UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

(Check One)

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

or

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

For the fiscal year ended December 31, 2018 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
Class A 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:**None**

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

x Annual Information Form x 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: 389,074,406 Class A Common Shares.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes x No o

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 o

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 o

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. o

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 22, 2019 for the Year Ended December 31, 2018 (filed as Exhibit 99.1 hereto);

(b) Management's Discussion and Analysis for the Year Ended December 31, 2018 (filed as Exhibit 99.2 hereto); and

(c) Annual Audited Consolidated Financial Statements for the Year Ended December 31, 2018, including Consolidated Statements of Financial Position as at December 31, 2018 and December 31, 2017 and Consolidated Statements of Comprehensive (Loss) Income, Changes in Equity and Cash Flows for the Years Ended December 31, 2018 and December 31, 2017 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, 2018, 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 22, 2019 for the Year Ended December 31, 2018, 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, 2018, Alamos's principal executive officer and principal financial officer carried out an evaluation of the effectiveness of Alamos's "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based upon that evaluation, Alamos's principal executive officer and principal financial officer have concluded that as of the end of that fiscal year Alamos's disclosure controls and procedures were effective to ensure that information required to be disclosed by Alamos in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission (the "SEC") rules and forms and (ii) accumulated and communicated to the registrant's management, including its principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

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

(c) Management's Annual Report on Internal Control Over Financial Reporting. Management's annual report on internal control over financial reporting appears under the heading "Internal Control over Financial Reporting" in Management's Discussion and Analysis for the Year Ended December 31, 2018 (filed as Exhibit 99.2 hereto), and is hereby incorporated by reference herein.

(d) Attestation Report of the Registered Public Accounting Firm. KPMG LLP ("KPMG"), the independent registered public accounting firm that audited Alamos's consolidated financial statements for the fiscal year ended December 31, 2018, has issued its opinion on the effectiveness of Alamos's internal control over financial reporting as of December 31, 2018 (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, 2018, 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 Elaine Ellingham, 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 Elaine Ellingham 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, 2018, 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, 2018 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, Elaine Ellingham 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, Elaine Ellingham, 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 Joëlle Lecours-Bouchard, Corporate Counsel and Acting 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, 2018, 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 22, 2019

ALAMOS GOLD INC.

By: /s/ James Porter

Name: James Porter

Title: Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
99.1	Annual Information Form, dated March 22, 2019, for the Year Ended December 31, 2018
99.2	Management's Discussion and Analysis for the Year Ended December 31, 2018
99.3	Annual Audited Consolidated Financial Statements for the Year Ended December 31, 2018, including Consolidated Statements of Financial Position as at December 31, 2018 and December 31, 2017 and Consolidated Statements of Comprehensive (Loss) Income, Changes in Equity and Cash Flows for the Years Ended December 31, 2018 and December 31, 2017 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, 2018, 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 Christopher Rockingham
99.14	Consent of Raynald Vincent
99.15	Consent of Nathan Bourgeault
101.INS	XBRL Instance Document
101.SCH	Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document



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

ANNUAL INFORMATION FORM

for the year ended December 31, 2018

March 22, 2019

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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 22, 2019, 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	2018	2017	2016
Closing	$0.7330	$0.7971	$0.745
Average	$0.7721	$0.7708	$0.755
High	$0.8138	$0.8245	$0.797
Low	$0.7330	$0.7276	$0.685

The exchange rate on March 22, 2019, as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars was USD$0.7457 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.

Normal Course Issuer Bid

On December 20, 2018, the Company announced that it filed with and received acceptance from the Toronto Stock Exchange (the “TSX”) to make a Normal Course Issuer Bid permitting the Company to purchase for cancellation up to 25,513,043 Class A Common Shares (“Common Shares”), representing ten (10) percent of the Company’s public float of the Common Shares as of December 14, 2018. The share purchase will take place between December 24, 2018 and ending December 23, 2019. Any purchases made by the Company will be effected through the facilities of the TSX, alternative Canadian trading systems and/or the New York Stock Exchange. The maximum number of Common Shares that Alamos may purchase on the TSX on a daily basis, other than block purchase exceptions, is 191,200 Common Shares.

The price for any repurchased Common Shares will be the prevailing market price at the time of the purchase. All Common Shares purchased by Alamos will be cancelled. Purchase and payment for the Common Shares will be made by Alamos in accordance with the requirements of the TSX and applicable securities laws.

From January 1, 2019 to the period ended March 22, 2019, the Company repurchased and subsequently cancelled 2,565,752 Common Shares under the current NCIB on the TSX and other markets for an average price per share of USD $4.12.

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 contained herein:

- 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, 2018 and December 31, 2017 can be found in the Company's MD&A for the year ended December 31, 2018 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 as issued by the International Accounting Standards Board, 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

