capital LLC, and Export Development Canada.

Acquisition of Richmont

On November 23, 2017, the Company completed the acquisition of Richmont, and its Island Gold mine in northern Ontario. The Island Gold mine is a high-grade, low cost, long-life asset in Canada with significant exploration potential. The acquisition has strengthened and further diversified Alamos' portfolio of assets through the addition of a third core, long-life producing asset. Island Gold provides near-term production growth while lowering the Company's cost profile.

All of the Richmont issued and outstanding common shares were exchanged on the basis of 1.385 Alamos common shares for each Richmont common share for total consideration of $627 million. Upon completion of the transaction, existing Alamos and Richmont shareholders owned approximately 77% and 23% of the combined company, respectively.

Lynn Lake Feasibility Study

On December 14, 2017, the Company released the results from the positive feasibility study conducted on its Lynn Lake Gold Project ("Lynn Lake") in northern Manitoba, approximately 820 kilometres ("km") northwest of Winnipeg. The project is comprised of two historical gold mines, MacLellan and Gordon, respectively located approximately 7 km northeast and 37 km east of the Town of Lynn Lake. The two deposits will be mined using conventional open pit mining methods with a centralized processing plant and tailings management facility to be located at MacLellan.

Highlights of the release included the following:

- Declared an initial Proven and Probable mineral reserve of 26.8 million tonnes ("Mt") grading 1.89 grams per tonne of gold ("g/t Au"), containing 1.6 million ounces of gold
- Average annual gold production of 170,000 ounces over the first six years and 143,000 ounces over the first 10 years with life of mine production of 1.5 million ounces
- Life of mine total cash costs of $645 per ounce of gold and attractive mine-site all-in sustaining costs of $745 per ounce
- Initial capital estimate of $338 million and total life of mine capital, including sustaining capital and reclamation costs, of $486 million
- After-tax net present value ("NPV") of $123 million at a 5% discount rate and an after-tax internal rate of return ("IRR") of 12.5%, representing a 4.6 year payback using base case gold and silver price assumptions of $1,250 and $16.00 per ounce, respectively and a USD/CAD foreign exchange rate of $0.75:1
- The Company has also identified a number of opportunities to enhance the overall economics of the project through an evaluation of a smaller, higher grade mine plan, employing contract mining, and incorporating exploration success over the past year which was not factored into the feasibility study

Mineral Reserve and Resource update

On February 21, 2018, the Company reported a global mineral reserve and resource update. Highlights of the release include the following:

- Global Proven and Probable mineral reserves increased 28%, or 2.1 million ounces, to 9.8 million ounces of gold, (203 million tonnes ("mt") grading 1.50 grams per tonne of gold ("g/t Au")) net of mining depletion, with grades increasing 16%. The increase reflects the addition of Island Gold (with the acquisition of Richmont Mines closing November 23, 2017), further growth at La Yaqui Grande and the declaration of an initial mineral reserve at Lynn Lake

- Island Gold's Proven and Probable mineral reserves increased 18% to 887,000 ounces of gold, (2.7 mt grading 10.20 g/t Au) net of mining depletion. Mineral reserve grades also increased 11% to 10.20 g/t Au compared to 9.17 g/t Au at the end of 2016. Since 2014, mineral reserves have increased 383% in terms of ounces and 60% in terms of grade
- Increased Proven and Probable mineral reserves at La Yaqui Grande to 644,000 ounces of gold, (14.3 mt grading 1.40 g/t Au) a 24%, or 123,000 ounce increase. Including additions within the Mulatos Pit, this offset mining depletion at Mulatos
- Initial Proven and Probable mineral reserve declared at Lynn Lake of 1.6 million ounces of gold (26.8 mt grading 1.89 g/t Au) with the release of the positive feasibility study in December 2017
- Global Measured and Indicated mineral resources decreased 21% to 7.4 million ounces of gold, (207 mt grading 1.1 g/t Au) reflecting the conversion of mineral resources to mineral reserves at Lynn Lake

Outlook and Strategy

	2018 Guidance						
	Young-Davidson	Mulatos	Island Gold	El Chanate	Turkey	Other Development (2)	Total
Gold production *(000's ounces)*	200-210	150-160	90-100	40-50	—	—	**480-520**
Cost of sales, including amortization *(in millions)*(4)	$220	$147	$112	$57	—	—	**$536**
Cost of sales, including amortization *($ per ounce)*(4)	$1,075	$950	$1,175	$1,270	—	—	**$1,075**
Total cash costs *($ per ounce)*(1)	$675	$800	$575	$1,200	—	—	**$740**
All-in sustaining costs *($ per ounce)*(1)					—	—	**$950**
Mine-site all-in sustaining costs *($ per ounce)*(1),(3)	$850	$900	$825	$1,200	—	—	**—**
Capital expenditures *(in millions)*							
Sustaining capital(1)	$35-40	$8-10	$25-27	—	—	—	**$68-77**
Growth capital(1)	$35-40	$18-20	$25-28	—	$100	$46 (2)	**$224-234**
Total capital expenditures(1)	$70-80	$26-30	$50-55	—	$100	$46	**$292-$311**

(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) Includes capitalized exploration at all operating sites and development projects.
(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 executed on several strategic priorities in 2017, all of which support its objective of increasing cash flow from its operations while advancing its portfolio of low-cost development projects. This included delivering record gold production of 429,400 ounces at an 8% decrease in all-in sustaining costs. This drove mine-site free cash flow to $78 million, up nearly 120% from 2016. Additionally, the Company strengthened its operating base through the acquisition of the Island Gold mine, adding a third core, low-cost, long life operation, which will be a strong driver of free cash flow growth in the years ahead. The Company also made significant progress advancing its development pipeline including the completion of three positive feasibility studies, construction of La Yaqui Phase I ahead of schedule and on budget, and initiating development of Kirazlı.

The strong operational performance is expected to continue into 2018 with gold production expected to increase to a range of 480,000 to 520,000 ounces, a 16% increase over 2017 (based on the mid-point of guidance). All-in sustaining costs are expected to average $950 per ounce, supporting strong ongoing operating margins and mine-site free cash flow. Capital spending at the four operating mines is expected to total between $146 and $165 million. The Company expects stronger gold production, lower costs and a lower rate of capital spending in the second half of 2018, all of which is expected to contribute to higher mine-site free cash flow compared to the first half of the year.

Young-Davidson is expected to produce between 200,000 and 210,000 ounces in 2018 at mine-site all-in sustaining costs of $850 per ounce. Capital spending at Young-Davidson in 2018 is expected to be between $70 and $80 million, including $35 to $40 million of sustaining capital. Capital spending will be focused on ongoing development and lower mine infrastructure. The tie in of the upper and lower mines is expected to be completed in the fourth quarter of 2019 which will temporarily limit underground throughput. Following completion of the tie in, underground mining rates are expected to increase above 7,500 tpd supporting higher production rates and free cash flow in 2020 and beyond.

Island Gold is expected to produce 90,000 to 100,000 ounces in 2018 at mine-site all-in sustaining costs of $825 per ounce, both consistent with the Phase I expansion preliminary economic assessment ("PEA") released in 2017. With the addition of a second mine in Ontario, the Company is evaluating opportunities to reduce costs through purchasing, tax and other synergies.

The Phase I expansion of the Island Gold mill to 1,100 tpd remains on track and is expected to be completed in the second half of 2018. This is expected to drive strong production growth and lower costs in the fourth quarter and into 2019. Combined with lower capital spending, the Company expects significant free cash flow growth in 2019. In parallel to the Phase I expansion, the Company will continue an aggressive exploration program at Island Gold which has been successful in driving nearly a 400% increase in Mineral Reserves and 60% increase in grade since 2014. Ongoing exploration success will be incorporated into an evaluation of the most effective and economic approach to a Phase II expansion of the operation beyond 1,100 tpd.

Total production from the Mulatos district (including La Yaqui Phase I) is expected to be between 150,000 to 160,000 ounces in 2018 at mine-site all-in sustaining costs of $900 per ounce. Capital spending is expected to total $26 to $30 million, including $8 to $10 million of sustaining capital.

Annual gold production at Mulatos is expected to remain in a similar range of 150,000 to 160,000 ounces per year between 2018 and 2020, at declining costs. The decline will be driven in part by the construction of a power line which will connect the mine to lower cost grid power, and the end of the 5% royalty at Mulatos in 2019. Approximately 200,000 ounces remain subject to the royalty after which costs will decrease by $65 per ounce (assuming spot gold prices of $1,300 per ounce).

El Chanate is expected to produce 40,000 to 50,000 ounces in 2018, down from 2017 reflecting lower mining rates with mining activities expected to cease mid-2018. Given the long leach cycle at El Chanate, the Company expects to benefit from ongoing gold production beyond 2018 through residual leaching. This will be lower cost and higher margin production with mining activities completed and is expected to drive higher mine-site free cash flow from the operation.

The Company expects combined annual gold production of at least 500,000 ounces from its existing operations in 2019 and 2020 with low cost production growth from Island Gold offsetting higher cost production from El Chanate. Consolidated all-in sustaining costs are expected to decrease in 2019 reflecting the completion of the Phase I expansion at Island Gold and end of the 5% royalty at Mulatos, with a further decrease expected in 2020 reflecting higher underground mining rates at Young-Davidson. Similarly, capital spending at existing operations is expected to trend lower in 2019 and 2020 reflecting the completion of the Phase I expansion at Island Gold and lower mine infrastructure at Young-Davidson. Combined with declining operating costs, the Company expects strong free cash flow growth from its operations over the next three years.

Capital spending on development projects, including capitalized exploration, is expected to total $146 million in 2018, of which $100 million relates to construction on the Kirazlı project. The remainder of the spending is comprised of capitalized exploration at Island Gold, Mulatos and Lynn Lake and advancing permitting and development of Cerro Pelon, La Yaqui Grande and Lynn Lake. The Company has also increased its global exploration budget to $36 million, up 50% from 2017 with nearly 80% of the spending to be focused on Island Gold and Mulatos.

Approximately 80% of the 2018 budget for Kirazlı is contingent upon, and will be spent following receipt of the GSM (Business Opening and Operation) permit. Pending receipt of final permits, Kirazlı is expected to produce more than 100,000 ounces in 2020, its first full year of production, at mine-site all-in sustaining costs of less than $400 per ounce. This is expected to drive company-wide production above 600,000 ounces in 2020, representing more than 20% growth from 2018, while further lowering the Company's cost profile.

The Company is well positioned to fund this growth having significantly de-risked its balance sheet over the past year with the repayment of the $315 million senior secured notes in April 2017. The Company is debt free with growing cash flow from its operations and over $635 million of cash and available liquidity under the Company's credit facility.

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 mine declared commercial production in 2013.

Young-Davidson Financial and Operational Review

	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	2017	2016
Gold production (ounces)	56,500	44,662	200,000	170,000
Gold sales (ounces)	52,475	40,934	197,937	168,979
Financial Review (in millions)				
Operating Revenues	$66.8	$51.2	$249.7	$211.9
Cost of sales [1]	$58.1	$44.1	$213.4	$183.7
Earnings from operations	$8.7	$7.1	$36.3	$28.2
Cash provided by operating activities	$33.4	$26.0	$114.5	$98.4
Capital expenditures (sustaining) [2]	$8.7	$10.5	$34.1	$40.0
Capital expenditures (growth) [2]	$8.3	$12.1	$46.2	$54.6
Mine-site free cash flow [2]	$16.4	$3.4	$34.2	$3.8
Cost of sales, including amortization per ounce of gold sold [1]	$1,107	$1,077	$1,078	$1,087
Total cash costs per ounce of gold sold [2]	$690	$667	$658	$657
Mine-site all-in sustaining costs per ounce of gold sold [2],[3]	$859	$926	$834	$897
Underground Operations				
Tonnes of ore mined	664,847	614,101	2,423,289	2,199,857
Tonnes of ore mined per day ("tpd")	7,227	6,675	6,639	6,011
Average grade of gold [4]	2.70	2.40	2.69	2.54
Metres developed	2,776	3,044	12,787	12,379
Unit mining costs per tonne	$34	$32	$34	$33
Unit mining costs per tonne (CAD)	$44	$42	$44	$43
Mill Operations				
Tonnes of ore processed	716,273	694,753	2,735,267	2,629,032
Tonnes of ore processed per day	7,786	7,552	7,494	7,183
Average grade of gold [4]	2.59	2.18	2.47	2.19
Contained ounces milled	59,561	48,755	217,184	184,928
Average recovery rate	92%	90%	92%	91%

[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 a record 56,500 ounces of gold in the fourth quarter of 2017, 27% higher than the same period of 2016 and exceeding the previous record set in the third quarter of 2017. The increase in production reflects record underground mining rates and an increase in mill throughput during the quarter.

The Company mined a record 664,847 tonnes of ore from underground in the fourth quarter of 2017, or7,227 tpd, a 10% increase from the previous quarter and 8% higher than the prior year period. The Company expects underground mining rates to average more than 7,000 tpd in 2018, up from an average of 6,639 tpd in 2017, driving stronger gold production and free-cash flow. Underground grades in the fourth quarter were 2.70 g/t Au, and averaged 2.69 g/t Au for the full year, consistent with the mineral reserve grade, and higher than the prior year period.

During the fourth quarter, 716,273 tonnes, or 7,786 tpd, were processed through the mill with grades averaging2.59 g/t Au. Grades were higher than the prior year period reflecting a higher contribution of underground tonnes as well as higher underground grades mined. Mill throughput increased compared to the third quarter of 2017 reflecting the commissioning of the pebble crusher in the fourth quarter. Mill recoveries of 92% were consistent with expectations and higher than the prior year period.

Financial Review

For the three months ended December 31, 2017, revenues of $66.8 million were $15.6 million higher than the prior-year period, reflecting more ounces sold and a higher realized gold price. For 2017, revenues of $249.7 million were $37.8 million higher than the prior year period, attributable to both to a higher realized gold and a higher number of ounces sold.

In the fourth quarter of 2017, cost of sales of $58.1 million were higher than the prior year period reflecting higher gross costs from additional tonnes mined and milled, as well as a stronger Canadian dollar. Cost of sales reflects mining and processing costs, royalties, and amortization expense. For 2017, cost of sales of $213.4 million were $29.7 million higher than the prior-year period, reflecting more tonnes mined and milled and a stronger Canadian dollar.

Total cash costs in the fourth quarter were $690 per ounce, representing a 3% increase from the fourth quarter of 2016. The increase was attributable to a stronger Canadian dollar and a higher proportion of operating development which is reflected in cash costs rather than capital. Underground unit mining costs were $34 per tonne in the fourth quarter, slightly higher than the prior year period as the benefit of higher underground mining rates was offset by a stronger Canadian dollar. Further strengthening in the Canadian dollar is not expected to adversely impact costs against guidance in the first half of 2018 as the Company has hedged the majority of its Canadian dollar operating and capital costs at budgeted rates. Mine-site AISC were $859 per ounce, 7% lower than the prior year period reflecting a lower level of sustaining capital across a higher number of ounces sold. For the full 2017 year, total cash costs were $658 per ounce and mine-site AISC were $834 per ounce, compared to $657 and $897 per ounce, respectively, in the prior year. The decrease in mine-site AISC was attributable to lower sustaining capital expenditures and a higher number of ounces sold.

Capital expenditures totaled $17.0 million in the fourth quarter, 25% lower than the same period of 2016. For 2017, capital expenditures of $80.3 million were 16% lower than 2016 and consistent with guidance. Capital spending in the fourth quarter was focused primarily on lateral development in the upper and lower mines, and lower mine infrastructure. Total capital expenditures in the fourth quarter included $8.7 million of sustaining capital and $8.3 million of growth capital.

Young-Davidson generated record mine-site free cash flow of $16.4 million in the fourth quarter driven by stronger production and lower capital spending. For 2017, Young-Davidson generated $34.2 million of mine-site free cash flow, a significant increase compared to $3.8 million in the prior year period, driven by higher production, lower costs and capital spending and higher gold prices.

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 close proximity to the Mulatos mine. The mine achieved commercial production in 2006 as an open pit, heap leach mining operation and has produced approximately 1.8 million ounces of gold to-date. In addition, construction of the first phase of the La Yaqui mine was completed in the third quarter of 2017. The Mulatos mine is subject to a 5% royalty which is capped at 2 million ounces of gold, after which no third-party royalty is payable on production at Mulatos. Financial and operating results at Mulatos include La Yaqui Phase I, where commercial production commenced in September 2017.

Mulatos Financial and Operational Review

	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	2017	2016
Gold production (ounces)	42,700	44,900	160,000	154,000
Gold sales (ounces)	50,006	50,178	159,276	151,337
Financial Review *(in millions)*				
Operating Revenues	$64.0	$60.8	$201.4	$187.3
Cost of sales [1]	$47.7	$56.8	$153.0	$164.6
Earnings from operations	$14.5	$3.3	$41.7	$20.7
Cash provided by operating activities	$22.3	$19.6	$64.3	$59.7
Capital expenditures (sustaining) [2]	$0.9	$1.6	$5.5	$8.4
Capital expenditures (Mulatos growth) [2],[6]	$8.1	$7.9	$25.9	$24.5
La Yaqui Phase I construction cost [2]	—	—	$12.5	—
Mine-site free cash flow, excluding La Yaqui construction capital [2]	$13.3	$10.1	$32.9	$26.8
Cost of sales, including amortization per ounce of gold sold [1]	$954	$1,132	$961	$1,088
Total cash costs per ounce of gold sold [2]	$762	$877	$775	$838
Mine site all-in sustaining costs per ounce of gold sold [2],[3]	$798	$931	$835	$916
Open Pit & Underground Operations				
Tonnes of ore mined - open pit [4]	2,575,306	1,795,562	8,485,933	7,034,978
Total waste mined - open pit	1,719,986	2,614,810	6,443,971	9,184,468
Total tonnes mined - open pit	4,515,673	4,410,372	15,566,165	16,396,080
Waste-to-ore ratio (operating)	0.67	1.46	0.76	1.31
Tonnes of ore mined - underground	23,238	25,139	100,701	122,516
Crushing and Heap Leach Operations				
Tonnes of ore stacked	1,745,513	1,709,346	6,796,155	6,552,742
Average grade of gold processed [5]	0.91	0.81	0.92	0.81
Contained ounces stacked	51,242	44,609	201,222	170,600
Mill Operations				
Tonnes of high grade ore milled	31,449	33,867	133,328	133,720
Average grade of gold processed [5]	8.15	9.76	9.42	11.23
Contained ounces milled	8,238	10,623	40,378	48,284
Total contained ounces stacked and milled	59,480	55,232	241,600	218,884
Recovery ratio (ratio of ounces produced to contained ounces stacked and milled)	72%	81%	66%	70%
Ore crushed per day (tonnes) - combined	19,300	18,900	19,000	18,300

[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] Grams per tonne of gold ("g/t Au").
[6] Includes capitalized exploration, of $1.0 million and $6.9 million for the three and twelve months ended December 31, 2017.

Mulatos produced 42,700 ounces of gold in the fourth quarter of 2017, including approximately 7,000 ounces from La Yaqui Phase I. Production in the quarter was slightly lower than the prior year period due to lower production from the mill circuit. For the full year, Mulatos produced 160,000 ounces of gold, achieving the top end of production guidance for 2017.

Total crusher throughput averaged 19,300 tpd, above the same period of 2016 reflecting the startup of La Yaqui Phase I. A total of 1,745,513 tonnes were stacked in the fourth quarter, at a grade of 0.91 g/t Au, both higher than the same period of 2016 due to a combination of mine sequencing, positive grade reconciliation and the addition of higher grade tonnes from La Yaqui Phase I. The waste-to-ore ratio of 0.67:1 was lower than the prior year period and 2017 guidance due to mine sequencing and the addition of La Yaqui Phase I, which has a minimal waste-to-ore ratio.

La Yaqui Phase I construction was completed in the third quarter, ahead of schedule and on budget. For the full year 2017, La Yaqui produced 10,000 ounces of gold.

Underground tonnes mined from San Carlos during the quarter were lower than the same period of 2016 but higher than the third quarter of 2017. For the fourth quarter, 31,449 tonnes were milled at an average grade of 8.15 g/t Au. The underground San Carlos deposit and high grade surface stockpiles are expected to be depleted during the first half of 2018. At the end of 2017, the Company had approximately 28,000 tonnes remaining in high grade stockpiles which will continue to supplement mill feed during that period.

The ratio of ounces produced to contained ounces stacked and milled (or recovery ratio) was 72% in the quarter compared to 81% in the prior year period. For the full year, the recovery ratio was 66%, slightly lower than plan reflecting a temporary increase in ounces on the leach pad which will be recovered in 2018.

Financial Review

For the three months ended December 31, 2017, revenues of $64.0 million were $3.2 million higher than the prior-year period reflecting a higher realized gold price during the quarter. For 2017, revenues of $201.4 million were $14.1 million higher than the prior year, attributable to both more ounces sold and a higher realized gold price.

Cost of sales in the fourth quarter of $47.7 million were lower than the prior-year period as gross costs decreased reflecting a lower waste-to-ore ratio, lower amortization per ounce charges, and the inclusion of lower cost La Yaqui Phase I production. Cost of sales reflects mining and processing costs, royalties, and amortization expense. For 2017, cost of sales of $153.0 million were $11.6 million lower than the prior-year period, driven by a lower waste-to-ore ratio and lower mining and processing costs.

Total cash costs of $762 per ounce in the fourth quarter were 13% lower than $877 per ounce in the prior year period, reflecting higher grades stacked, a lower waste-to-ore ratio, and the addition of lower cost La Yaqui Phase I production. Mine-site AISC in the quarter were $798 per ounce, $133 or 14% lower than the prior year period reflecting lower total cash costs and lower sustaining capital. For 2017, total cash costs were $775 per ounce and mine-site AISC were $835 per ounce, a significant improvement from 2016 reflecting higher grades stacked, a lower waste-to-ore ratio and lower cost La Yaqui Phase I production.

The improvement of the cost profile at Mulatos resulted in another strong quarter from a cash flow perspective, generating $13.3 million in mine-site free cash flow. For the full year, Mulatos generated $32.9 million in mine-site free cash flow, reflecting strong earnings from operations, an increase in Value Added Tax ("VAT") refunds and lower sustaining capital.

Island Gold

The Island Gold mine is a high grade, low cost underground mining operation located 83 kilometres northeast of Wawa, Ontario. The mine comprises 217 patented, leased and staked claims covering 7,926 hectares. The mine began production in October 2007 and has produced over 500,000 ounces of gold to date.

Financial results for Island Gold are included for the period from closing of the Richmont acquisition (November 23, 2017) to December 31, 2017. Operational data is presented in the table below for the fourth quarters and full years of 2017 and 2016, for informational purposes.

Island Gold Financial and Operational Review

	Three Months Ended December 31,		Years Ended December 31,	
	2017 [1]	2016 [1]	2017 [1]	2016 [1]
Gold production (ounces) [1]	9,000	—	9,000	—
Gold sales (ounces) [1]	11,720	—	11,720	—
Financial Review (in millions)				
Operating Revenues	$14.9	$—	$14.9	$—
Cost of sales [2]	$13.4	$—	$13.4	$—
Earnings from operations	$1.5	$—	$1.5	$—
Cash provided by operating activities	$11.8	$—	$11.8	$—
Capital expenditures (sustaining) [3]	$1.7	$—	$1.7	$—
Capital expenditures (growth) [3]	$3.1	$—	$3.1	$—
Mine-site free cash flow [3]	$7.0	$—	$7.0	$—
Cost of sales, including amortization per ounce of gold sold [2]	$1,143	$—	$1,143	$—
Total cash costs per ounce of gold sold [3]	$401	$—	$401	—
Mine-site all-in sustaining costs per ounce of gold sold [3],[4]	$546	$—	$546	—
Underground Operations				
Tonnes of ore mined	94,407	89,881	374,962	318,045
Tonnes of ore mined per day ("tpd")	1,026	977	1,027	869
Average grade of gold [5]	9.44	8.83	9.42	8.67
Metres developed	1,667	1,464	6,906	5,218
Unit mining costs per tonne	$100	$87	$95	$103
Unit mining costs per tonne (CAD)	$127	$116	$124	$136
Mill Operations				
Tonnes of ore processed	84,559	83,091	338,603	297,757
Tonnes of ore processed per day	919	903	928	814
Average grade of gold [5]	8.46	9.31	9.36	9.02
Contained ounces milled	23,005	24,857	101,842	86,345
Average recovery rate	96%	97%	97%	97%

[1] Financial results from Island Gold are included in Alamos' consolidated financial statements for the period subsequent to November 23, 2017. Gold production from Island Gold for the three and twelve months ended December 31, 2017 was 22,100 ounces (2016 - 24,086) and 98,600 ounces (2016 - 83,323), respectively.
[2] Cost of sales includes mining and processing costs, royalties and amortization.
[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. Total cash costs and mine-site AISC are exclusive of net-realizable value adjustments.
[4] 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.
[5] Grams per tonne of gold ("g/t Au").

Island Gold produced 22,100 ounces of gold in the fourth quarter of 2017 (9,000 ounces of which is attributable to the Company for the period subsequent to November 23, 2017) down slightly from the prior year period reflecting lower grades milled. Full year production of 98,600 ounces exceeded full year guidance of 87,000 to 93,000 ounces. This also represented an 18% increase from 2016 reflecting higher mining and milling rates as well as grades processed.

The Company mined 94,407 tonnes of ore from underground in the fourth quarter of 2017, or 1,026 tpd, slightly higher than the prior year period. Underground mining rates are expected to average about 1,000 tpd in 2018, consistent with the rates achieved in 2017. Underground grades in the fourth quarter were 9.44 g/t Au, higher than the prior year period due to mine sequencing.

During the fourth quarter, 84,559 tonnes or 919 tpd were processed through the mill with grades averaging 8.46 g/t Au, lower than the prior year period. Mill throughput is expected to average 980 tpd in 2018 with mill grades ranging between 8.3 and 8.9 g/t Au. Expected tonnes mined, milled and grades processed for 2018 are all consistent with the Phase I expansion PEA released in 2017.

The operation is currently undergoing a mill expansion to 1,100 tpd. The mill expansion is expected to be completed during the second half of 2018. Higher mill throughput will drive strong production growth and lower costs into 2019. This, combined with lower capital spending, will generate significant free cash flow growth in 2019.

Financial Review

For the period of Alamos' ownership of the asset (subsequent to November 23, 2017), the Company sold 11,720 ounces and generated revenues of $14.9 million. Cost of sales were $13.4 million and includes mining and processing costs, royalties, and amortization expense. Cost of sales includes a one-time charge of $5.9 million within amortization expense related to the fair value adjustment of Island Gold. Total cash costs were $401 per ounce and mine-site AISC were $546 per ounce relating to the ounces sold by Alamos, and not indicative of full year results given the short-period of time under ownership.

El Chanate

The El Chanate mine is located northeast of the town of Caborca in the state of Sonora, Mexico. El Chanate is an open pit, heap leach mining operation.

El Chanate Financial and Operational Review

	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	2017	2016
Gold production (ounces)	12,100	16,114	60,400	68,000
Gold sales (ounces)	12,585	16,393	61,182	68,835
Financial Review *(in millions)*				
Operating Revenues	$16.0	$20.2	$76.8	$83.0
Cost of sales [1]	$17.4	$20.7	$77.0	$81.0
(Loss) earnings from operations	($1.4)	($0.5)	($0.2)	$2.0
Cash provided by operating activities	$0.6	$0.2	$4.8	$5.6
Capital expenditures	$0.2	$0.2	$1.4	$0.8
Mine-site free cash flow [2]	$0.4	$—	$3.4	$4.8
Cost of sales, including amortization per ounce of gold sold [1]	$1,383	$1,263	$1,259	$1,177
Total cash costs per ounce of gold sold [2]	$1,311	$1,171	$1,188	$1,052
Mine site all-in sustaining costs per ounce of gold sold [2],[3]	$1,335	$1,190	$1,218	$1,069
Open Pit Operations				
Tonnes of ore mined	895,545	1,641,448	4,475,004	6,306,469
Total tonnes mined	4,156,001	8,604,171	22,646,606	31,288,807
Waste-to-ore ratio (operating)	3.64	4.24	4.06	3.96
Average grade of gold [4]	0.48	0.61	0.47	0.60
Crushing and Heap Leach Operations				
Total tonnes of ore stacked	988,640	1,699,327	4,536,847	6,320,627
Average grade of gold [4]	0.48	0.61	0.50	0.60
Total contained ounces stacked	15,257	33,327	72,932	121,928
Ore crushed and run-of-mine ore stacked per day (tonnes) - combined	10,700	18,500	12,400	17,300
Recovery ratio (ratio of ounces produced to contained ounces stacked)	79%	48%	83%	56%

[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").

El Chanate produced 12,100 ounces of gold in the fourth quarter compared to 16,114 ounces in the prior year period. Quarterly production decreased in the fourth quarter reflecting lower stacking rates during 2017. For the full year, El Chanate produced 60,400 ounces of gold, achieving the top end of production guidance. Full year production benefited from the recovery of ounces stacked in previous year, resulting in a drawdown of leach pad inventory.

El Chanate is expected to continue to produce at lower than historical rates in 2018 as the mine reaches the end of mining activities by mid-year. Given the long leach cycle at El Chanate, the Company expects to benefit from ongoing gold production beyond 2018 through residual leaching of the pad. This is expected to drive higher mine-site free cash flow from the operation in the second half of the year.

In 2017 El Chanate continued with industry leading safety performance achieving milestones of 1,100 days and 4.8 million hours without a Lost Time Injury ("LTI") by year end. The site continues its strong commitment to ensuring all of our employees go home safe every day. The site achieved 5 million hours on February 1, 2018.

Financial Review

For the three months ended December 31, 2017, revenue of$16.0 million was $4.2 million lower than the prior year period, reflecting less ounces sold, partially offset by higher realized gold prices. For 2017, revenue of $76.8 million was $6.2 million lower.

For the fourth quarter, cost of sales were lower than the prior-year period, decreasing by $3.3 million to$17.4 million as a result of lower gold sales and a lower amortization per ounce. Cost of sales reflects mining and processing costs, royalties, and amortization expense. For 2017, cost of sales of $77.0 million were $4.0 million lower than the prior-year period.

Total cash costs of $1,311 per ounce and mine-site all-in sustaining costs of$1,335 per ounce in the fourth quarter increased from the same period of 2016 due to lower grades stacked. For 2017, total cash costs were $1,188 per ounce and mine-site AISC were $1,218 per ounce, also attributable to lower grades stacked.

El Chanate continued to generate positive mine-site free cash flow of$0.4 million in the quarter, and $3.4 million for 2017. Given El Chanate's higher cost structure, the Company has hedged all of its expected 2018 gold production through gold collar contracts, ensuring a minimum gold price of $1,270 and participation up to a price of $1,444 per ounce.

Fourth Quarter 2017 Development Activities

Mulatos District

La Yaqui Phase I

During 2017, the Company spent $12.5 million to complete construction of the first phase of La Yaqui. In early September, the Company announced the completion of construction and commercial production ahead of schedule and within budget. La Yaqui Phase I produced 10,000 ounces in 2017 and is expected to contribute annual production of approximately 25,000 ounces at significantly lower cash costs over an approximate three year mine life.

Cerro Pelon and La Yaqui Grande

The Company invested $7.9 million at Cerro Pelon and La Yaqui Grande in 2017 consisting of $6.9 million of capitalized exploration and $1.0 million focused on early stage engineering and baseline work in support of permitting. The capital budget for Cerro Pelon in 2018 is $8 million which will be spent on engineering, permitting and early stage construction activities. The Cerro Pelon deposit is located approximately three kilometres from the existing Mulatos operation. Given its proximity to Mulatos' infrastructure, ore from the Cerro Pelon open pit is expected to be trucked to the existing heap leach circuit for processing. The environmental impact assessment ("MIA") for Cerro Pelon is expected to be finalized and submitted mid-2018. Following approval, construction and pre-stripping activities are expected to take approximately 18 months with initial production expected in 2020.