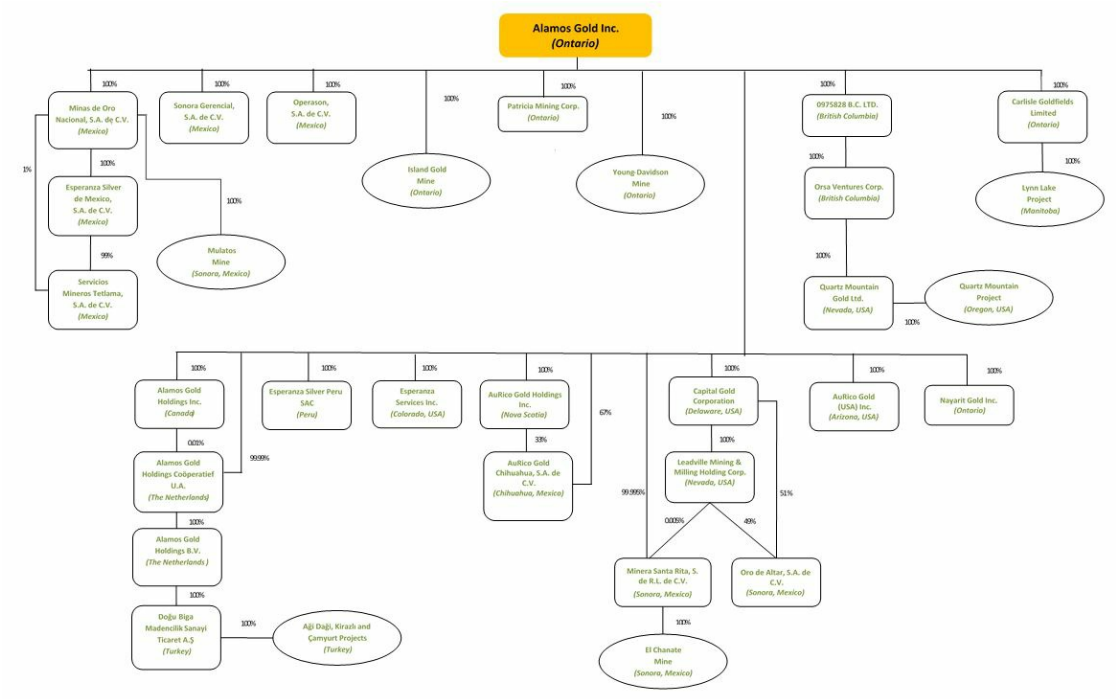
The name of the Company is Alamos Gold Inc. The Company's principal place of business and registered office is Brookfield Place, 181 Bay Street, Suite 3910, Toronto, Ontario M5J 2T3.

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 amalgamated with Richmont Mines Inc. (" **Richmont**") under section 182 of the OBCA pursuant to the articles of amalgamation dated August 1, 2018, with the resulting amalgamated company continuing under Alamos Gold Inc.

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$2.7 billion as of March 22, 2019.

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 2018, the Young-Davidson Mine produced 180,000 ounces of gold, the Island Gold Mine produced 105,800 ounces of gold, the Mulatos Mine produced 175,500 ounces of gold and the El Chanate Mine produced 43,700 ounces of gold for total gold production of 505,000 ounces. Alamos also owns the development-stage Ağı Dağı, Kirazlı and Çamyurt Projects in the Biga district of northwestern Turkey; the Esperanza Gold Project in Morelos State, Mexico, the Quartz Mountain Property in Oregon, USA, and the Lynn Lake Gold Project in Lynn Lake, Manitoba.

Three-Year History

- 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 consisted 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.

- On October 6, 2016, the Company 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 Kirazli 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 Kirazli and Aðý Daðý Projects; as well, a preliminary economic assessment on its Çamyurt Project.
- On March 31, 2017, the Company filed a technical report for its Kirazli 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 Aðý Daðý and Çamyurt gold projects, located in the Canakkale Province in northwestern Turkey. The report included results from the feasibility study conducted on Aðý Daðý 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 for $627 million. Under the terms of the Transaction, all Richmont issued and outstanding common shares were exchanged based on 1.385 Alamos common shares for each Richmont common share.
- On January 25, 2018, the Company filed a technical report for its Lynn Lake gold project, located in Manitoba, Canada in accordance with NI 43-101.
- On July 25, 2018, the Company announced it was granted the GSM (Business Opening and Operation) permit required for the development of its Kirazli project, by the Çanakkale Governorship in Turkey.
- In the third quarter of 2018, the Company successfully commissioned the Phase I expansion at Island Gold on schedule in the third quarter, increasing mill capacity to 1,100 tonnes per day.\
- On September 14, 2018 and November 16, 2018 respectively, the Company successfully obtained the Cerro Pelon MIA (Environmental Impact Assessment) and Cerro Pelon CUS (Change of Land Use) permits for the high return Cerro Pelon project in Mexico and commenced full scale construction.
- On November 14, 2018, Alamos received the Schedule 2 Amendment from the Federal government for a new tailings facility at Young-Davidson, securing tailings capacity for all existing Mineral Reserves and Resources.
- On December 20, 2018, the Company announced a Normal Course Issuer Bid through which it intends to purchase for cancellation up to 25,513,043 Common Shares over a twelve-month period beginning December 24, 2018 and ending December 23, 2019. To date, the number of Common Shares repurchased under the Normal Course Issuer Bid is 2,565,752.
- On March 1, 2019, the Company announced receipt of the Operating Permit for its Kirazli Project in Turkey.

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 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, Canadian dollars, Mexican pesos and Turkish lira 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 several 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 certain 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, require payment of taxes due from previous years or result in significant penalties on any assessed and unpaid taxes, which could adversely affect the Company's profitability. Taxes may also adversely affect the Company's ability to repatriate earnings and otherwise deploy its assets.

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

The ability of the Company to continue the exploration and development of its property interests will be dependent upon its ability to increase revenues from its existing production and planned expansions, and potentially raise significant additional financing thereafter. The sources of external financing that the Company may use for these purposes may include project debt, corporate debt or equity offerings. There is no assurance that the financing alternative chosen by the Company will be available to the Company,

on favourable terms or at all. Depending on the alternative chosen, the Company may have less control over the management of its projects. There is no assurance that the Company will successfully increase revenues from existing and expanded production. Should the Company not be able to obtain such financing and increase its revenues, it may become unable to acquire and retain its exploration properties and carry out exploration and development on such properties, and its title interests in such properties may be adversely affected or lost entirely.

Production, Mining and Operating Risks

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

The Young-Davidson, Island Gold, Mulatos and El Chanate Mines accounted for all the Company's commercial production in 2018 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 or Mulatos 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 and Kirazli project in Turkey. Technical considerations, delays in obtaining governmental approvals, inability

to obtain financing or other factors 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. 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, including asserting rights or claims under relevant treaties, 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 and continues to experience 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 influence over 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 and delays in obtaining permits or licenses. Operations may also be affected to varying degrees by changes in government regulations with respect to requirements that certain contracts be denominated in Turkish Lira, 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.

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 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 of 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 the Company's assets that are located outside of 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 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 is 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.

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

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, snowfall 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.

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 approximately 11,698 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 6,500 tonnes per day, a conventional flotation and carbon-in-leach ("**CIL**") mill and associated infrastructure. The mine has been in continuous operation since 2012.

Property Description, Location and Access

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

The Company holds 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 owns or holds the rights to 557 tenures consisting of patented fee simple and/or leasehold mineral rights and surface rights claims, a mining licence of occupation, and cell claims, covering approximately 5,587 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 affected almost 424,000 tonnes of the now exhausted open pit; and

(iii) a 1.5% net smelter return due to Triple Flag Mining Finance Ltd., 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 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 year-round.

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 unconformably 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. Unconformably 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 December 31, 2018 a total of 421,454 m of surface and underground diamond drill holes have been completed. Except for 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 from 2016 to 2018.

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 has been undertaken since 2015.

From 2009 to 2018 a total of 2,210 underground infill drill holes were completed for a total of 284,460 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 muck, 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, CRMs, 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 has been 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 raise boring of the Northgate shaft was completed to the ultimate depth of 1,500 m and ground supporting of the shaft was completed in 2018. Completion of the lower mine development and the tying in of the Northgate shaft extension is expected to be completed by mid-2020. 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 1,200 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 using 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. Below the 9,400 m level sub-levels are being developed on 35 m intervals. Given the significant orebody widths it is expected that approximately 90% of the remaining reserves will be transversely mined. The mine operates scoop trams to load, haul and transfer

stope production to the ore pass system from where it is hoisted to the surface via two 17.5 tonne skips in the Northgate shaft. Upon commissioning of the lower mine, 24.5 tonne skips will be employed.

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 13 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 440 persons. The mine operates seven days a week with two 10.5 hour shifts per day working 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 test work. 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 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 $7.9 million which it expects to settle during 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 2017 and 2018 and guidance for 2019 production, operating costs and capital are depicted below.

		2017 Actual	2018 Actual	2019 Guidance
Gold Production	(ounces)	200,000	180,000	180,000-190,000
Cost of sales, including amortization	($/ounce)	1,078	1,266	1,220
Total Cash Costs[1]	($/ounce)	658	822	750-790
Mine Site All-in Sustaining Costs[1]	($/ounce)	834	1,017	940-980
Capital	($ millions)	80	87	80-90

(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, 2018 and 2017 can be found in the Company's MD&A for the year ended December 31, 2018 as available on www.sedar.com.

2019 Outlook

Gold production at the Young-Davidson Mine is expected to increase approximately 3% in 2019 to between 180,000 and 190,000 ounces. Underground mining rates are expected to be approximately 6,500 tpd in 2019.

Underground mined grades are expected to be consistent with the mineral reserve grade of 2.65 g/t Au in 2019, though can vary as much as 10% from quarter to quarter. Mill throughput is expected to range between 6,500 and 7,800 tpd. Milled grades are expected to range between 2.35 and 2.65 g/t Au with lower grade surface stockpiles continuing to supplement higher grade underground ore until mid-year. Mill recoveries are expected to range between 90% and 92%.

Total cash costs are expected to average $750-790 per ounce gold sold in 2019, a 7% decrease from 2018. Mine-site all-in sustaining costs are expected to average $940-980 per ounce.

The Company remains focused on completing the lower-mine expansion at Young-Davidson. Capital is expected to total between $80 million and $90 million in 2019, including $35 million to $40 million of sustaining capital. Spending in 2019 will be focused on the ongoing development of the upper and lower mine, lower mine infrastructure, and preparatory construction works for the new tailings facility. The Company expects stronger free cash flow in the second half of 2020 reflecting higher production rates and lower capital spending.

Gold production from Young-Davidson is expected to decrease in 2020 reflecting approximately three months of downtime of the Northgate shaft to complete the tie-in of the upper and lower mines. This will temporarily limit underground throughput and impact three months of production during the first half of 2020. Following completion of the tie-in, underground mining rates are expected to ramp up above 7,500 tpd in the second half of 2020 and towards the long-term target of 8,000 tpd in 2021. This is expected to drive annual gold production above 200,000 ounces per year in 2021 and beyond. Combined with declining costs and capital spending, the Company expects strong free cash flow growth from Young-Davidson starting in the second half of 2020.

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 or holds 100% of the mineral rights to all 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 813 tenures consisting of patented fee simple and/or leasehold mining rights and surface rights claims, mining licences of occupation and cell claims covering approximately 9,205, 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 2% NSR royalty payable to Osisko as to a 69% interest and to Teck Resources Limited as to a 31% interest, 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 was 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.

On August 1, 2018, Richmont and Alamos amalgamated to become Alamos.

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.

In 2018, the Company also expanded its focus on regional exploration over its 9,011 hectares land position. This work included the establishment of a comprehensive exploration database, relogging of drill core on a section by section basis and a property scale 2,170-line km (100 m line spacing) high resolution airborne gravity gradiometric survey (AGGHeliFALCON®). This work, and interpretation of the gravity survey, will continue in 2019 along with establishing a regional exploration team.

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 $19 million exploration million budget in 2019 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 invested $18.2 million on exploration in 2018, a 28% increase over the $14.2 million spent in 2017. 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, 82,000 m in 2017. A total of 140,896 m of drilling in 719 holes was completed in 2018. Drilling in 2018 included 48,942 m of surface directional exploration drilling, 8,783 m of regional exploration drilling, 25,378 m of underground exploration drilling, 20,752 m of underground definition drilling and 37,041 m of underground delineation drilling.

The focus of the 2018 exploration drilling program was to expand the down-plunge and lateral extensions of the Island Gold deposit with the objective of adding new near mine Mineral Resources across the two-kilometre long Island Gold Main Zone.

Drilling completed in 2018 was successful in extending high grade gold mineralization across all three areas of focus, including the Main, Western and Eastern Extensions. This has translated into significant growth in both Mineral Reserves and Resources as detailed in the mid-year (June 30, 2018) update (see press release dated September 5, 2018).