La Yaqui Grande's capital budget for 2018 is $5 million with spending focused on permitting and project engineering. The MIA is expected to be completed and submitted by the end of 2018 with construction and pre-stripping activities commencing in the latter part of 2019 and production in 2021. Similar to La Yaqui Phase I, La Yaqui Grande will be developed as a standalone, open pit, heap leach operation. La Yaqui Grande exploration activities in 2017 were successful in increasing the Mineral Reserves by 28% to 644,000 ounces (14.3 million tonnes grading 1.4 g/t Au).

Lynn Lake

The Company owns 100% of the Lynn Lake development project, in Manitoba, Canada. The Company released a positive Feasibility Study on the project in December 2017 outlining average annual production of 143,000 ounces over a 10 year mine life (170,000 ounces over its first six years) at average mine-site all-in sustaining costs of $745 per ounce.

The 2018 capital budget for Lynn Lake is $12 million, comprised of $8 million for development activities and $4 million for exploration. Development spending will be focused on baseline work in support of the Environmental Impact Study ("EIS") for the project that will be submitted to satisfy federal and provincial environmental assessment requirements. The permitting process is expected to take approximately two years followed by two years of construction. The Company will also be evaluating various opportunities to

enhance the project's economics as outlined in the December 2017 Feasibility Study. This includes incorporating exploration success over the past year and ongoing results with a further $4 million budgeted for exploration in 2018.

During the fourth quarter, $1.4 million was spent at Lynn Lake ($17.3 million for 2017) on development and exploration activities. Spending for the year consisted of completing the Feasibility Study, exploration activities and the purchase and cancellation of a 2.0% net smelter return royalty.

Turkey

The Company has been granted the Environmental Impact Assessment and Forestry Permits for Kirazlı and is awaiting the GSM (Business Opening and Operation) permit, which is granted by the Çanakkale Governorship.

The 2018 capital budget for Kirazlı is $100 million which will be focused on construction and development of the project. Development activities including power line construction, tree clearing and road relocation began in the second half of 2017 and will continue into 2018. The Company has awarded several key contracts which will comprise the majority of the spending in 2018, including civil works and the water reservoir.

Approximately 80% of the 2018 budget is contingent upon receipt of the GSM permit. The remainder of Kirazlı's initial capital will be spent in 2019 with initial gold production expected in the second half of 2019. Kirazlı is expected to produce more than 100,000 ounces of gold in its first full year of production at mine-site AISC of less than $400 per ounce. This is expected to drive company-wide production growth of more than 20% between 2018 and 2020, while significantly lowering the Company's cost profile.

For the three and twelve months ended December 31, 2017, total development expenditures in Turkey were $6.0 million and $16.5 million respectively.

Other

The Company capitalized $0.2 million related to the Esperanza Project ($1.9 million, year to date) and capitalized $0.4 million to Quartz Mountain during the fourth quarter ($2.2 million, year to date).

Fourth Quarter 2017 Exploration Activities

Mulatos District, Mexico

The Company has a large exploration package covering 28,777 hectares with the majority of past exploration efforts focused around the Mulatos mine. Over the last three years, exploration has moved beyond the main Mulatos pit area and focused on prospects throughout the wider district. In 2017, the Company invested $13.6 million in exploration activities within the Mulatos District, of which $6.9 million was capitalized and $6.7 million was expensed. After significant exploration success at La Yaqui Grande, emphasis in 2018 will move to other parts of the district including El Carricito, El Halcon and El Jaspe.

La Yaqui Grande

The Company continued drilling at La Yaqui Grande during the fourth quarter, with a total of 4,587 metres ("m") of drilling undertaken in 30 holes. Exploration spending at La Yaqui Grande in the fourth quarter of 2017 totaled $0.9 million ($5.7 million year-to-date).

Exploration drilling in 2017 resulted in an increase of Mineral Reserves at La Yaqui Grande by 28% to 644,000 ounces (14.3 million tonnes grading 1.4 g/t Au).

Island Gold, Canada

Surface exploration drilling

Surface exploration drilling continued at Island Gold Mine during the fourth quarter of 2017 with 9,705 m drilled in 11 holes. Seven deep directional holes were completed for a total of 5,645 m of diamond core. This drilling was peripheral to deep inferred resource blocks below the 1,000 m level and comprised both infill holes and 100 meter spaced step-out holes. The area covered by this exploration drilling covers a 950m strike length and a 200m vertical extent.

In 2018, diamond drilling programs will focus on defining new inferred resources.

Underground exploration drilling

During the fourth quarter of 2017, a total of 5,721m of underground exploration diamond drilling was completed. This comprised 1,716 m from the 620 level in and 4,005 m from the 840 level. The objective of this drilling was to identify new resources close to known resource or reserve blocks.

Delineation drilling at Island Gold in 2017 was successful in increasing mineral reserves by 18%, net of mining depletion. In addition, the 2017 exploration drilling resulted in the addition of new mineral resources.

Lynn Lake, Canada

Exploration drilling continued at Lynn Lake during the fourth quarter of 2017 with 4,116 m drilled in 13 holes. This was scout drilling to test the structures between the Linkwood and Burnt Timber deposits. Total spending in the fourth quarter was $0.9 million ($3.4 million year-to-date).

A total of $4 million and 10,000 m of drilling is budgeted at the Lynn Lake project for 2018.

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 2017, the London PM Fix price of gold averaged $1,275 per ounce, lower than the average of $1,278 in the third quarter of 2017. The price of gold ranged from $1,237 to $1,308 per ounce in the fourth quarter of 2017.

For 2018, the Company has hedged 50,100 ounces ensuring an average minimum gold price of $1,270 per ounce and participation up to an average gold price of $1,444 per ounce. Subsequent to year end, the Company hedged a further 53,200 ounces, ensuring an average minimum gold price of $1,295 and participation up to an average gold price of $1,465 per ounce.

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 2017, the Mexican peso ("MXN") and CAD averaged approximately 18.98 MXN to $1 US dollar and $1.27 CAD to $1 US dollar, respectively, compared to average rates of 19.85 MXN to $1 US dollar and $1.34 CAD to $1 US dollar, respectively, in the fourth quarter of 2016. The Company recorded a $5.1 million foreign exchange loss in the fourth quarter of 2017. The majority of this loss is unrealized and due to the weakening Mexican peso and Canadian dollar in the quarter on the Company's Mexican peso and Canadian dollar denominated net monetary assets.

During the year, the movement of the CAD and MXN rates generated a foreign exchange gain of $22.5 million, resulting from the revaluation of monetary tax and deferred tax balances. This gain is recorded in deferred tax recovery.

The Company actively manages its currency exposure through a hedging program, which resulted in realized foreign exchange gains of $0.9 million in the quarter and $3.5 million for the year. The realized gains were applied to the costs at the mines, which benefited total cash cost per ounce sold at Young-Davidson by $9, Mulatos by $5, and El Chanate by $7 for the year.

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,		
	2017	2016	2017	2016	2015
Gold production (ounces) [1]	120,300	105,676	429,400	392,000	380,000
Gold sales (ounces)	126,786	107,505	430,115	389,151	382,772
Operating Revenues	$161.7	$132.2	$542.8	$482.2	$355.1
Cost of sales[2]	$136.6	$121.6	$456.8	$429.3	$384.0
Earnings from operations	$17.1	$3.5	$56.0	$21.3	($492.6)
Net (loss) earnings	($4.7)	($20.6)	$26.6	($17.9)	($508.9)
(Loss) earnings per share, basic	($0.01)	($0.08)	$0.09	($0.07)	($2.62)
Total assets			$3,313.8	$2,492.2	$2,462.2
Total non-current liabilities			525.9	633.2	638.1
Cash flow from operations	$48.6	$38.3	$163.5	$135.7	$60.0
Dividends per share, declared	0.01	0.01	0.02	0.02	0.05
Average realized gold price per ounce	$1,275	$1,230	$1,262	$1,239	$1,148
Cost of sales per ounce of gold sold, including amortization [2]	$1,077	$1,131	$1,062	$1,103	$1,241
Total cash costs per ounce of gold sold [3]	$753	$842	$770	$797	$766
All-in sustaining costs per ounce of gold sold [3]	$902	$1,033	$933	$1,010	$1,091

(1) Gold production from Island Gold have been included in this table for periods subsequent to November 23, 2017 only. Gold production from Island Gold for the three and twelve months ended December 31, 2017 was 22,100 ounces (2016 - 24,086) and 98,600 ounces (2016 - 83,323, 2015 - 55,040), respectively.
(2) Cost of sales includes mining and processing costs, royalties and amortization
(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. 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 2017, the Company sold 126,786 ounces of gold for total proceeds of $161.7 million, a 22% increase compared to the prior year period. This reflected higher ounces sold (a $24.6 million benefit), and a higher realized price of $1,275 per ounce compared to $1,230 per ounce in the prior year period (a $4.8 million benefit). Sales at Young-Davidson were 28% higher in the quarter as a result of higher production generated by stronger underground mining rates. Island Gold contributed an additional 11,720 ounces of gold sold from November 23, 2017 onward, which generated $14.9 million in revenue. The Company's realized gold price in the fourth quarter was in line with the average London PM fix of $1,275 per ounce.

Cost of Sales

For the fourth quarter of 2017, cost of sales were $136.6 million, compared to $121.6 million in the prior-year period.

Mining and Processing

Mining and processing costs were $90.6 million compared to $86.9 million in the prior-year period. The increased costs were mainly the result of the inclusion of Island Gold, which added $4.1 million of mining and processing costs in the period.

Consolidated total cash costs for the quarter were $753 per ounce, compared to $842 in the prior year period. The decrease in total cash costs is attributable to higher grades mined at Young-Davidson and Mulatos, as well as the inclusion of lower cost ounces from Island Gold.

In the fourth quarter, AISC per ounce decreased to $902 from $1,033 in the prior year period. This was primarily driven by lower mining and processing costs and lower sustaining capital expenditures.

Royalties

Royalty expense was higher in the fourth quarter at $4.9 million, compared to $3.6 million in the prior year period, primarily due to inclusion of Island Gold in the quarter, and higher ounces sold at Young-Davidson.

Amortization

Amortization of $41.1 million in the quarter was higher than the prior year period expense of $31.1 million. Amortization was $324 per ounce, up from $289 per ounce in the prior year period. This reflected lower amortization at Mulatos and El Chanate, more than

offset by the inclusion of Island Gold which has a higher depreciation per ounce reflecting the acquisition price of the asset. Amortization at Island Gold also included a one-time charge of $5.9 million related to a fair value adjustment of inventory.

Earnings from Operations

The Company recognized earnings from operations of $17.1 million in the quarter, compared to $3.5 million in the same period of 2016, driven by higher production and gold sales and stronger operating margins at Young-Davidson and Mulatos.

Net loss

The Company reported a net loss of $4.7 million in the quarter, compared to a net loss of $20.6 million in the same period of 2016. The loss in the quarter was primarily attributable to transaction costs of $3.8 million, an expense related to the valuation of the replacement options of $1.3 million, and a one-time charge of $5.9 million ($4.1 million, after tax) related to fair value adjustment of inventory, all related to the Richmont acquisition. Included in net loss is $5.1 million of foreign exchange related losses as a result of the weakening Canadian dollar and Mexican Peso in the quarter, recorded in foreign exchange loss.

Review of 2017 Financial Results

Operating Revenue

For the year ended 2017, the Company sold 430,115 ounces of gold for proceeds of $542.8 million, a 13% increase compared to the prior year period. This reflected higher ounces sold (a $51.7 million benefit), and a higher average realized price of $1,262 per ounce compared to $1,239 per ounce in the prior year period (a $8.9 million benefit). The Company's realized gold price during the year was $5 above the average London PM fix of $1,257 per ounce, contributing an additional $2.0 million of operating cash flow.

Cost of Sales

For the year ended 2017, cost of sales was $456.8 million, compared to $429.3 million in 2016.

Mining and Processing

Mining and processing costs increased to $315.6 million in the year from $297.0 million in 2016. The increase reflects higher gross operating costs at all mine sites as a result of higher production and sales volumes.

Consolidated total cash costs for the year were $770 per ounce, a 3% improvement compared to the prior year period. This decrease is attributable to higher grades mined during the year at Young-Davidson and Mulatos, partially offset by the strengthening of the Company's operating currencies against the USD, and higher costs at El Chanate.

For the full year, AISC per ounce decreased substantially to $933 from $1,010 in the prior year period. This reduction was attributable to reduced sustaining capital levels and a lower mark-to-market charge related to share-based compensation as the Company's share price increased significantly in the prior year resulting in higher share based compensation charges. In addition, AISC at Island Gold for the period from November 23, 2017 to December 31, 2017 were significantly lower at $546 per ounce.

Royalties

Royalty expense was $15.6 million, compared to $13.3 million in the prior year period, as a result of both higher gold sales at Young-Davidson and higher realized gold prices.

Amortization

Amortization of $125.6 million during the year was higher than the prior year expense of $119.0 million. Amortization was $292 per ounce, down from $306 per ounce in 2016, reflecting lower amortization attributable to Mulatos and El Chanate.

Earnings from Operations

The Company recognized earnings from operations of $56.0 million during the year, compared to $21.3 million in 2016, driven by a higher gold prices and number of ounces sold, stronger operating margins, and lower share-based compensation, partially offset by higher exploration expenditures.

Net earnings

The Company reported net earnings of $26.6 million in 2017, compared to a net loss of $17.9 million in 2016. Net earnings for the year reflects stronger earnings from operations, and a deferred tax recovery resulting primarily from foreign exchange movements. This was partially offset by a charge of $29.1 million incurred on redemption of the senior secured notes ($21.8 million after tax). In addition, earnings were impacted by transaction costs of $3.8 million, an expense related to the valuation of the replacement

options of $1.3 million, and one-time charge of $5.9 million ($4.1 million, after tax) related to the fair value adjustment of inventory, all related to the Richmont acquisition.

Consolidated Expenses and Other

(in millions)

	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	2017	2016
Exploration expense	($2.3)	($1.6)	($8.3)	($5.1)
Corporate and administrative expense	(4.6)	(4.6)	(15.5)	(16.3)
Share-based compensation expense	(1.1)	(0.9)	(6.2)	(10.2)
Finance expense	(1.4)	(6.4)	(9.1)	(24.0)
Foreign exchange gain (loss)	(5.1)	(7.8)	5.0	(12.5)
Other (loss) gains	(5.0)	2.5	(0.6)	7.6
Loss on redemption of senior secured notes	—	—	(29.1)	—

Exploration

Exploration expense mainly relates to expenditures on early-stage exploration projects and corporate exploration support. Exploration expenses incurred in the fourth quarter of 2017 mainly relate to drilling at Mulatos, as well as corporate exploration support. Exploration at Island Gold, Lynn Lake and near-mine exploration at Mulatos was capitalized in the year.

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 remained consistent with the prior year period and in line with guidance.

Share-based compensation

Share-based compensation expense for the quarter was $1.1 million, compared to $0.9 million in the prior year period. The cost was consistent with the prior year period as there was minimal impact on the mark-to-market revaluation of long-term incentive grants given no significant movement in the share price during the quarter. For the year ended December 31, 2017, share-based compensation was $6.2 million, compared to $10.2 million in the prior year period. This decrease resulted from lower mark-to-market revaluation charges in the current year.

Finance expense

Finance expense was significantly lower in the period, as the Company retired the senior secured notes on April 3, 2017. This resulted in the Company saving $6.1 million in gross interest expense per quarter subsequent to retirement of the notes.

Foreign exchange gain

During the quarter, a foreign exchange loss of $5.1 million was recorded. This was due to the weakening of both the Canadian dollar and Mexican peso in the quarter. The Canadian dollar weakened by 1% and the peso by 8% in the quarter.