Highlights of drilling program completed in 2018 include:

Western Extension

Surface drilling in the Western Extension area ramped up in the second half of 2018 with only two holes completed during the first half of the year. Several notable intersections completed since the mid-year Mineral Reserve and Resource update have continued to extend high-grade mineralization laterally and down-plunge from existing Inferred Mineral Resources. Highlights from the new drill results include:

- 152.07 Au (35.74 g/t cut) over 5.00 m (MH16-03);
- 12.98 g/t Au (12.98 g/t cut) over 6.35 m (MH16-01); and
- 9.64 g/t Au (9.64 g/t cut) over 4.15 m (MH16-02).

Drill holes MH16-01, MH16-02, and MH16-03 all intersected and extended high-grade gold mineralization up to 200 m down-plunge from a previously defined Inferred Mineral Resource block. Hole MH16-03 (152.07 Au (35.74 g/t cut) over 5.00 m) is significant as the deepest and best surface directional intersection drilled to date in the Western Extension.

Drilling will continue in 2019 in the Western Extension area using 75 to 100 m spaced step-out drilling with the objective of expanding the high-grade mineralization where it remains open both laterally and down-plunge.

Main Extension

Surface directional drilling continues to target the lateral and down-plunge continuation of gold mineralization below existing Mineral Reserves and outside of Inferred Mineral Resources. As reported in the mid-year 2018 Mineral Reserve and Resource update a total of 390,000 ounces of Inferred Mineral Resources were added within the Main Extension area.

Drilling since the mid-year 2018 update has been successful in further extending gold mineralization with drill hole spacing ranging from 75 to 100 m. Underground exploration drilling also commenced in the fourth quarter of 2018 from drilling platforms established on the 840 level. Gold mineralization has been extended nearly one kilometre to the east of existing mine workings and this east-plunging high-grade ore shoot remains open both laterally and down-plunge. New highlights from the new surface and underground drill results include:

- 56.60 g/t Au (44.03 g/t cut) over 4.81 m (MH17-01);
- 45.14 g/t Au (34.73 g/t cut) over 3.14 m (MH12-4);
- 11.11 g/t Au (11.11 g/t cut) over 2.98 m (MH13-1);
- 12.02 g/t Au (12.02 g/t cut) over 3.68 m (MH17-02); and
- 8.35 g/t Au (8.35 g/t cut) over 3.62 m (840-542-58).

Drill hole MH17-01 (56.60 g/t Au (44.03 g/t cut) over 4.81 m), one of the best surface directional intersections to date, extended high-grade gold mineralization 90 m above the nearest previously drilled intercept, MH13 (118.58 g/t Au (39.99 g/t cut) over 6.66 m). MH13 was recently reported in the November 5, 2018 exploration update as the best surface directional intercept drilled to date. MH17-01 and MH17-02 (12.02 g/t Au (12.02 g/t Au cut) over 3.68 m) are significant in that they have extended high-grade mineralization up-plunge towards the Eastern Extension and closed the gap with existing Inferred Mineral Resources to approximately 500 m. Very limited drilling has been completed to date in this area between the Eastern and Main Extensions. A focus of the 2019 program will be testing the potential continuity of high-grade mineralization between these two areas.

Drill hole MH12-4 (45.14 g/t Au (34.73 g/t cut) over 3.14 m) continued to expand mineralization vertically below a currently known Inferred Mineral Resource block containing 372,600 ounces grading 10.22 g/t Au. This builds confidence upon the recently reported intersections, MH12-1 (15.08 g/t Au (15.08 g/t cut) over 2.66 m) and MH12-2 (21.50 g/t Au (13.70 g/t cut) over 7.80 m), which are located 130 m and 40 m to the east, respectively (see press release November 5, 2018).

The 2019 exploration program will focus on further extending high-grade mineralization with the objective of defining additional Mineral Resources in this area. Four diamond drill rigs will continue to be active in the Main Extension target area.

Eastern Lateral Exploration

As reported in the press release dated November 5, 2018, underground exploration drilling from the 620-level exploration drift continued to intersect high-grade mineralization at depth and to the east including hole 620-605-06 (46.13 g/t Au (44.17 g/t cut) over 2.83 m) which was the eastern most hole drilled from the 620-level. Based on the positive drill results, the decision was made to continue to extend the 620-level exploration drift 150 m further to the east to establish drill platforms for continued underground exploration drilling in 2019.

Underground exploration diamond drilling from the 620 level was targeting an area between two resources blocks. New highlights include hole 620-582-11 which intersected 10.65 g/t Au (cut) over 2.94 m and hole 620-582-08 which intersected 4.11 g/t Au (cut) over 4.97 m. This will allow for these two mineral resources blocks to be connected adding to mineral resources in this area.

In addition, 75 m to 100 m spaced step-out directional drilling is planned from surface in 2019 to test the area east of the underground exploration drift between the 850 and 1150 m vertical depths and previously reported high-grade intersections approximately 350 m further to the east.

Underground Delineation Drilling

Underground delineation drilling is also being carried out from the 450, 620, 730, and 840 levels with the focus on converting Inferred Mineral Resources to Indicated Mineral Resources.

New highlight drill intercepts include:

- 45.64 g/t Au (45.64 g/t cut) over 2.09 m (450-467-66);
- 40.79 g/t Au (40.79 g/t cut) over 2.21 m (450-467-72);
- 33.45 g/t Au (33.45 g/t cut) over 2.49 m (450-467-80);
- 34.74 g/t Au (29.07 g/t cut) over 2.67 m (620-582-04);
- 29.89 g/t Au (18.48 g/t cut) over 3.81 m (620-582-12);
- 25.52 g/t Au (22.94 g/t cut) over 3.53 m (620-582-13);
- 17.74 g/t Au (17.74 g/t cut) over 3.00 m (840-542-27); and
- 47.61 g/t Au (33.33 g/t cut) over 2.24 m (840-542-52).

The results from the infill delineation drilling within existing Inferred Mineral Resource blocks continue to confirm the continuity of the high-grade gold mineralization and are expected to support the conversion of the Mineral Resources to Mineral Reserves in these areas.

Other Zones

The Island Gold Deposit consists of a number of subparallel mineralized zones, with the majority of Mineral Reserves and Resources being defined in the C Zone and E1E Zones which constitutes the main production horizons at the Island Gold mine. Highlights of new intersections in parallel zones and zones in which the lateral continuity is not yet established ("Unknown Zone") include (reported composite intervals are core lengths):

- 51.80 g/t Au (37.80 g/t cut) over 7.10 m (MH14-2);
- 26.58 g/t Au (20.74 g/t cut) over 4.60 m (MH17-01);
- 11.98 g/t Au (10.01 g/t cut) over 5.85 m (MH17-01);
- 15.14 g/t Au (15.14 g/t cut) over 3.50 m (MH13); and
- 36.29 g/t Au (36.29 g/t cut) over 1.70 m (MH14-2).

Additional drilling will be required to further evaluate these high-grade intersections and their potential in both the footwall and hanging wall of the main C and E1E Zones.

Surface Regional Exploration Drilling

8,783 m of a planned 12,000 m regional exploration drilling program was completed between September and December to drill test targets along the Goudreau Deformation Zone to the west of the main Island Gold Mine deposit and at the Kremzar Gold Deposit.

New drill hole AR-390-01 intersected 7.03 g/t Au (7.03 g/t cut) over 5.50 m in a previously unknown gold-bearing structure with similar alteration and mineralization associated with gold mineralization at the Island Gold Mine within the Goudreau Deformation Zone. This zone is located approximately 600 m west of the existing Island Gold Mine Reserves and Resources blocks.

Drilling at the Kremzar Gold Deposit targeted below and laterally from a previously reported high-grade intercept of 9.71 g/t Au over 5.95 m. Drilling was successful in intersecting significant deformation zones with strong biotite alteration and quartz veining, which returned anomalous gold values such as 2.15 g/t Au over 5.15 m (13.90 m core length) in hole KZ-18-02 and 0.6 g/t Au over 3.34 m (8.50 m core length), warranting further exploration drilling. Assays are pending for two other Kremzar drill holes.

Deep Directional Drilling

In 2019, the exploration program will continue in three key target areas, as highlighted below:

- The deep directional exploration drilling program (48,000 m) 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.
- 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 continue to 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 2019.

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 2015, 2016, 2017 and 2018 was 96.8%, 96.5%, 96.8%, and 96.2% 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 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 primary 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. In 2019 transverse long hole mining will be introduced in areas where the orebody widths warrant it. After ore extraction, stopes are backfilled with unconsolidated waste rock fill. In 2019 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, long hole drilling, and some waste development, 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 completed a mill expansion to 1,100 tpd 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. The Company has recorded an asset retirement obligation liability of $5.7 million which it expects to settle during mining and on closure.

Capital and Operating Costs

The Island Gold Mine was acquired by the Company in late November 2017. Actual results for 2017 and 2018 and guidance for 2019 production, operating costs and capital are summarized below.

		2017 Actual[1]	2018 Actual	2019 Guidance
Gold Production	(ounces)	98,800	105,800	135,000-145,000
Cost of sales, including amortization	($/ounce)	882	1,009	880
Total Cash Costs[2]	($/ounce)	420	589	460-500
Mine Site All-in Sustaining Costs[1]	($/ounce)	599	781	730-770
Capital	($ millions)	33	50	50-60
Capitalized exploration	($ millions)	1	16	18

(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, 2018 and 2017 can be found in the Company's MD&A for the year ended December 31, 2018 as available on www.sedar.com.

2019 Outlook

Island Gold is expected to produce 135,000 to 145,000 ounces of gold in 2019, substantially more than was produced in 2018. Mine-site all-in sustaining costs are expected to average $730-770 per ounce of gold sold, down from 2018 reflecting lower operating costs. Total cash costs are expected to average $460-500 per ounce.

Underground mining rates and milling rates are expected to average 1,100 tpd. Milled grades are expected to range between 10.5 and 11.5 g/t Au. Mill recoveries are expected to range between 96 and 97%.

The 2019 capital budget for Island Gold is between $50 million and $60 million. This includes sustaining capital of between $35 million and $40 million. Capital spending will be focused on ongoing underground development and upgrading surface infrastructure.

The Phase I expansion at Island Gold was completed in September 2018, expanding the mill to a design capacity of approximately 1,200 tpd. The current mine infrastructure can support similar mining rates; however, the operation is currently permitted to operate at an average annual rate of 1,100 tpd. With a mine and mill that can support higher throughput rates, the Company is in the process of permitting an amendment to 1,200 tpd which is expected to be received by the end of 2019 as part of a Phase II expansion. In parallel, the Company has started an evaluation of a potential Phase III expansion of the operation beyond 1,200 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, 2018, the royalty had been paid or accrued on approximately 1.97 million ounces of applicable gold production and is expected to reach the capped amount of two million ounces by the first quarter of 2019.

The Mulatos Group of Concessions is 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. Mining at San Carlos ceased in the third quarter of 2018.

In September 2017, the Company completed construction of La Yaqui Phase I, ahead of schedule and on budget ($13 million), and is expected to contribute production until the end of 2019.

During the fourth quarter of 2018, the Company received approval of the MIA and CUS permits for Cerro Pelon and commenced full scale construction. As a higher grade, high return project, Cerro Pelon is expected to start contributing low cost production in 2020, driving down combined Mulatos District costs.

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 2018 at the Carricito prospect with mapping and sampling followed by 5,283 m of drilling in 13 holes.

Overall, a total of 20,762 m of drilling was undertaken at Mulatos in 2018, along with the ongoing program of surface mapping with the objective of producing a complete surface geology map of the mineral tenure area. An airborne geophysical survey of 4,042 line km was flown using a Versatile Time Domain Electromagnetic system ("VTEM"). This system measures conductivity and magnetic intensity to identify and define areas of resistivity (the inverse of conductivity) which are potential lithocaps (residual silica and advanced argillic alteration) that are indicators of an epithermal mineralizing system that may contain gold.