The Company has elected to adopt hedge accounting for its Canadian and Mexican foreign currency option and forward contracts, which reduces the impact of unrealized foreign exchange movements on net earnings. For the year ended December 31, 2017, mark-to-market gains of $11.2 million were recorded within other comprehensive income.

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 loss

During the fourth quarter, the Company recorded a loss of $5.0 million compared to gains of $2.5 million in the prior year period. As part of the acquisition of Richmont, the Company expensed $3.8 million of transaction costs and revalued the replacement options to Richmont employees per IFRS 3, *Business Combinations,* resulting in a one-time expense of $1.3 million. The majority of the prior year period gain was due to the fair value adjustment on the prepayment option on the senior notes.

Loss on redemption of senior secured notes

On April 3, 2017, the Company redeemed the senior secured notes at 103.875% of face value for $327.2 million, plus accrued interest to the date of redemption of $12.2 million. The senior secured notes had a carrying value of $298.1 million; as a result, the Company recorded a loss on redemption of $29.1 million, with a corresponding deferred tax recovery of $7.3 million.

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.

In the fourth quarter of 2017, the Company recognized a current tax expense of $4.3 million and a deferred tax expense of $6.0 million. During the year ended December 31, 2017 the Company recognized a current tax expense of $11.9 million and a deferred tax recovery of $16.3 million, compared to a current tax expense of $3.8 million and a deferred tax expense of $6.5 million in the same period of 2016. Current income tax expense in 2017 was primarily related to income tax and mining taxes in Mexico. The deferred tax recovery was primarily due to changes to foreign exchange rates during the periods, as well as the tax impact on the retirement of the senior secured notes.

The Company's Mulatos and El Chanate mines in Mexico, as well as the Young-Davidson and Island Gold mines in Canada, pay income taxes based on their tax functional currency which is the Mexican peso and Canadian dollar, respectively. The legal entity financial statements for Mulatos, El Chanate, Young-Davidson and Island Gold include foreign exchange and other income items that differ from the US dollar reporting financial statements. The total foreign exchange impact recorded within deferred taxes in the year was a $22.5 million recovery (2016 - $5.1 million). The impact of the monetary tax balances translated created a deferred tax expense of $1.3 million in 2017 (2016 - $3.7 million). In addition, foreign exchange losses are recognized in deferred income tax expense when the Mexican peso and Canadian denominated deferred tax balances are translated to its US dollar reporting currency. In 2017 this resulted in a deferred tax recovery of $23.8 million (2016 - $8.8 million).

The redemption of the Company's senior secured notes during the second quarter created a capital loss valued at approximately $56.6 million. Capital losses in Canada can only be used against capital gains. The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. This capital loss was not recognized in the calculation of the deferred tax asset in 2017 as the Company does not currently have any anticipated unrealized capital gains to be applied against the capital loss generated, with the exception of gains on equity securities.

Financial Condition

	December 31, 2017	December 31, 2016	
Current assets	$446.7	$454.5	Current assets remained consistent compared to the prior year, however, cash decreased primarily due to the redemption of the senior secured notes, as the Company used a portion of existing cash to repay the outstanding notes. The Company paid $327.2 million, plus accrued interest of $12.2 million. This was offset by the $239.1 million net cash proceeds of the equity financing, and positive operating cash flow generated during the year. After the close of the Richmont Mines transaction in November 2017, the Company added $80.4 million of current assets, including $46.2 million in cash.
Long-term assets	2,867.1	2,037.7	Long-term assets increased primarily due to acquisition of Richmont Mines. The acquired value of the mineral property was $774.3 million. As well, long-term assets increased due to capital expenditures at the Company's operating and development assets, offset by amortization charges.
Total assets	$3,313.8	$2,492.2	
Current liabilities	$106.7	$99.6	Current liabilities have increased due to higher taxes payable and timing of trade payables and accruals.
Long-term financial liabilities	3.3	301.3	Long-term financial liabilities decreased as the Company retired the senior secured notes in the second quarter.
Other long-term liabilities	522.6	331.9	Other long-term financial liabilities increased from December 31, 2016, primarily due to the acquisition of Richmont Mines, which increased the deferred tax liability by $201.5 million, as well as movements in foreign exchanges rates and the impact of these changes on the deferred tax liability balances.
Total liabilities	$632.6	$732.8	
Shareholders' equity	$2,681.2	$1,759.4	Shareholders' equity increased primarily due to the issuance of shares related to the equity financing completed in February, and the acquisition of Richmont Mines in November.
Total liabilities and equity	$3,313.8	$2,492.2	

Liquidity and Capital Resources

The Company's strategy is based on achieving positive cash flow 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, 2017, the Company had cash and cash equivalents of $200.8 million and $35.8 million in equity securities compared to $252.2 million and $14.1 million respectively, at December 31, 2016. In addition, with the amendment to its credit facility in the third quarter of 2017, the Company has access to an additional $400.0 million in liquidity. In the opinion of management, the Company's liquidity position of $636.6 million at December 31, 2017 comprised of cash and cash equivalents, equity securities and availability under the credit facility, together with cash flows from operations, is sufficient to support the Company's normal operating requirements and capital commitments on an ongoing basis.

The senior secured notes of $315.0 million outstanding at December 31, 2016 were repurchased on April 3, 2017 for $327.2 million, which was the first available prepayment date, and will save the Company $24.4 million of annual interest payments until 2020.

Cash Flow

(in millions)

	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	2017	2016
Cash flow provided by operating activities	$48.6	$38.3	$163.5	$135.7
Cash flow provided by (used in) investing activities	7.0	(39.4)	(119.4)	(151.5)
Cash flow used in by financing activities	(3.8)	(18.7)	(97.6)	(12.8)
Effect of foreign exchange rates on cash	—	(1.9)	2.1	(2.1)
Net increase (decrease) in cash	51.8	(21.7)	(51.4)	(30.7)
Cash and cash equivalents, beginning of period	149.0	273.9	252.2	282.9
Cash and cash equivalents, end of period	$200.8	$252.2	$200.8	$252.2

Cash flow provided by operating activities

In the fourth quarter of 2017, operating activities generated cash flow of$48.6 million compared to $38.3 million in the same period of 2016. Cash flow provided by operations before working capital and taxes paid was $52.7 million in the fourth quarter, compared to $34.0 million in the prior year period. The increase was due to higher ounces sold at Young-Davidson, the inclusion of Island Gold sales for one month and higher average realized gold prices, offset by the strengthening of the Canadian dollar and Mexican Peso compared to the prior year period. For the full year, operating activities generated $163.5 million compared to $135.7 million in the prior year period, as a result of higher ounces sold and stronger margins on ounces sold.

Cash flow used in investing activities

For the fourth quarter of 2017, capital expenditures were $39.2 million compared to $37.5 million in 2016. The Company completed the acquisition of Richmont Mines in the quarter, whereby the Company acquired $46.2 million of cash and cash equivalents upon close of the transaction.

For the full year, the Company invested $162.5 million on mineral property, plant and equipment compared to $146.5 million in the prior year. Included in the current year amount is $12.5 million incurred on construction of La Yaqui Phase I and the purchase of a royalty on the Lynn Lake gold project of $6.7 million.

Cash flow provided by financing activities

In the fourth quarter of 2017, the Company paid dividends of $3.0 million or $0.01 per share. For the year ended, the Company used $97.6 million from financing activities, consisting of the repayment of the notes for $327.2 million, or 103.875% of face value, to redeem the senior secured notes as well as $12.2 million of accrued interest to the redemption date, offset by $239.1 million received from the equity financing net of transaction costs.

Senior Secured Notes

On April 3, 2017, the Company redeemed and retired the senior secured notes. The carrying value of the notes at the redemption date was $298.1 million, as a result the company recorded a loss on redemption of $29.1 million and a deferred tax recovery of $7.3 million. Repayment of the notes will save the Company $24.4 million of annual interest payments until 2020.

Credit Facility

On September 21, 2017, the Company amended and increased its existing undrawn revolving credit facility (the "Facility") from $150.0 million to $400.0 million. The maturity date of the Facility has been extended to September 20, 2021. The amended Facility bears interest at an interest rate of Libor plus 2.00% to 3.125% on drawn amounts and stand-by fees of 0.45% to 0.70% on undrawn amounts, based on the Company's net leverage ratio, as defined in the agreement.

The Facility is secured against all of the 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, 2017, the Company is in compliance with the covenants and the Facility is fully undrawn.

During the year ended, the Company incurred costs of $2.1 million to amend the Facility. These costs will be amortized into net earnings over the term of the Facility.

Contractual Obligations	Less than 1 year	2 - 3 years	4 - 5 years	More than 5 years	Total
Operating and financing leases	5.4	5.6	2.0	2.9	15.9
Accounts payable and accrued liabilities	96.8	—	—	—	96.8
Decommissioning liability	—	—	—	54.8	54.8
Contract mining	47.9	72.0	47.8	38.9	206.6
Flow-through share obligation	0.7	—	—	—	0.7
Capital commitments	21.8	—	—	—	21.8
	$172.6	$77.6	$49.8	$96.6	$396.6

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 approximately $5.0 million per quarter for 2018. Obligations related to contract mining are based on current mine plans, and are subject to change.

Outstanding Share Data

(in 000's)	February 21, 2018
Common shares	389,372,607
Stock options	9,315,627
Warrants	12,386,037
Deferred share units	480,605
Performance share units	599,706
Restricted share units	1,500,934
	413,655,516

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, 2017.

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, 2017, the Company held option contracts to protect against the risk of a decrease in the value of the gold price on a portion of gold sales. These option contracts ensure a minimum average realized gold price of $1,270 per ounce and a maximum average realized gold price of$1,444 per ounce, regardless of the movement in gold prices during 2017.

The following gold collar contracts are outstanding as of December 31, 2017:

Period Covered	Ounces subject to contract	Average purchase put option	Average sold call option
2018	50,100	$1,270	$1,444

The fair value of these contracts was an asset of$0.5 million at December 31, 2017 (December 31, 2016 - asset of $3.3 million). The options mature through 2018.

Subsequent to year end, the Company hedged a further 53,200 ounces, ensuring an average minimum gold price of $1,295 and participation up to an average gold price of $1,465 per ounce.

For the year ended December 31, 2017, the Company realized a loss of $0.6 million related to the settlement of option contracts (for the year ended December 31, 2016 - realized losses of $1.2 million). Total unrealized losses for the year ended December 31, 2017 was $2.6 million (for the year ended December 31, 2016 - unrealized gain of $3.3 million). The Company has elected to not apply hedge accounting to the gold option contracts, with changes in fair value recorded in net earnings.

Foreign currency contracts

As at December 31, 2017, 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)
2018	Collars and forwards	174.0	1.31	1.36

Mexican Peso contracts

Period Covered	Contract type	Contracts (MXN Millions)	Average minimum rate (MXN/USD)	Average maximum rate (MXN/USD)
2018	Collars and forwards	1,560.0	18.72	20.71

The fair value of these contracts was an asset of $5.0 million at December 31, 2017 (December 31, 2016 - liability of $3.3 million). For the year ended December 31, 2017, the Company realized gains of $4.3 million on the foreign currency contracts (for the year ended December 31, 2016 - realized losses of $1.6 million). Of these gains only $3.5 million were eligible to be recognized in accumulated other comprehensive income under hedge accounting for the year ended December 31, 2017 (for the year ended December 31, 2016 - $nil).

Summary of Quarterly Financial and Operating Results

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

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Gold ounces produced	120,300	107,000	105,900	96,200	105,676	99,228	92,464	94,632
Gold ounces sold	126,786	100,551	104,023	98,755	107,505	94,791	95,866	90,989
Operating Revenues	$161.7	$128.8	$131.3	$121.0	$132.2	$125.6	$120.1	$104.3
Earnings (loss) from operations	$17.1	$20.9	$15.8	$2.2	$3.5	$17.2	$2.9	($2.3)
Net (loss) earnings	($4.7)	$28.8	$2.4	$0.1	($20.6)	$4.8	($11.8)	$9.7
(Loss) earnings per share, basic [2]	($0.01)	$0.10	$0.01	$0.00	($0.08)	$0.02	($0.04)	$0.04
Earnings (loss) before interest, taxes, depreciation and amortization [1]	$48.1	$51.4	$50.6	$35.9	$29.3	$51.1	$29.1	$25.9
Cash provided by operating activities	$48.6	$43.4	$51.4	$20.1	$38.3	$36.7	$36.9	$23.8
Average realized gold price	$1,275	$1,281	$1,262	$1,225	$1,230	$1,325	$1,253	$1,146

[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.

Operating revenues have trended up since Q1 2016 as a result of higher production and a strengthening gold price. Gold production and earnings from operations have improved since Q1 2016 as a result of a higher gold price and lower operating costs, resulting in higher margins on ounces produced.

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;
- total mine-site free cash flow
- 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 Cash Taxes

"Cash flow from operating activities before changes in working capital and cash taxes" 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,	
	2017	2016	2017	2016
Cash flow from operating activities	$48.6	$38.3	$163.5	$135.7
Add back: Changes in working capital and cash taxes	4.1	(4.3)	19.8	12.3
Cash flow from operating activities before changes in working capital and cash taxes	**$52.7**	**$34.0**	**$183.3**	**$148.0**

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,	
	2017	2016	2017	2016
(in millions)				
Cash flow from operating activities	$48.6	$38.3	$163.5	$135.7
Less: operating cash flow used by non-mine site activity	(19.5)	(7.5)	(31.9)	(28.0)
Cash flow from operating mine-sites	**$68.1**	**$45.8**	**$195.4**	**$163.7**
Mineral property, plant and equipment expenditure	$39.2	$37.5	$162.5	$146.5
Less: capital expenditures from development projects, and corporate	(8.2)	(5.2)	(44.6)	(18.2)
Capital expenditure from mine-sites	**$31.0**	**$32.3**	**$117.9**	**$128.3**
Total mine-site free cash flow	**$37.1**	**$13.5**	**$77.5**	**$35.4**

Young-Davidson Mine-Site Free Cash Flow

	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	2017	2016
(in millions)				
Cash flow from operating activities	$33.4	$26.0	$114.5	$98.4
Mineral property, plant and equipment expenditure	(17.0)	(22.6)	(80.3)	(94.6)
Mine-site free cash flow	**$16.4**	**$3.4**	**$34.2**	**$3.8**

Mulatos Mine-Site Free Cash Flow

	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	2017	2016
(in millions)				
Cash flow from operating activities	$22.3	$19.6	$64.3	$59.7
Mineral property, plant and equipment expenditure	(9.0)	(9.5)	(43.9)	(32.9)
Less: La Yaqui Phase I construction cost	—	—	12.5	—
Mulatos mineral property, plant and equipment expenditure	**($9.0)**	**($9.5)**	**($31.4)**	**($32.9)**
Mine-site free cash flow[1]	**$13.3**	**$10.1**	**$32.9**	**$26.8**

1. Excludes construction capital at La Yaqui Phase I.

Island Gold Mine-Site Free Cash Flow

	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	2017	2016
(in millions)				
Cash flow from operating activities	$11.8	—	$11.8	—
Mineral property, plant and equipment expenditure	(4.8)	—	(4.8)	—
Mine-site free cash flow	**$7.0**	**$—**	**$7.0**	**$—**

El Chanate Mine-Site Free Cash Flow	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	2017	2016
(in millions)				
Cash flow from operating activities	$0.6	$0.2	$4.8	$5.6
Mineral property, plant and equipment expenditure	(0.2)	(0.2)	(1.4)	(0.8)
Mine-site free cash flow	**$0.4**	**$—**	**$3.4**	**$4.8**