Drilling

Drilling statistics for 2018 and project-to-date are presented below:

2018 Core Drilling

Zone Drilled	Drill Holes Completed (# 2018)	Total # Drill Holes on Project	Drilling 2018(m)	Total Drilling on Project (m)
La Yaqui	39	452	3,975	81,158
San Carlos	25	389	3,129	53,733
Cerro Pelon	6	180	530	29,862
El Refugio	5	31	1,418	7,831
Los Bajios		29		9,075
Halcon	15	39	3,791	7,948
Mulatos Deposit		659		93,460
All others areas	17	59	3,944	11,433
Total	**107**	**1,838**	**16,787**	**294,500**

2018 Reverse Circulation Drilling

Zone Drilled	Drill Holes Completed (# 2018)	Total # Drill Holes on Project	Drilling 2018 (m)	Total Drilling on Project (m)
La Yaqui	36	217	3,975	31,294
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	2,154	0	342,360
All others areas	0	293	0	50,600
Total	**36**	**3,291**	**3,975**	**562,164**

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

The San Carlos underground orebody was mined out in 2018 and no further work is planned in this immediate area.

2019 Exploration Outlook for Mulatos

Alamos plans to continue its exploration program in 2019 with 10,000 m of drilling budgeted Surface mapping and sampling will continue over a number of target areas across the property. The primary focus of the drilling will be newly recognized underground targets in the Gap between the Victor and Mulatos pit where previous drilling had intersected sulfide hosted gold mineralization that was too deep for open pit extraction, as well as similar targets along the Puerto Del Aire trend. Core relogging will be focussed on potential underground targets in the areas below and adjacent to open pit areas.

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 the 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 complex, the La Yaqui Phase 1 open pit, as well as the Cerro Pelon open pit currently in construction. Mining in the Mulatos 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, 2018 (including stockpiled ore) the Mulatos open pit complex has a remaining life of four 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. Mining at the San Carlos underground was completed in the third quarter of 2018.

During the fourth quarter of 2018, the Company commenced full scale construction at Cerro Pelon. Ore from Cerro Pelon will be trucked to the Mulatos complex for processing.

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 to 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.

With the depletion of the San Carlos underground the high grade mill has been placed on care and maintenance.

The heap leach pads and processing facilities will continue to run for approximately two to 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 began 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 in late 2019.

The Company is permitted to mine its mineral 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 $27.4 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 2017 and 2018, and guidance for 2019 production, operating costs and capital are depicted below.

		2017 Actual	2018 Actual	2019 Guidance
Gold Production	(ounces)	160,000	175,500	150,000-160,000
Cost of sales, including amortization	($/ounce)	961	989	1,065
Total Cash Costs[(1)]	($/ounce)	775	786	820-860
Mine Site All-in Sustaining Costs[(1)]	($/ounce)	835	855	860-900
Capital[(2)]	($ millions)	37	32	50-55
Capitalized exploration	($ millions)	7	3	3

(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, 2018 and 2017 can be found in the Company's MD&A for the year ended December 31, 2018 as available on www.sedar.com.

(2) 2017 includes $13 million for La Yaqui Phase I construction; 2019 includes $33 million for Cerro Pelon and La Yaqui Grande

2019 Outlook

Total production from the Mulatos district (including La Yaqui Phase I) is expected to be between 150,000 and 160,000 ounces of gold in 2019. Mine-site all-in sustaining costs are expected to be between $860 and $890 per ounce of gold sold and total cash costs are expected to be between $820 and $860 per ounce per ounce sold, both are higher than 2018 due to the cessation of mining at the San Carlos underground.

Open pit grades mined and stacked on the heap leach pad are expected to range between 0.80 and 1.00 g/t Au (including La Yaqui) with stacked grades. The combined operating waste to ore ratio is expected to range between 1.0:1 and 1.2:1.

Total crusher throughput (excluding mill throughput) is expected to increase to an average 20,500 tpd in 2019, up from 18,858 tpd in 2018 reflecting operational improvements in the Mulatos crushing system and the start of crushing at Cerro Pelon. The combined recovery ratio is expected to average 70%.

Capital spending at Mulatos is expected to total $50 million to $55 million including $5 million of sustaining capital, $25 million to complete construction of Cerro Pelon, $5 million for a leach pad expansion and $8 million to complete engineering, permitting and early stage construction activities of La Yaqui Grande. Total capital spending is up from the 2018 actual of $35 million.

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 2019 and 2021, at declining costs. The decline will be driven in part by the end of the 5% NSR royalty at Mulatos in early 2019

OTHER MINERAL PROPERTIES

El Chanate (Mexico)

Mining activities ceased at El Chanate in the fourth quarter of 2018 and the operation has transitioned to residual leaching which will result in a declining rate of production through 2019. Mine-site all-in sustaining costs are expected to average $1,200 per ounce in 2019, with approximately 25% of those costs having been already incurred.

Kirazlý, Aði Daði, and Çamyurt (Turkey)

During the first quarter of 2017, the Company reported results from the positive feasibility studies conducted on the Kirazlý and Aði Daði 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.

Kirazlý 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 Kirazlý Feasibility Study, see the Company’s news release dated February 15, 2017. The Feasibility Study was filed on SEDAR on March 31, 2017.

Aði Daði 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 Aði Daði 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 Aði Daði.

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 Aði Daði 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 Aði Daði 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 Aði Daði has been depleted in order to utilize the infrastructure at Aði Daði 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 2019 capital budget for Kirazlý is $75 million which will be focused on construction and development of the project. Development activities including completion of power line and water reservoir started in 2018, and the major site civil works. The road relocation was competed in 2018. The water reservoir and powerline were 50% and 85% complete respectively, at year end 2018.

The Company has been granted the Environmental Impact Assessment, Forestry Permits, and the GSM (Business Opening and Operation) permit for Kirazlý. On March 1, 2019, the Company reported it has been granted the Operating Permit from the Turkish Department of Energy and Natural Resources allowing for the start of earthworks on the open pit area of the Kirazlý project. There are several additional permits required prior to the start of gold production at Kirazlý, which the Company expects to receive in due course. The Company spent approximately $21 million of Kirazlý's initial capital estimate of $152 million in 2018.

The remainder of Kirazlý's initial capital will be spent in 2020 with initial gold production expected by the end of 2020. Kirazlý 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 2019 and 2021, 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 2019 capital budget for Lynn Lake is $11 million, comprised of $5 million for development activities and $6 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.

December 31, 2018 Reserves and Resources

At December 31, 2018, Alamos' total proven and probable gold mineral reserves were 9.7 million gold ounces, a 0.1 million ounce decrease from 2017. This decrease in proven and probable mineral reserves is attributable to depletion at the Company's operating mines, partially offset by the conversion of mineral resources to mineral reserves at the Company's Island Gold and MacLellan deposits. The Company's mineral reserve and mineral resource estimates have been estimated as at December 31, 2018 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, 2018:

PROVEN AND PROBABLE GOLD RESERVES (as at December 31, 2018)

	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	219	0.83	6	0	0.00	0	219	0.83	6
Young-Davidson - Underground	12,636	2.79	1,133	25,084	2.63	2,123	37,720	2.69	3,256
Total Young-Davidson	**12,855**	**2.76**	**1,139**	**25,084**	**2.63**	**2,123**	**37,939**	**2.67**	**3,262**
Island Gold	**948**	**12.09**	**368**	**2,100**	**9.46**	**639**	**3,047**	**10.28**	**1,007**
Mulatos Main Pits	2,268	0.97	71	13,175	0.86	363	15,443	0.87	434
Stockpiles	10,663	1.25	429	0	0.00	0	10,663	1.25	429
La Yaqui	215	0.99	7	571	0.87	16	786	0.90	23
La Yaqui Grande	0	0.00	0	15,945	1.26	643	15,945	1.26	643
Cerro Pelon	998	2.02	65	2,123	1.82	124	3,121	1.88	189
Total Mulatos	14,144	1.26	571	31,814	1.12	1,146	45,958	1.16	1,717
MacLellan	11,604	1.89	705	11,650	1.34	500	23,254	1.61	1,206
Gordon	2,311	2.82	210	6,412	2.27	468	8,723	2.42	678
Total Lynn Lake	**13,916**	**2.05**	**915**	**18,061**	**1.67**	**968**	**31,977**	**1.83**	**1,884**
Agi Dagi	1,450	0.76	36	52,911	0.66	1,130	54,361	0.67	1,166
Kirazli	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	**44,012**	**2.16**	**3,058**	**155,373**	**1.33**	**6,644**	**199,386**	**1.51**	**9,702**

MEASURED AND INDICATED GOLD MINERAL RESOURCES (as at December 31, 2018)

	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	**23**	**4.69**	**4**	**673**	**8.91**	**193**	**696**	**8.77**	**196**
Mulatos	8,074	1.26	328	62,870	1.08	2,193	70,944	1.11	2,521
La Yaqui	0	0.00	0	1,101	0.93	33	1,101	0.93	33
Cerro Pelon	33	1.83	2	146	1.46	7	179	1.56	9
Carricito	58	0.82	2	1,297	0.82	34	1,355	0.83	36
Total Mulatos	**8,165**	**1.26**	**332**	**65,414**	**1.08**	**2,267**	**73,579**	**1.10**	**2,599**
MacLellan - Open Pit	1,986	1.65	105	4,700	1.46	221	6,686	1.52	326
MacLellan - Underground	0	0.00	0	843	4.52	122	843	4.52	122
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	**1,994**	**1.65**	**106**	**7,999**	**1.77**	**455**	**9,993**	**1.74**	**560**
Esperanza	**19,226**	**1.01**	**622**	**15,126**	**0.95**	**462**	**34,352**	**0.98**	**1,083**
Aðý Daðý	553	0.44	8	34,334	0.46	510	34,887	0.46	518
Kirazli	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	**38,714**	**1.53**	**1,899**	**163,749**	**1.02**	**5,348**	**202,463**	**1.11**	**7,247**

INFERRED GOLD MINERAL RESOURCES (as at December 31, 2019)

	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	**4,178**	**11.71**	**1,573**
Mulatos	8,369	0.92	248
La Yaqui	229	0.90	7
Cerro Pelon	70	0.70	2
Carricito	900	0.74	22
Total Mulatos	**9,568**	**0.91**	**279**
MacLellan - Open Pit	1,292	1.36	56
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	**46,466**	**1.11**	**1,663**
Esperanza	**718**	**0.80**	**18**
Aðý Daðý	16,760	0.46	245
Kirazli	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	**128,903**	**1.31**	**5,429**

PROVEN AND PROBABLE SILVER MINERAL RESERVES (as at December 31, 2018)

	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	215	7.42	51	571	5.05	93	786	5.70	144
La Yaqui Grande	0	0.00	0	15,945	16.63	8,525	15,945	16.63	8,525
Cerro Pelon	998	17.20	552	2,123	15.05	1,027	3,121	15.74	1,579
MacLellan	11,604	4.94	1,844	11,650	3.93	1,471	23,254	4.43	3,315
Aðý Daðý	1,450	6.22	290	52,911	5.39	9,169	54,361	5.41	9,459
Kirazli	700	15.90	358	25,404	11.90	9,720	26,104	12.01	10,078
Alamos - Total	**14,968**	**6.43**	**3,095**	**108,603**	**8.59**	**30,005**	**123,571**	**8.33**	**33,100**

MEASURED AND INDICATED SILVER MINERAL RESOURCES (as at December 31, 2018)