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,		
	2017	2016	2017	2016	2015
(in millions, except ounces and per ounce figures)					
Mining and processing	$90.6	$86.9	$315.6	$297.0	$259.2
Royalties	4.9	3.6	15.6	13.3	7.3
Inventory and other adjustments	—	—	—	—	(29.4)
Total cash costs	$95.5	$90.5	$331.2	$310.3	$237.1
Gold ounces sold	126,786	107,505	430,115	389,151	309,468
Total cash costs per ounce	**$753**	**$842**	**$770**	**$797**	**$766**
Total cash costs	$95.5	$90.5	$331.2	$310.3	$237.1
Corporate and administrative[1]	4.6	4.6	15.5	16.3	17.6
Sustaining capital expenditures[2]	11.5	12.3	42.7	49.2	68.2
Share-based compensation	1.1	0.9	6.2	10.2	5.1
Sustaining exploration	1.0	1.6	3.9	3.5	3.4
Accretion of decommissioning liabilities	0.7	0.5	2.7	2.1	1.3
Realized gains on FX options	—	0.6	(0.8)	1.6	5.0
Total all-in sustaining costs	$114.4	$111.0	$401.4	$393.2	$337.7
Gold ounces sold	126,786	107,505	430,115	389,151	309,468
All-in sustaining costs per ounce	**$902**	**$1,033**	**$933**	**$1,010**	**$1,091**

(1) Corporate and administrative expenses exclude expenses incurred at development properties.
(2) 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,		
	2017	2016	2017	2016	2015
Capital expenditures per cash flow statement	$39.2	$37.5	$162.5	$146.5	$163.1
Less: non-sustaining capital expenditures at:					
Young-Davidson	(8.3)	(12.1)	(46.2)	(54.6)	(61.1)
Mulatos	(8.1)	(7.9)	(38.4)	(24.5)	(9.9)
Island Gold	(3.1)	—	(3.1)	—	—
El Chanate	—	—	—	—	(0.9)
Corporate and other	(8.2)	(5.2)	(32.1)	(18.2)	(23.0)
	$11.5	$12.3	$42.7	$49.2	$68.2

Young-Davidson Total Cash Costs and Mine-site AISC Reconciliation	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	2017	2016
(in millions, except ounces and per ounce figures)				
Mining and processing	$35.1	$26.5	$125.9	$107.4
Royalties	1.1	0.8	4.4	3.7
Total cash costs	$36.2	$27.3	$130.3	$111.1
Gold ounces sold	52,475	40,934	197,937	168,979
Total cash costs per ounce	**$690**	**$667**	**$658**	**$657**
Total cash costs	$36.2	$27.3	$130.3	$111.1
Sustaining capital expenditures	8.7	10.5	34.1	40.0
Exploration	0.1	0.1	0.4	0.3
Accretion of decommissioning liabilities	0.1	—	0.2	0.1
Total all-in sustaining costs	$45.1	$37.9	$165.0	$151.5
Gold ounces sold	52,475	40,934	197,937	168,979
Mine-site all-in sustaining costs per ounce	**$859**	**$926**	**$834**	**$897**

Mulatos Total Cash Costs and Mine-site AISC Reconciliation	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	2017	2016
(in millions, except ounces and per ounce figures)				
Mining and processing	$34.9	$41.2	$112.9	$117.2
Royalties	3.2	2.8	10.6	9.6
Total cash costs	$38.1	$44.0	$123.5	$126.8
Gold ounces sold	50,006	50,178	159,276	151,337
Total cash costs per ounce	**$762**	**$877**	**$775**	**$838**
Total cash costs	$38.1	$44.0	$123.5	$126.8
Sustaining capital expenditures	0.9	1.6	5.5	8.4
Exploration	0.4	0.7	1.9	1.9
Accretion of decommissioning liabilities	0.5	0.4	2.1	1.6
Total all-in sustaining costs	$39.9	$46.7	$133.0	$138.7
Gold ounces sold	50,006	50,178	159,276	151,337
Mine-site all-in sustaining costs per ounce	**$798**	**$931**	**$835**	**$916**

Island Gold Total Cash Costs and Mine-site AISC Reconciliation	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	2017	2016
(in millions, except ounces and per ounce figures)				
Mining and processing	$4.1	$—	$4.1	$—
Royalties	0.6	—	0.6	—
Total cash costs	$4.7	$—	$4.7	$—
Gold ounces sold	11,720	—	11,720	—
Total cash costs per ounce	**$401**	**$—**	**$401**	**$—**
Total cash costs	$4.7	—	$4.7	—
Sustaining capital expenditures	1.7	—	1.7	—
Exploration	—	—	—	—
Total all-in sustaining costs	$6.4	$—	$6.4	$—
Gold ounces sold	11,720	—	11,720	—
Mine-site all-in sustaining costs per ounce	**$546**	**$—**	**$546**	**$—**

El Chanate Total Cash Costs and Mine-site AISC Reconciliation				
	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	2017	2016
(in millions, except ounces and per ounce figures)				
Mining and processing	$16.5	$19.2	$72.7	$72.4
Total cash costs	$16.5	$19.2	$72.7	$72.4
Gold ounces sold	12,585	16,393	61,182	68,835
Total cash costs per ounce	**$1,311**	**$1,171**	**$1,188**	**$1,052**
Total cash costs	$16.5	$19.2	$72.7	$72.4
Sustaining capital expenditures	0.2	0.2	1.4	0.8
Accretion of decommissioning liabilities	0.1	0.1	0.4	0.4
Total all-in sustaining costs	$16.8	$19.5	$74.5	$73.6
Gold ounces sold	12,585	16,393	61,182	68,835
Mine-site all-in sustaining costs per ounce	**$1,335**	**$1,190**	**$1,218**	**$1,069**

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,	
	2017	2016	2017	2016
Net earnings	($4.7)	($20.6)	$26.6	($17.9)
Add back:				
Finance expense	1.4	6.4	9.1	24.0
Amortization	41.1	31.1	125.6	119.0
Loss on redemption of senior secured notes	—	—	29.1	—
Deferred income tax expense (recovery)	6.0	11.5	(16.3)	6.5
Current income tax expense	4.3	0.9	11.9	3.8
EBITDA	**$48.1**	**$29.3**	**$186.0**	**$135.4**

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, loss on redemption of senior secured notes and income tax expense

Accounting Estimates, Policies and Changes

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 from heap leach operations, 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 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.

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, 2017, or for December 31, 2016.

Accounting Policies and Changes

The Company adopted the following amendments to accounting standards, effective January 1, 2017:

The Company adopted the following amendments to accounting standards, effective January 1, 2017:

The Company adopted IFRS 9 (2014), Financial Instruments ("IFRS 9"). This standard replaces the guidance in IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39") on the classification and measurement of financial assets and financial liabilities. IFRS 9 provides a new model for the classification and measurement of financial assets. The Company has fully incorporated the standard into its accounting policy, and has included the impact of the adoption in note 2(r).

The Company adopted amendments to IAS 12, Income Taxes. 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 amendments had no impact on the consolidated financial statements.

Future accounting standard changes, not effective as of December 31, 2017:

	Effective
IFRS 15, Revenue from Contracts with Customers	January 1, 2018
IFRS 16, Leases	January 1, 2019
IFRIC 22, Foreign Currency Transactions and Advance Consideration	January 1, 2018

IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), outlines a single comprehensive model with guidance for entities to use in accounting for revenue arising from contracts with its customers. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. This standard replaces IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The Company will adopt IFRS 15 in its financial statements for the annual period beginning on January 1, 2018. The Company has evaluated the potential impact of applying IFRS 15, and has concluded that the adoption of the standard will not have a material impact on the consolidated financial statements.

IFRS 16, Leases, specifies the methodology to recognize, measure, present and disclose leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning on January 1, 2019. The Company is currently compiling a list and reviewing contracts that may be impacted, with particular focus on the contract mining at Mulatos

IFRIC Interpretation 22, Foreign Currency Transactions and Advance Consideration, 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. The Company intends to adopt the Interpretation in its financial statements for the annual period beginning on January 1, 2018. The Company has evaluated the potential impact of applying IFRIC 22, and has concluded that the adoption of the standard will not have a material impact on the consolidated financial statements.

IFRIC 23, Uncertainty over Income Tax Treatments, provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Interpretation requires: (a) an entity to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution; (b) an entity to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and (c) if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. The Company intends to adopt the Interpretation in its financial statements for the annual period beginning on January 1, 2019. The extent of the impact of adoption of the Interpretation has not yet been determined.

Internal Control over Financial Reporting

Management is responsible for the design and operating effectiveness of internal control 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, 2017. 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 the evaluation performed, management determined internal control over financial reporting was effective as at December 31, 2017. In making this evaluation, management limited the scope of its evaluation to exclude the business acquired as a result of the acquisition of Richmont Mines Inc. on November 23, 2017 (refer to Scope of Evaluation - Acquisition of Richmont Mines Inc., below).

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, 2017 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. 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, 2017 and have concluded that these disclosure controls and procedures were appropriately designed and operating effectively as at December 31, 2017. In making this evaluation, management limited the scope of its evaluation to exclude the business acquired as a result of the acquisition of Richmont Mines Inc. on November 23, 2017 (refer to Scope of Evaluation - Acquisition of Richmont Mines Inc., below).

Scope of Evaluation - Acquisition of Richmont Mines Inc.

Effective November 23, 2017, the Company acquired 100% of the outstanding common shares of Richmont Mines Inc. The results of Richmont's operations have been included in the consolidated financial statements since the date of acquisition. Management has excluded the Richmont operations from the Company's annual assessment of disclosure controls and procedures and internal control over financial reporting. A summary of the financial information for Richmont, expressed in millions of dollars, which was included in the consolidated financial statements of the Company at December 31, 2017 and for the year then ended is as follows:

- Revenue, $14.9 million;
- Earnings from operations, $1.5 million;
- Total assets, $849.6 million;
- Total liabilities, $222.5 million;

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.

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.

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 the acceleration of such 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.

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 four mines for all of its commercial production.

The Young-Davidson, Island Gold, Mulatos and El Chanate Mines accounted for all of the Company's commercial production in 2017 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, Island Gold, 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, leach pad inventory, 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 both the Young-Davidson and Island Gold Mines 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 and expansion of the mill at Island Gold. 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. Turkey has recently experienced significant political, social, legal and regulatory instability. The impact of the change in political climate in Turkey in recent years is yet largely unknown, but will in instances likely 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, 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 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.

Security in Mexico

In recent years, criminal activity and violence has increased and continues to increase 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 continues to pursue the GSM (Business Opening and Operation) permit which is granted by the Çanakkale Governorship. The Company cannot provide assurance it will be able to maintain its existing permits and/or obtain all additional permits that it requires for its proposed mining activities. 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 current or future 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 ongoing litigation cannot be predicted with certainty. The costs of defending and settling litigation can be significant, even for claims that Alamos believes has 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 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. The Company cannot currently determine the expected timing, outcome of such negotiations or costs associated with the relocation of property owners and possessors and potential land acquisitions. 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.

Environmental and regulatory authorities in Mexico and Canada conduct periodic or annual inspections of the Young-Davidson, Island Gold, 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 where we do business, 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.

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.

Cautionary Note to United States 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, 2017). 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, assumptions and expectations with respect to the proposed acquisition of Richmont Mines Inc. and its completion and the anticipated benefits and advantages of the same; 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

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, FAusIMM, 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, M.Sc., M.AIG, 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 22, 2018.

ALAMOS GOLD INC.

2017 FINANCIAL REPORT

December 31, 2017 and 2016

(Prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") 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

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Alamos Gold Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Alamos Gold Inc. (the "Entity"), which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016, the consolidated statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and the related notes, comprising a summary of significant accounting policies and other explanatory information (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2017 and December 31, 2016, 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.

Change in Accounting Principle

Without modifying our opinion on the consolidated financial statements, we draw attention to Note 3 to the consolidated financial statements, which indicates that the Entity has changed its method of accounting for financial instruments in the year ended December 31, 2017 due to the adoption of IFRS 9 - Financial Instruments.

Report on Internal Control Over Financial Reporting

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Entity's internal control over financial reporting as of December 31, 2017, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 21, 2018 expressed an unqualified (unmodified) opinion on the effectiveness of the Entity's internal control over financial reporting.

Basis for Opinion

A - 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.

B - 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 plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to error or fraud. Those standards also require that we comply with ethical requirements, including independence. We are required to be independent with respect to the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We are a public accounting firm registered with the PCAOB.

An audit includes performing procedures to assess the risks of material misstatements of the consolidated financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included obtaining and examining, on a test basis, audit evidence regarding 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 and principles 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 reasonable basis for our audit opinion.

"KPMG LLP"
Chartered Professional Accountants, Licensed Public Accountants
We have served as the Entity's auditor since 2005.
Toronto, Canada
February 21, 2018

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Alamos Gold Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Alamos Gold Inc.'s (the "Company") internal control over financial reporting as of December 31, 2017, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

The Company acquired Richmont Mines Inc. during 2017, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2017, Richmont Mines Inc.'s internal control over financial reporting associated with total assets of $849,600,000 and total revenues of $14,900,000 included in the consolidated financial statements of the Company as of and for the year ended December 31, 2017. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Richmont Mines Inc.

Report on the Consolidated Financial Statements

We also have audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company, which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016, the consolidated statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and the related notes, comprising a summary of significant accounting policies and other explanatory information (collectively referred to as the "consolidated financial statements"), and our report dated February 21, 2018 expressed an unmodified (unqualified) opinion on those consolidated financial statements.

Basis for Opinion

The Company'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, 2017. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB and in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada.

We conducted our audit in accordance with the standards of the PCAOB. 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 of internal control over financial reporting 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.

Definition and Limitations of Internal Control Over Financial Reporting

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.

"KPMG LLP"
Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada
February 21, 2018

ALAMOS GOLD INC.

Consolidated Statements of Financial Position
(Stated in millions of United States dollars)

	December 31, 2017	December 31, 2016
A S S E T S		
Current Assets		
Cash and cash equivalents	$200.8	$252.2
Equity securities	35.8	14.1
Amounts receivable (note 6)	34.5	44.9
Inventory (note 7)	161.2	131.7
Other current assets	14.4	11.6
Total Current Assets	446.7	454.5
Non-Current Assets		
Long-term inventory (note 7)	68.7	75.8
Mineral property, plant and equipment (note 8)	2,753.4	1,918.2
Other non-current assets	45.0	43.7
Total Assets	**$3,313.8**	**$2,492.2**
L I A B I L I T I E S		
Current Liabilities		
Accounts payable and accrued liabilities (note 9)	$96.8	$94.5
Current portion of financing obligations (note 10)	4.2	3.6
Income taxes payable	5.7	1.5
Total Current Liabilities	106.7	99.6
Non-Current Liabilities		
Deferred income taxes (note 12)	477.0	291.0
Decommissioning liabilities (note 11)	44.6	39.6
Debt and financing obligations (note 10)	3.3	301.3
Other non-current liabilities	1.0	1.3
Total Liabilities	632.6	732.8
E Q U I T Y		
Share capital (note 13)	$3,691.7	$2,822.2
Contributed surplus	89.5	70.9
Warrants	4.0	3.5
Accumulated other comprehensive income	13.0	0.4
Deficit	(1,117.0)	(1,137.6)
Total Equity	2,681.2	1,759.4
Total Liabilities and Equity	**$3,313.8**	**$2,492.2**

Commitments (note 20)
Subsequent event (note 21)
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, Chairman

ALAMOS GOLD INC.

Consolidated Statements of Comprehensive Income (Loss)
For the years ended December 31, 2017 and 2016
(Stated in millions of United States dollars, except share and per share amounts)

	December 31, 2017	December 31, 2016
OPERATING REVENUES	$542.8	$482.2
COST OF SALES		
Mining and processing	315.6	297.0
Royalties (note 20)	15.6	13.3
Amortization	125.6	119.0
	456.8	429.3
EXPENSES		
Exploration	8.3	5.1
Corporate and administrative	15.5	16.3
Share-based compensation (note 13)	6.2	10.2
	486.8	460.9
EARNINGS FROM OPERATIONS	**56.0**	**21.3**
OTHER EXPENSES		
Finance expense	(9.1)	(24.0)
Foreign exchange gain (loss)	5.0	(12.5)
Other (loss) gain (note 14)	(0.6)	7.6
Loss on redemption of senior secured notes (note 10)	(29.1)	–
EARNINGS (LOSS) BEFORE INCOME TAXES	**$22.2**	**($7.6)**
INCOME TAXES (note 12)		
Current income tax expense	(11.9)	(3.8)
Deferred income tax recovery (expense)	16.3	(6.5)
NET EARNINGS (LOSS)	**$26.6**	**($17.9)**
Items that may be subsequently reclassified to net earnings:		
Realized disposition on equity securities, reclassified to net loss	–	(0.3)
Unrealized gain on equity securities, net of taxes	–	5.1
Gain on currency hedging instruments, net of taxes	6.0	–
Items that will not be reclassified to net earnings:		
Unrealized gains on equity securities, net of taxes	6.6	–
Total other comprehensive income	**$12.6**	**$4.8**
COMPREHENSIVE INCOME (LOSS)	**$39.2**	**($13.1)**
EARNINGS (LOSS) PER SHARE (note 13)		
– basic	**$0.09**	**($0.07)**
– diluted	**$0.09**	**($0.07)**
Weighted average number of common shares outstanding (000's)		
– basic	305,521	265,234
– diluted	309,021	265,234

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, 2017 and 2016
(Stated in millions of United States dollars)

	December 31, 2017	December 31, 2016
SHARE CAPITAL (note 13)		
Balance, beginning of the year	$2,822.2	$2,773.7
Issuance of shares related to Richmont acquisition (note 5)	615.3	–
Issuance of shares through bought deal financing, net of issuance costs and deferred taxes	241.8	–
Issuance of shares related to Carlisle acquisition	–	17.5
Issuance of shares related to share-based compensation	2.3	7.4
Issuance of shares related to exercise of warrants	0.5	1.2
Issuance of shares through flow-through share agreements	8.4	20.1
Fair value of share-based compensation redeemed	1.2	2.3
Balance, end of year	**$3,691.7**	**$2,822.2**
CONTRIBUTED SURPLUS		
Balance, beginning of the year	$70.9	$69.2
Share-based compensation	6.4	4.4
Fair value of share-based compensation redeemed	(1.2)	(3.1)
Equity settled share-based payments related to Carlisle acquisition	–	0.4
Equity settled share-based payments related to Richmont acquisition (note 5)	12.1	–
Share-based compensation charges related to the Richmont replacement options (note 5)	1.3	–
Balance, end of year	**$89.5**	**$70.9**
WARRANTS		
Balance, beginning of the year	$3.5	–
Issuance of warrants related to Carlisle acquisition	–	2.8
Issuance of warrants, pursuant to the exercise of Carlisle equity instruments	0.5	0.7
Balance, end of year	**$4.0**	**$3.5**
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Balance, beginning of the year on equity securities	$0.4	($4.4)
Realized disposition of equity securities, reclassified to net earnings	–	(0.3)
Unrealized gains on equity securities, net of taxes	6.6	5.1
Balance, end of year	$7.0	$0.4
Balance, beginning of the year on currency hedging instruments	–	–
Unrealized gain on currency hedging instruments, net of taxes	6.0	–
Balance, end of year	$6.0	–
Balance, end of year	**$13.0**	**$0.4**
DEFICIT		
Balance, beginning of the year	($1,137.6)	($1,114.3)
Dividends (note13(f))	(6.0)	(5.4)
Net earnings (loss)	26.6	(17.9)
Balance, end of year	**($1,117.0)**	**($1,137.6)**
TOTAL EQUITY	**$2,681.2**	**$1,759.4**

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, 2017 and 2016
(Stated in millions of United States dollars)

	December 31, 2017	December 31, 2016
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net earnings (loss) for the period	$26.6	($17.9)
Adjustments for items not involving cash:		
Amortization	125.6	119.0
Foreign exchange (gain) loss	(5.0)	12.5
Current income tax expense	11.9	3.8
Deferred income tax (recovery) expense	(16.3)	6.5
Share-based compensation	6.2	10.2
Finance expense	9.1	24.0
Loss on redemption of senior secured notes	29.1	–
Other items (note 15)	(3.9)	(10.1)
Changes in working capital and taxes received or paid (note 15)	(19.8)	(12.3)
	163.5	**135.7**
INVESTING ACTIVITIES		
Mineral property, plant and equipment	(162.5)	(146.5)
Cash received from the acquisition of Richmont (note 5)	46.2	–
Purchase of Lynn Lake gold project royalty (note 8)	(6.7)	–
Other	3.6	(5.0)
	(119.4)	**(151.5)**
FINANCING ACTIVITIES		
Net proceeds from bought deal financing (note 13)	239.1	–
Repayment of senior secured notes (note 10)	(327.2)	–
Repayment of debt and equipment financing obligations	(4.4)	(9.7)
Interest paid	(12.2)	(24.4)
Credit facility transaction fees (note 10)	(2.1)	(1.1)
Proceeds received from the exercise of stock options and warrants	3.5	7.4
Dividends paid	(6.0)	(5.4)
Proceeds from issuance of flow-through shares	11.7	20.4
	(97.6)	**(12.8)**
Effect of exchange rates on cash and cash equivalents	2.1	(2.1)
Decrease in cash and cash equivalents	**(51.4)**	**(30.7)**
Cash and cash equivalents - beginning of year	252.2	282.9
CASH AND CASH EQUIVALENTS - END OF YEAR	**$200.8**	**$252.2**

The accompanying notes form an integral part of these consolidated financial statements.

ALAMOS GOLD INC.
Notes to Consolidated Financial Statements
December 31, 2017 and 2016
(In United States dollars, unless otherwise indicated, tables stated in millions of United States dollars)

1. NATURE OF OPERATIONS

Alamos Gold Inc. ("Alamos"), 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 and Island Gold mines in Canada, as well as 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 21, 2018.

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
Dogu Biga Madencilik Sanayi Ticaret 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
Richmont Mines Ltd.	Gold and silver mining	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 earnings (loss) in the period in which they arise. Exchange differences on deferred foreign tax assets and liabilities are presented as deferred income tax (recovery) expense on the Consolidated Statements of Comprehensive Income (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.

(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 earnings (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 earnings (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 Income (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.

(j) Impairment of non-financial assets

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.

If applicable, 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

The Company adopted IFRS 9, *Financial Instruments ("IFRS 9"),* with an initial application date of January 1, 2017 (note 3 (r)).

Policy applicable from January 1, 2017:

For financial assets measured at amortized cost, the impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, the Company recognizes loss allowances for expected credit losses and changes in those expected credit losses. At each reporting date, financial assets carried at amortized cost are assessed to determine whether they are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery.

Policy applicable prior to January 1, 2017:

Financial assets, other than those at fair value through profit or loss, were assessed for indicators for impairment at the end of each reporting period. Financial assets were considered to be impaired when there was objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows had been affected.

For financial assets measured at amortized cost, an impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognized in profit or loss and reflected in an allowance account. When the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss was reversed through profit or loss.

Impairment losses on available-for-sale financial assets were recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified was 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 profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increased and the increase was related objectively to an event occurring after the impairment loss was recognized, then the impairment loss was reversed through profit or loss. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available-for-sale were not reversed through profit 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 taxable 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 Income (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 and directors 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 ("OCI").

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) Earnings (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

The Company has adopted IFRS 9, with an initial application date of January 1, 2017. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9. IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application (note 3(k)).

The adoption of the expected credit loss impairment model had no impact on the Company's financial statements. The Company's financial instruments are accounted for as follows under IFRS 9 as compared to the Company's previous policy in accordance with IAS 39:

Asset / Liability	**IAS 39**	**IFRS 9**
Cash and cash equivalents	Fair value through profit or loss	Amortized cost
Equity securities	Available-for-sale	Fair value through OCI
Amounts receivable	Loans and receivable	Amortized cost
Prepayment option embedded derivative	Fair value through profit or loss	Fair value through profit or loss
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Debt and financing obligations	Amortized cost	Amortized cost
Non-hedged derivatives	Fair value through profit or loss	Fair value through profit or loss
Hedging Derivatives	Fair value through OCI	Fair value through OCI

The Company has adopted the standard retroactively effective January 1, 2017 and elected not to retroactively restate comparative periods. The adoption of this standard did not have a material impact on the Company's consolidated financial statements, but resulted in certain additional disclosures. There was no impact on carrying values and equity as at January 1, 2017 as a result of the adoption of the standard and no measurement differences as a result of adopting IFRS 9.

As a result of the adoption of IFRS 9, the Company's accounting policy for financial instruments has been updated as follows:

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, amortized cost, or fair value through other comprehensive income ("OCI"). The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at fair value through profit or loss

Financial assets are classified at fair value if they are acquired for the purpose of selling in the near term. Gains or losses on these items are recognized in net earnings or loss.

ii. Amortized cost

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows and 2) the asset's contractual cash flows represent 'solely payments of principal and interest'. The Company's amounts receivable are recorded at amortized cost as they meet the required criteria.

iii. Fair value through other comprehensive income ("OCI")

For equity securities that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments at fair value through other comprehensive income ("FVOCI"), with all subsequent changes in fair value being recognized in other comprehensive income. This election is available for each separate investment. Under this new FVOCI category, fair value changes are recognized in OCI while dividends are recognized in profit or loss. On disposal of the investment the cumulative change in fair value remains in OCI and is not recycled to profit or loss.

iv. Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Financial liabilities

For financial liabilities, IFRS 9 retains most of the IAS 39 requirements and since the Company does not have any financial liabilities designated at fair value through profit or loss, the adoption of IFRS 9 did not impact the Company's accounting policies for financial liabilities. Accounts payable and accrued liabilities, as well as debt and financing obligations are accounted for at amortized cost.

Transaction costs associated with financial instruments, carried at fair value through profit or loss, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability. The amortization of debt issue costs is calculated using the effective interest method.

Derivative financial instruments

The Company may hold derivative financial instruments to hedge its risk exposure to fluctuations in commodity prices, including the Company's final product, consumables and other currencies compared to the USD. Derivative financial instruments are measured at fair value at each reporting period.

Non-hedged derivative financial instruments

All derivative instruments not designated in a hedge relationship that qualifies for hedge accounting are classified as financial instruments at fair value through profit or loss. Changes in fair value of non-hedged derivative financial instruments are included in net earnings or loss as non-hedged derivative gains or losses.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(s) Hedges

The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking hedge transactions. This process includes linking all derivative hedging instruments to forecasted transactions. Hedge effectiveness is assessed based on the degree to which the cash flows from the derivative contracts are expected to offset the cash flows of the underlying transaction being hedged.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value is recognized in other comprehensive income. For hedged items other than the purchase of non-financial assets, the amounts accumulated in other comprehensive income are reclassified to the consolidated statement of other comprehensive income when the underlying hedged transaction, identified at contract inception, affects profit or loss. When hedging a forecasted transaction that results in the recognition of a non-financial asset, the amounts accumulated in other comprehensive income are removed and added to the carrying amount of the non-financial asset.

Any ineffective portion of a hedge relationship is recognized immediately in net earnings or loss. When derivative contracts designated as cash flow hedges are terminated, expired, sold or no longer qualify for hedge accounting, hedge accounting is discontinued prospectively. Any amounts recorded in other comprehensive income up until the time the contracts do not qualify for hedge accounting remain in other comprehensive income.

Gains or losses arising subsequent to the derivative contracts not qualifying for hedge accounting are recognized in the period incurred and are recorded in net earnings or loss. If the forecasted transaction is no longer expected to occur, then the amounts accumulated in other comprehensive income are reclassified to net earnings or loss immediately.

(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, 2017:

The Company adopted IFRS 9 (2014), Financial Instruments ("IFRS 9"). This standard replaces the guidance in IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39") on the classification and measurement of financial assets and financial liabilities. IFRS 9 provides a new model for the classification and measurement of financial assets. The Company has included the impact of the adoption in note 2(r).

The Company adopted amendments to IAS 12, Income Taxes. 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 amendments had no impact on the consolidated financial statements.

(v) Standards issued but not yet adopted

Standards issued, but not yet adopted include:

	Effective
IFRS 15, Revenue from Contracts with Customers	January 1, 2018
IFRS 16, Leases	January 1, 2019
IFRIC 22, Foreign Currency Transactions and Advance Consideration	January 1, 2018

IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), outlines a single comprehensive model with guidance for entities to use in accounting for revenue arising from contracts with its customers. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. This standard replaces IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The Company will adopt IFRS 15 in its financial statements for the annual period beginning on January 1, 2018. The Company has evaluated the potential impact of applying IFRS 15, and has concluded that the adoption of the standard will not have a material impact on the consolidated financial statements.

IFRS 16, Leases, specifies the methodology to recognize, measure, present and disclose leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning on January 1, 2019. The Company has not yet determined the impact of adopting IFRS 16 on its consolidated financial statements.

IFRIC Interpretation 22, Foreign Currency Transactions and Advance Consideration, 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. The Company intends to adopt the Interpretation in its financial statements for the annual period beginning on January 1, 2018. The Company has evaluated the potential impact of applying IFRIC 22, and has concluded that the adoption of the standard will not have a material impact on the consolidated financial statements.

IFRIC 23, Uncertainty over Income Tax Treatments, provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Interpretation requires: (a) an entity to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution; (b) an entity to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and (c) if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. The Company intends to adopt the Interpretation in its financial statements for the annual period beginning on January 1, 2019. The extent of the impact of adoption of the Interpretation has not yet been determined.

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 from heap leach operations, 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 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.

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, 2017, or for December 31, 2016.

5. ACQUISITION OF RICHMONT MINES INC.

On November 23, 2017, the Company completed a plan of arrangement (the "Arrangement") whereby all of the issued and outstanding common shares of Richmont Mines Inc. ("Richmont") were exchanged on the basis of 1.385 Alamos common shares for each Richmont common share (the "Exchange Ratio"). Richmont owned and operated the Island Gold mine in Ontario, Canada. The Island Gold Mine acquisition provides the Company with further diversification of operations and provides the Company with a long-life, underground mine with exploration potential and the opportunity for production growth and operating synergies with the Company's other operations.

Under the Arrangement, all of the outstanding Richmont stock options vested and were replaced and converted to Alamos options expiring on November 23, 2018. Richmont restricted share units were exchanged for awards of Alamos and continue to vest according to original plan terms.

The Company determined that the acquisition was a business combination in accordance with the definition in IFRS 3, *Business Combinations,* and as such has accounted for it in accordance with the standard, with Alamos being the accounting acquirer on November 23, 2017.

Upon closing of the Arrangement, Alamos issued 88,398,804 common shares pursuant to the Arrangement with a fair value of $615.3 million to the former Richmont shareholders.

The Company used a discounted cash flow model to estimate the fair value of the Island Gold mine, Richmont's primary asset. Expected future cash flows are based on estimates of future production and commodity prices, operating costs and forecast capital expenditures based on the life of mine plan as at the acquisition date.

Transaction costs of $3.8 million relating to the arrangement have been expensed in accordance with IFRS 3, *Business Combinations,* and have been included within Other loss.

In addition, in accordance with IFRS 3, the Company is required to calculate the fair value of the options acquired, as well as the fair value of the replacement options granted. Under IFRS 3, Companies must value the pre-combination service value of the acquired options as well as the fair value of the replacement options using the new terms of the options. Any difference between the two values should be expensed in the post-close period under the new terms. Therefore, the Company recorded an expense of $1.3 million within Other loss, related to the additional share-based compensation of the replacement awards.

The following table summarizes the fair value of the total consideration transferred from the Company and the preliminary fair value of identified assets acquired and liabilities assumed, based on the calculated fair value estimates. Final valuations of assets and liabilities are not yet complete due to the timing of the acquisition and the inherent complexity associated with the valuations. The Company expects to finalize the determination of the fair values of the assets and liabilities acquired and deferred taxes within 12 months of the acquisition date, which could result in material differences from the preliminary values presented in these financial statements.

Consideration transferred	
Common shares issued	$615.3
Replacement of long-term incentive instruments	12.1
	$627.4

Net assets acquired	
Cash and cash equivalents	$46.2
Equity securities	11.7
Current assets, excluding cash and cash equivalents and equity securities	22.5
Mineral property, plant and equipment	774.3
Current liabilities	(21.2)
Long-term liabilities	(4.6)
Deferred income taxes	(201.5)
	$627.4

These consolidated financial statements include Richmont's results from November 23, 2017 to December 31, 2017. Revenues of $14.9 million were generated and net earnings of $1.5 million have been included in the Consolidated Statement of Comprehensive Income for that period. Had the acquisition occurred on January 1, 2017, Richmont would have contributed revenues of $125.3 million and net earnings of $12.0 million to the consolidated statement of comprehensive income.

6. AMOUNTS RECEIVABLE

	December 31, 2017	December 31, 2016
Sales tax receivables		
Canada	$6.4	$2.3
Mexico	20.0	36.2
Other	0.9	0.5
Concentrate receivable	3.2	2.2
Other receivables	4.0	3.7
	$34.5	**$44.9**

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.

7. INVENTORY

	December 31, 2017	December 31, 2016
In-process precious metals	$131.6	$120.7
Ore in stockpiles	44.1	37.6
Parts and supplies	41.5	35.7
Dore, refined precious metals and gold in concentrate	12.7	13.5
	229.9	**207.5**
Less: Long-term inventory	(68.7)	(75.8)
	$161.2	**$131.7**

Long term inventory consists of heap leach and long-term stockpiles of $68.7 million at December 31, 2017 (December 31, 2016 - $75.8 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, 2017 was $323.3 million (December 31, 2016 - $304.1 million). The amount of inventories recognized in amortization costs for the year ended December 31, 2017 was $125.6 million (December 31, 2016 - $119.0 million).

8. MINERAL PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	Mineral property		Exploration and evaluation	Total
		Depletable	Non-depletable		
Cost					
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	–	–	–	19.9	19.9
Transfer from other assets	–	–	–	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
Additions	66.4	56.7	14.3	41.6	179.0
Acquisition of Richmont Mines (note 5)	55.7	718.6	–	–	774.3
Disposals	(2.7)	–	–	–	(2.7)
At December 31, 2017	**$1,103.0**	**$2,118.3**	**$80.5**	**$326.9**	**$3,628.7**
Accumulated amortization and impairment charges					
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
Amortization	61.6	54.9	–	–	116.5
Disposals	(1.1)	–	–	–	(1.1)
At December 31, 2017	**$333.9**	**$530.0**	**$5.1**	**$6.3**	**$875.3**
Net carrying value					
At December 31, 2016	$710.2	$867.9	$61.1	$279.0	$1,918.2
At December 31, 2017	**$769.1**	**$1,588.3**	**$75.4**	**$320.6**	**$2,753.4**

The net carrying values by segment (note 16) are as follows:

	Plant and equipment	Mineral property		Exploration and evaluation	Total
		Depletable	Non-depletable		
Young-Davidson	$589.5	$767.1	$75.4	–	$1,432.0
Mulatos	112.9	99.1	–	–	212.0
Island Gold	54.8	720.1	–	–	774.9
El Chanate	4.1	2.0	–	–	6.1
Corporate and other	7.8	–	–	320.6	328.4
At December 31, 2017	**$769.1**	**$1,588.3**	**$75.4**	**$320.6**	**$2,753.4**
Young-Davidson	$580.7	$789.2	$61.1	–	$1,431.0
Mulatos	121.6	76.9	–	–	198.5
El Chanate	2.6	1.8	–	–	4.4
Corporate and other	5.3	–	–	279.0	284.3
At December 31, 2016	**$710.2**	**$867.9**	**$61.1**	**$279.0**	**$1,918.2**

Other

The carrying value of construction in progress at December 31, 2017 was $64.4 million (December 31, 2016 - $52.5 million).

During the year ended December 31, 2017, the Company capitalized $2.0 million of interest to capital projects (year ended December 31, 2016 - $6.6 million). The applicable capitalization rate for general borrowings was 8.62% (2016 - 8.62%)

In the second quarter of 2017, the Company purchased an outstanding royalty on the Lynn Lake gold project for $6.7 million, which has been capitalized to mineral property, plant and equipment.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2017	December 31, 2016
Trade accounts payable and accrued liabilities	$87.3	$75.6
Royalties payable	4.9	3.6
Interest payable	—	6.1
Share-based compensation liability	4.5	6.8
Derivative liabilities (note 17)	0.1	2.4
	$96.8	**$94.5**

10. FINANCING OBLIGATIONS

	December 31, 2017	December 31, 2016
Revolving credit facility (a)	–	–
Senior secured notes (b)	–	$297.6
Equipment financing obligations	$7.5	$7.3
	$7.5	$304.9
Less: Current portion of financing obligations	($4.2)	($3.6)
	$3.3	**$301.3**

(a) Revolving credit facility

On September 21, 2017, the Company amended and increased its existing undrawn revolving credit facility (the "Facility") from $150.0 million to $400.0 million. The maturity date of the Facility has been extended to September 20, 2021. The amended Facility bears interest at an interest rate of Libor plus 2.00% to 3.125% on drawn amounts and stand-by fees of 0.45% to 0.70% on undrawn amounts, based on the Company's net leverage ratio, as defined in the agreement.

The Facility is secured against all of the 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, 2017, the Company is in compliance with the covenants and the Facility is fully undrawn.

During the year ended December 31, 2017, the Company incurred costs of $2.1 million to amend the Facility. These costs will be amortized into net earnings over the term of the Facility.

(b) Senior secured notes

On March 27, 2014, the Company completed an offering of $315.0 million senior secured notes. The secured notes were sold at 96.524% of par, resulting in total proceeds of $304.1 million.

On April 3, 2017, the Company redeemed the senior secured notes on the first available prepayment date at 103.875% of face value for $327.2 million, plus accrued interest to the date of redemption of $12.2 million. In connection with the redemption of the notes, the Company recorded a pre-tax loss of $29.1 million, being the difference between the carrying amount of the senior secured notes, inclusive of the prepayment option embedded derivative, and the redemption amount. In addition, the Company recorded a deferred tax recovery of $7.3 million on the redemption.

11. 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, 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**
Liability assumed on acquisition	2.4
Reclamation expenditures	(0.1)
Accretion expense	2.6
Revisions to expected discounted cash flows	0.1
Balance – December 31, 2017	**$44.6**

The majority of the expenditures are expected to occur between 2023 and 2036. The discount rates used in discounting the estimated reclamation and closure cost obligations were between 2.3% and 7.6% for the year ended December 31, 2017 (2016 – 2.3% and 7.4%), and the inflation rate used was between 2.0% and 4.0% for the year ended December 31, 2017 (2016 – 2.0% and 4.0%).

The total undiscounted value of the decommissioning liabilities at December 31, 2017 was $53.2 million (2016 - $51.3 million).

12. INCOME TAXES

The following table represents the major components of income tax expense (recovery) recognized in net loss for the years ended December 31, 2017 and 2016:

	December 31, 2017	December 31, 2016
Current income tax expense	$11.9	$3.8
Deferred income tax (recovery) expense	(16.3)	6.5
Income tax (recovery) expense recognized in net loss	**($4.4)**	**$10.3**

The statutory tax rate for 2017 was 25.0% (2016 – 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, 2017 and 2016:

	December 31, 2017	December 31, 2016
Earnings (loss) before income taxes	$22.2	($7.6)
Statutory tax rate	25.0%	25.0%
Expected income tax expense (recovery) based on above rates	$5.6	($1.9)
Effect of higher tax rates in foreign jurisdictions	0.3	0.3
Non-deductible expenses	4.9	4.1
Impact of local mining taxes	2.2	5.9
Impact of foreign exchange	(22.5)	(5.1)
Impact of renouncement of flow through share expenditures	2.6	5.3
Withholding tax	1.3	1.1
Change in unrecognized temporary differences	2.6	0.1
Other	(1.4)	0.5
Income tax (recovery) expense	**($4.4)**	**$10.3**

The following table reflects the change in deferred income tax liability at December 31, 2017 and December 31, 2016:

	December 31, 2017	December 31, 2016
Balance, beginning of year	$291.0	$284.1
Deferred income tax liability recognized on Richmont Mines acquisition (note 5)	201.5	–
Deferred income tax (recovery) expense recognized in net earnings (loss)	(16.3)	6.5
Deferred income tax expense recognized in OCI	3.5	0.4
Deferred income tax recovery recognized in equity	(2.7)	–
Balance, end of year	**$477.0**	**$291.0**

The following reflects the deferred income tax liability at December 31, 2017 and December 31, 2016:

	December 31, 2017	December 31, 2016
Accounting value of mineral property, plant and equipment in excess of tax value	$409.0	$270.8
Accounting value of inventories in excess of tax value	34.7	36.8
Other taxable temporary differences	58.6	18.1
Non-capital losses carried forward	(25.3)	(34.7)
Deferred income tax liability	**$477.0**	**$291.0**

The Company has Canadian tax losses of $80.8 million expiring between 2024 and 2036, Mexican tax losses of $43.6 million expiring between 2018 and 2027, United States tax losses of $20.3 million expiring between 2028 and 2035, as well as Turkish losses of $7.1 million expiring between 2018 and 2022.

The Company has unrecognized deferred income tax assets at December 31, 2017 in respect of aggregate loss carryforwards, deductible temporary differences and unused tax credits. The unrecognized loss carryforwards, deductible temporary differences and unused tax credits are $77.8 million (December 31, 2016 -$100.7 million).

A t December 31, 2017, the Company has unrecognized deferred income tax liabilities on taxable temporary differences of $6.1 million (December 31, 2016 - $24.2 million) for taxes that would be payable on the unremitted earnings of certain subsidiaries of the Company.

13. 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 December 31, 2015	**257,070,005**	**$2,773.7**
Shares issued through:		
Acquisition of Carlisle Goldfields	4,788,039	17.5
Share-based compensation plans	1,457,872	9.7
Exercise of warrants	432,191	1.2
Flow-through share financing	3,328,388	20.1
Outstanding at December 31, 2016	**267,076,495**	**$2,822.2**
Shares issued through:		
Acquisition of Richmont Mines Ltd (note 5)	88,398,804	615.3
Equity financing (i)	31,450,000	241.8
Share-based compensation plans	542,250	3.5
Exercise of warrants	332,466	0.5
Flow-through share financing (ii)	1,301,535	8.4
Outstanding at December 31, 2017	**389,101,550**	**$3,691.7**

(i) Equity financing

On February 9, 2017, the Company completed 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 $250.0 million. Transaction costs related to equity financing were $10.9 million, and the Company recognized a corresponding deferred tax asset of $2.7 million.

(ii) Flow-through share financing

During the year, the Company completed a Canadian Development Expense ("CDE") flow-through financing for gross proceeds of CAD $12.0 million (at a price per share of CAD $10.87) and Canadian Exploration Expense ("CEE") flow-through financing for gross proceeds of CAD $3.0 million (at a price per share of CAD $15.15), both at premiums to the share price on the date of issuance.

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 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 can be 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.

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 December 31, 2015	**10,237,362**	**$12.15**
Granted	1,620,000	3.75
Conversion of Carlisle options to Alamos	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**
Granted	578,490	9.62
Conversion of Richmont options to Alamos options (note 5)	2,863,146	3.53
Exercised	(510,673)	6.23
Expired	(2,013,254)	16.42
Outstanding at December 31, 2017	**10,429,345**	**$7.94**

During the year ended December 31, 2017, the weighted average share price at the date of exercise for stock options exercised was CAD $9.99 per share (for the year ended December 31, 2016: CAD $11.37 per share).

(i) Stock options granted

During the year ended December 31, 2017, the Company granted 578,490 stock options (year ended December 31, 2016 - 1,620,000). 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, 2017	December 31, 2016
Weighted average share price at grant date (CAD$)	$9.62	$3.75
Risk-free rate	0.91% - 1.35%	0.32% - 0.92%
Expected dividend yield	0.70%	0.70%
Expected stock price volatility (based on historical volatility)	57%	49%
Expected life of option (months)	36 - 84	42 - 84
Weighted average per share fair value of stock options granted (CAD$)	$4.27	$1.52

As part of the Richmont Mines acquisition (note 5), the Company issued 2,863,146 replacement stock options to ex-Richmont employees. The following table presents the weighted average fair value assumptions used in the Black-Scholes valuation:

Replacement options granted:	**November 23, 2017**
Weighted average share price at grant date (CAD$)	$3.53
Risk-free rate	1.43%
Expected dividend yield	0.70%
Expected stock price volatility (based on historical volatility)	53%
Expected life of option (months)	12
Weighted average per share fair value of stock options granted (CAD$)	$5.45

Stock options outstanding and exercisable as at December 31, 2017:

	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$)**
$0.82 - $3.00	1,770,508	2.04	0.90	1,770,508	2.04
$3.01 - $7.00	2,119,866	3.91	3.97	1,039,866	4.07
$7.01 - $11.00	4,234,349	8.07	2.21	3,375,194	7.88
$11.01 - $15.00	985,311	14.11	0.65	985,311	14.11
$15.01 - $19.00	1,112,425	16.59	0.81	1,112,425	16.59
$19.01 - $23.00	206,886	20.88	0.66	206,886	20.88
	10,429,345	**$7.94**	**2.02**	**8,490,190**	**$8.53**

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, 2017 and 2016:

	Restricted share units ("RSU")	**Stock appreciation rights ("SAR")**	**Deferred share units ("DSU")**	**Performance share units ("PSU")**
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**
Granted	499,560	–	102,260	269,780
Conversion of Richmont units to Alamos units (note 5)	112,774	–	–	–
Forfeited	(171,452)	(316,074)	–	(65,451)
Settled	(350,140)	(117,976)	–	(28,877)
Outstanding units, December 31, 2017	**1,500,934**	**1,055,525**	**480,605**	**599,705**

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.

e) Earnings (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 (loss) 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 years ended December 31,	
	2017	**2016**
Net earnings (loss)	**$26.6**	**($17.9)**
Weighted average number of common shares outstanding (in thousands)	305,521	265,234
Basic earnings (loss) per share	**$0.09**	**($0.07)**
Dilutive effect of potential common share equivalents (in thousands)	3,500	–
Diluted weighted average number of common shares outstanding (in thousands)	309,021	265,234
Diluted earnings (loss) per share	**$0.09**	**($0.07)**

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 $9.40 for the year ended December 31, 2017 (2016 - CAD $8.78), 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 years ended December 31,	
(in thousands)	**2017**	**2016**
Stock options	2,920	9,512
Equity settled LTI	–	369
Warrants	12,232	11,310
	15,152	**21,191**

(f) Dividends

On April 28, 2017, the Company paid a dividend of $3.0 million or $0.01 per share.

On October 31, 2017, the Company paid a dividend of $3.0 million or $0.01 per share.

(g) Share purchase warrants

The Company has the following share purchase warrants ("Warrants"), outstanding as at December 31, 2017 related to past acquisitions:

	Number of warrants	**Common shares issuable**	**Exercise price**	**Expiry date**
	(000s)	**(000s)**	**CAD**	
AGI.WT	7,167	7,167	$28.46	August 30, 2018
AGI.WT.A	5,065	5,065	$10.00	January 7, 2019
	12,232	**12,232**		

The AGI.WT warrants issued in relation to the Esperanza acquisition in 2013 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 gain of $2.3 million recorded in other gains for the year ended December 31, 2017 (2016 - a loss of 1.6 million).

14. OTHER (LOSS) GAIN

Other (loss) gain recorded in net earnings (loss) for the years ended:

	December 31, 2017	December 31, 2016
Reduction of obligation to renounce flow-through exploration expenditures	$2.3	$1.3
Unrealized (loss) gain on non-hedged derivatives	(0.3)	1.6
Fair value adjustment on prepayment option embedded derivative	–	9.5
Loss on disposal of assets	(1.9)	(4.6)
Interest income	2.5	2.1
Transaction costs related to the Richmont acquisition (note 5)	(3.8)	–
Share-based compensation related of replacement awards related to Richmont (note 5)	(1.3)	–
Other	1.9	(2.3)
	($0.6)	**$7.6**

15. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in working capital and income taxes received or paid for the years ended:

	December 31, 2017	December 31, 2016
Amounts receivable	$14.0	($5.7)
Inventory	(15.9)	(16.1)
Advances and prepaid expenses	(4.3)	3.8
Accounts payable and accrued liabilities	(12.1)	(7.5)
Income taxes (paid) refunded	(1.5)	13.2
	($19.8)	**($12.3)**

Interest received	$2.5	$2.1

Other items for the years ended:

	December 31, 2017	December 31, 2016
Unrealized loss (gain) on non-hedged derivatives	$0.3	($1.6)
Gain on prepayment option fair value adjustment	–	(9.5)
Reduction of obligation to renounce flow-through exploration expenditures	(2.3)	(1.3)
Loss on disposal of assets	1.9	4.6
Payment of transaction costs incurred by Richmont Mines (note 5)	(5.9)	–
Share-based payments related to Richmont Mines transaction (note 5)	1.3	–
Other non-cash items	0.8	(2.3)
	($3.9)	**($10.1)**

16. 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 and Island Gold mines operate 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, 2017

	Young-Davidson	Mulatos	Island Gold	El Chanate	Corporate/other[1]	Total
Operating revenues	$249.7	$201.4	$14.9	$76.8	–	**$542.8**
Cost of sales						
Mining and processing	125.9	112.9	4.1	72.7	–	**315.6**
Royalties	4.4	10.6	0.6	–	–	**15.6**
Amortization	83.1	29.5	8.7	4.3	–	**125.6**
	213.4	153.0	13.4	77.0	–	**456.8**
Expenses						
Exploration	–	6.7	–	–	1.6	**8.3**
Corporate and administrative	–	–	–	–	15.5	**15.5**
Share-based compensation	–	–	–	–	6.2	**6.2**
Earnings (loss) from operations	$36.3	$41.7	$1.5	($0.2)	($23.3)	**$56.0**
Finance expense						**(9.1)**
Foreign exchange gain						**5.0**
Other loss						**(0.6)**
Loss on redemption of senior secured notes						**(29.1)**
Earnings before income taxes						**$22.2**

1. Corporate and other consists of corporate balances and exploration and development projects.

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.

(b) Segment assets and liabilities

The following table presents the segment assets and liabilities:

	Total Assets		Total liabilities	
	December 31, 2017	**December 31, 2016**	**December 31, 2017**	**December 31, 2016**
Young-Davidson	$1,580.9	$1,548.9	$243.4	$260.4
Mulatos	350.0	335.5	93.8	88.4
Island Gold	849.6	–	222.5	–
El Chanate	111.4	113.5	24.3	27.8
Corporate/other	421.9	494.3	48.6	356.2
Total assets and liabilities	**$3,313.8**	**$2,492.2**	**$632.6**	**$732.8**

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The Company does not have any non-recurring fair value measurements as at December 31, 2017. 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, 2017		December 31, 2016	
	Level 1	Level 2	Level 1	Level 2
Financial assets				
Fair value through profit or loss				
Prepayment option embedded derivative	–	–	–	9.6
Gold options	–	0.5	–	3.3
Fair value through OCI				
Equity securities	35.8	–	14.1	–
Currency hedging derivative instruments	–	5.0	–	–
Financial liabilities				
Fair value through profit or loss				
Share purchase warrants	(0.1)	–	(2.4)	–
Currency derivative instruments	–	–	–	(3.3)
	$35.7	$5.5	$11.7	$9.6

The methods of measuring financial assets and liabilities has not changed during the year ended December 31, 2017. 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 and forwards (gold and currency) 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.

Derivative Instruments

The fair value of derivative instruments is as follows:

	December 31, 2017	December 31, 2016
Derivatives designated as hedging instruments		
Currency hedging derivative instruments	$5.0	–
Derivatives not designated as hedging instruments		
Gold option asset	$0.5	$3.3
Currency derivative instruments	–	(3.3)
Share purchase warrants liability	(0.1)	(2.4)
	$0.4	($2.4)

Currency derivative contracts

The Company enters into option and forward 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 and forward contracts are for the purchase of local currencies and the sale of US dollars, which settle on a monthly basis, and the Company believes this is an appropriate manner of managing currency risk.

During the year ended December 31, 2017, the Company designated options and forwards as cash flow hedges for the highly probable Canadian dollar and Mexican peso purchases. These derivatives meet the hedge effectiveness criteria and are designated in a hedge accounting relationship as a result of the following factors:

- An economic relationship exists between the hedged item and hedging instrument, as notional amounts match and both the hedged item and hedging instrument fair values move in response to the same risk (foreign exchange rates). There are no significant reasons or causes for the designated hedged item and hedging instrument to be mismatched since the hedging instrument matures during the same month as the expected hedged expenditures is incurred (hedged item). The correlation between the foreign exchange rate of the hedged item and the hedging instrument should be highly correlated and closely aligned as the maturity and the notional amount are the same.

- The hedge ratio is one to one for this hedging relationship, as the hedged item is foreign currency risk that is hedged with a foreign currency hedging instrument.

- Credit risk is not material in the fair value of the hedging instrument.

The Company has identified two sources of potential ineffectiveness: 1) the timing of cash flow differences between the expenditure and the related derivative and 2) the inclusion of credit risk in the fair value of the derivative not replicated in the hedged item. The Company expects the impact of these sources of hedge ineffectiveness to be minimal. The timing of hedge settlements and incurred expenditures are closely aligned, as they are expected to occur within 30 days of each other. As noted above, credit risk is not a material component of the fair value of the Company's hedging instruments, as all counterparties are reputable Canadian banking institutions and are highly rated.

The effective portion of the changes in fair value of the hedging instrument for the years ended December 31, 2017 and 2016 recorded in accumulated other comprehensive income are:

	December 31, 2017	December 31, 2016
Balance, beginning of the period	–	–
Gains on currency instruments	11.2	–
Less: realized gains on CAD currency instruments	(2.2)	–
Less: realized gains on MXN currency instruments	(1.3)	–
Deferred income tax related to hedging instrument	(1.7)	–
	$6.0	–

For the year ended December 31, 2017, the Company did not recognize any ineffectiveness on the hedging instruments.

The open contracts, which settle on a monthly basis, are summarized as at December 31, 2017:

Canadian dollar contracts

Period Covered	Contract type	Contracts (CAD$ Millions)	Average minimum rate (USD/CAD)	Average maximum rate (USD/CAD)
2018	Collars and forwards	174.0	1.31	1.36

Mexican Peso contracts

Period Covered	Contract type	Contracts (MXN Millions)	Average minimum rate (MXN/USD)	Average maximum rate (MXN/USD)
2018	Collars and forwards	1,560.0	18.72	20.71

The fair value of these contracts was an asset of $5.0 million at December 31, 2017 (December 31, 2016 - liability of $3.3 million). For the year ended December 31, 2017, the Company realized gains of $4.3 million on the foreign currency contracts (for the year ended December 31, 2016 - realized losses of $1.6 million). Of these gains only $3.5 million were eligible to be recognized in accumulated other comprehensive income under hedge accounting for the year ended December 31, 2017 (for the year ended December 31, 2016 - $nil).

The following table illustrates unrealized gains on foreign currency contracts for the years ended:

	December 31, 2017	**December 31, 2016**
Foreign currency hedged contracts		
Unrealized gains	$11.2	–
Foreign currency non-hedged contracts		
Unrealized gains	2.1	2.3
	$13.3	**$2.3**

Gold option contracts

As at December 31, 2017, the Company held option contracts to protect against the risk of a decrease in the value of the gold price on a portion of gold sales. These option contracts ensure a minimum average realized gold price of $1,270 per ounce and a maximum average realized gold price of $1,444 per ounce, regardless of the movement in gold prices during 2017.

The following gold collar contracts are outstanding as of December 31, 2017:

Period Covered	Ounces subject to contract	Average purchase put option	Average sold call option
2018	50,100	$1,270	$1,444

The fair value of these contracts was an asset of $0.5 million at December 31, 2017 (December 31, 2016 - asset of $3.3 million). The options mature through out 2018.

For the year ended December 31, 2017, the Company realized a loss of $0.6 million related to the settlement of option contracts (for the year ended December 31, 2016 - realized losses of $1.2 million). Total unrealized losses for the year ended December 31, 2017 was $2.6 million (for the year ended December 31, 2016 - unrealized gain of $3.3 million). The Company has elected to not apply hedge accounting to the gold option contracts, with changes in fair value recorded in net earnings.

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 is 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, 2017, the Company's revenues and cash flows were impacted by gold prices in the range of $1,146 to $1,349 per ounce. Metal price declines could cause the continued development of, and 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, 2017 by $54.3 million (2016 - $48.2 million).

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, 2017 would have increased or reduced other comprehensive income (loss) by $3.5 million (2016 - $1.4 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 10) is variable, however, the Facility was undrawn as at December 31, 2017.

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 $ 2.0 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, that was present at December 31, 2016 was 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, 2017	December 31, 2016
Impact of a 10% change in foreign exchange rates		
Canadian dollar	$7.8	$2.3
Mexican peso	1.5	0.7

The currencies of the Company's financial instruments and other foreign currency denominated liabilities based on notional amounts, denominated in U.S dollar equivalents were as follows:

	Canadian Dollars		Mexican Peso	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Cash and cash equivalents	$17.2	$22.8	$6.8	$7.3
Equity securities	35.8	14.1	–	–
Amounts receivable	7.4	3.3	22.0	38.2
Accounts payable and accrued liabilities	(56.1)	(42.7)	(14.7)	(16.1)
Current portion of financing obligations	(4.2)	(1.5)	–	–
Financing obligations	(3.3)	(3.7)	–	–
Total exposure to currency risk	(3.2)	(7.7)	14.1	29.4

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, 2017	December 31, 2016
Cash and cash equivalents	$200.8	$252.2
Trade receivables	4.0	5.9
Total financial instrument exposure to credit risk	**$204.8**	**$258.1**

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
Operating and financing leases	5.4	5.6	2.0	2.9	15.9
Accounts payable and accrued liabilities	96.8	–	–	–	96.8
Decommissioning liability	–	–	–	54.8	54.8
Contract mining	47.9	72.0	47.8	38.9	206.6
Flow-through share obligation	0.7	–	–	–	0.7
Capital commitments	21.8	–	–	–	21.8
	$172.6	**$77.6**	**$49.8**	**$96.6**	**$396.6**

Contractual obligations exist with respect to royalties (note 20); 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) Equity securities

As at December 31, 2017, the Company held shares in AuRico Metals Inc. ("AuRico Metals") valued at $21.8 million, and an investment in Corex Gold Corp. ("Corex") valued at $3.5 million. As part of the Richmont Mines acquisition, the Company acquired Richmont's investment in Monarques Gold Corp. that had a value of $9.4 million. The Company also has other investments valued at $1.1 million.

18. 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, 2017, total managed capital was $2,688.7 million (2016 - $2,064.3 million).

	December 31, 2017	December 31, 2016
Shareholder's equity	$2,681.2	$1,759.4
Current portion of debt and financing obligations	4.2	3.6
Long-term debt and financing obligations	3.3	301.3
	$2,688.7	**$2,064.3**

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.

19. RELATED PARTY TRANSACTIONS

Remuneration of key management (includes the Company's directors and executive team) for the years ended:

Expense by nature:	December 31, 2017	December 31, 2016
Short-term employee benefits	8.8	7.8
Share-based payments	4.5	4.2
	$13.3	**$12.0**

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.

20. COMMITMENTS

Capital commitments

As of December 31, 2017, the Company has $21.8 million in committed capital purchases (December 31, 2016 - $2.8 million).

Royalties

Production from certain concessions within the Salamandra district, including the Mulatos Mine, is subject to a production royalty payable at a rate of 5% of the value of gold and silver production, less certain deductible refining and transportation costs. Production to a maximum of two million ounces of gold is subject to this royalty. For the year ended December 31, 2017, the royalty was paid or accrued on approximately 1.8 million ounces of applicable gold production. Royalty expense related to the third party royalty was $9.6 million for the year ended December 31, 2017 (2016 - $8.7 million). In addition, royalty expense includes the 0.5% Extraordinary Mining Duty, which totaled $1.0 million for the year ended December 31, 2017, payable to the Mexican government (2016- $0.9 million).

The Company is required to pay a 1.5% net smelter royalty on production from the Young-Davidson mine effective July 2, 2015. For the year ended December 31, 2017, the Company recorded a royalty expense of $3.9 million (2016 - $3.2 million). In addition, other royalties related to production at Young-Davidson totaled $0.5 million for the year ended December 31, 2017 (2016 - $0.5 million).

At the Island Gold mine, the Company is required to pay a 3% net smelter royalty on production from the Lochalsh claims, a 2% net smelter return royalty in addition to a 15% net profit interest royalty per ounce produced from the Goudreau claims, as well, a 4.38% net smelter return royalty and a 10.38% net profit interest royalty per ounce produced from Goudreau Lake property. For the period of ownership, the Company recorded a royalty expense of $0.6 million related to production at Island Gold.

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, 2017 as the project is not in production. The Company is also subject to a 3% state royalty on production in Turkey based on current gold prices, subject to certain deductions.

20. SUBSEQUENT EVENT

Subsequent to December 31, 2017, AuRico Metals was acquired by a third party for CAD $1.80 per share. The Company received $22.1 million in proceeds on its investment, resulting in a gain of $13.2 million, based on an average cost of CAD $0.72 per share. In addition, the Company disposed of its position in Corex for $2.6 million or CAD $0.13 per share, resulting in a gain of $0.6 million, based on an average cost of CAD $0.10 per share. These gains will be recorded within equity in the first quarter of 2018.

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 23, 2018

/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 23, 2018

/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, 2017, 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 23, 2018

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, 2017, 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 23, 2018

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333 Bay Street
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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors of Alamos Gold Inc.

We consent to the use in this annual report on Form 40-F of:

- our Report of Independent Registered Public Accounting Firm, dated February 21, 2018, on the consolidated financial statements of Alamos Gold Inc. (the "Company"), comprising the consolidated statements of financial position as at December 31, 2017 and December 31, 2016, the consolidated statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and the related notes, comprising a summary of significant accounting policies and other explanatory information, and

- our Report of Independent Registered Public Accounting Firm, dated February 21, 2018, on the effectiveness of the Company's internal control over financial reporting as of December 31, 2017,

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, 2017.

Our report on the consolidated financial statements refers to a change in accounting principle relating to the Company's adoption of IFRS 9 - Financial Instruments effective January 1, 2017.

Our report on the effectiveness of internal control over financial reporting as of December 31, 2017 contains an explanatory paragraph that states that the Company acquired Richmont Mines Inc. during 2017, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2017, Richmont Mines Inc.'s internal control over financial reporting associated with total assets of $849,600,000 and total revenues of $14,900,000 included in the consolidated financial statements of the Company as of and for the year ended December 31, 2017. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Richmont Mines Inc.

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 23, 2018
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, 2017 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, 2017, 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 23, 2018

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, 2017 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, 2017, 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 23, 2018

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, 2017 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, 2017, 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 23, 2018

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, 2017 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, 2017, 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 23, 2018

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, 2017 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, 2017, 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 23, 2018

By: */s/ Aoife McGrath*
Name: Aoife McGrath

CONSENT OF EXPERT

I, Raynald Vincent, 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, 2017 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, 2017, 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 23, 2018

By: */s/ Raynald Vincent*
Name: Raynald Vincent

CONSENT OF EXPERT

I, Léon Grondin Leblanc, 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, 2017 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, 2017, 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 23, 2018

By: */s/ Léon Grondin Leblanc*
Name: Léon Grondin Leblanc