	Measured Resources			Indicated Resources			Total Measured and Indicated		
	Tonnes (000's)	Grade (g/t Ag)	Ounces (000's)	Tonnes (000's)	Grade (g/t Ag)	Ounces (000's)	Tonnes (000's)	Grade (g/t Ag)	Ounces (000's)
La Yaqui Grande	0	0.00	0	1,101	9.16	324	1,101	9.16	324
Cerro Pelon	33	17.05	18	146	19.44	91	179	19.08	109
MacLellan - Open Pit	1,986	3.66	234	4,700	3.65	551	6,686	3.65	785
MacLellan - Underground	0	0.00	0	843	5.98	162	843	5.98	162
Esperanza	19,226	7.25	4,482	15,126	9.16	4,455	34,352	8.09	8,936
Aðý Daðý	553	1.59	28	34,334	2.19	2,417	34,887	2.18	2,445
Kirazli	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	**22,429**	**6.75**	**4,864**	**79,306**	**4.63**	**11,812**	**101,734**	**5.10**	**16,677**

INFERRED SILVER MINERAL RESOURCES (as at December 31, 2018)

	Tonnes (000's)	Grade (g/t Ag)	Ounces (000's)
La Yaqui Grande	228	4.01	29
Cerro Pelon	70	15.91	36
MacLellan - Open Pit	1,292	2.43	101
MacLellan - Underground	116	3.13	12
Esperanza	718	15.04	347
Aðý Daðý	16,760	2.85	1,534
Kirazli	5,689	8.96	1,638
Çamyurt	2,791	5.77	518

Notes to Mineral Reserve and Mineral Resource estimates:

- The Company's mineral reserves and mineral resource as at December 31, 2018, 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 Kirazlý Pit and the Aðý Daðý 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.

	Resources		Reserves		
	Gold Price	Cutoff	Gold Price	Cutoff	Met Recovery
Mulatos:					
Mulatos Main Open Pit	$1,400	0.5	$1,250	see notes	>50%
Cerro Pelon	$1,400	0.3	$1,250	see notes	83%
La Yaqui	$1,400	0.3	$1,250	see notes	87%
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	3.45-4.24	96.5%
Lynn Lake - MacLellan	$1,400	0.42	$1,250	0.47	91-92%
Lynn Lake - MacLellan UG	$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%
Aðý Daðý	$1,400	0.2	$1,250	see notes	80%
Kirazli	$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 kilo contained gold (x1,000):

Project	Mineral Reserves 31-Dec-17	Processed in 2018	Increase / (Decrease) after Depletion	Mineral Reserves 31-Dec-18
Young-Davidson	3,467	198	(7)	3,262
Island Gold	887	109	230	1,007
Mulatos	1,888	217	47	1,717
El Chanate	135	54	(81)	0
Lynn Lake	1,625	0	259	1,884
Turkey	1,831	0	0	1,831
Total Alamos	9,832	578	448	9,702

Qualified Person(s) Disclosure

The following tables sets forth the Qualified Persons who supervised the preparation of Alamos' December 31, 2018 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, 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, Aðý Daðý, Kirazlý, Çamyurt, Quartz Mountain
Reserves QP	**Company**	**Project**
Chris Bostwick, FAusIMM	VP Technical Services, Alamos Gold Inc.	Young-Davidson, Lynn Lake
Nathan Bourgeault, P.Eng	Chief Engineer - Island Gold	Island Gold
Herb Welhener, SME-QP	VP, Independent Mining Consultants Inc.	Mulatos Pits, Cerro Pelon, La Yaqui, Aðý Daðý, Kirazlý

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 Christopher Rockingham, Vice President, Exploration for Alamos. Mr. Rockingham 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, 2018, the Company had 55 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 629 full-time employees and 181 contractors as at December 31, 2018.

In addition, the Company's Island Gold Mine, which is based in Dubreuilville, Ontario, there are 341 full-time employees and 263 contractors as at December 31, 2018.

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, 2018, the Company's Mexican subsidiaries had 655 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 23 full-time administrative, engineering and exploration personnel in Turkey and 5 full-time personnel at the Esperanza Gold Project in Morelos State, Mexico and 1 employee at the Quartz Mountain Property in Oregon, U.S.A.

As at December 31, 2018, the Company had 7 full-time employees at the Lynn Lake Project in Manitoba. There are 6 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, 2018, Alamos paid a total of $7.8 million in dividends to its shareholders. The Company does not have a formal dividend policy.

Dividends	Year ended Dec 31, 2018	Year ended Dec 31, 2017	Year ended Dec 31, 2016
Declared and Paid	$7,800,000	$6,000,000	$5,400,000
Weighted Average number of common shares outstanding	389,816,000	305,521,000	265,234,000
Dividend per share	$0.02	$0.02	$0.02

In February 2019, the Company announced the doubling of its annual dividend from $0.01 paid semi-annually to $0.01 paid quarterly. This is expected to double the amount of dividends distributed to shareholders from the $7.8 million paid in 2018. The increase in dividends is in line with the Company's long term capital allocation objective of returning capital to shareholders, and is supported by recent higher gold prices and the Company's expectation for significant free cash flow growth in 2020 and beyond.

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, 2018 a total of 391,250,203 common shares were issued and outstanding and as at March 22, 2019, a total of 389,074,406 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 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. The share purchase warrants had a strike price of CAD$10.00 and a term of 3 years, and were listed and traded on the TSX.

As at December 31, 2018, 5.2 million remained outstanding and on January 7, 2019 5.2 million expired.

MARKET FOR SECURITIES

The Company's common shares are listed on the TSX under the ticker symbol "AGI". In addition, the Company had no share purchase warrants outstanding and traded on the TSX under the ticker symbol "AGI.WT" as they expired on August 30, 2018, and 5.2 million share purchase warrants on the TSX under the tickler symbol "AGI.WT.A", which expired on January 7, 2019.

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, 2018 to December 31, 2018:

2018	Low (CAD$)	High (CAD$)	Volume
January	$7.23	$8.49	21,072,700
February	$6.23	$7.40	16,800,700
March	$6.19	$7.04	15,285,600
April	$6.58	$7.31	15,507,300
May	$6.38	$7.25	20,031,400
June	$7.01	$7.97	16,093,700
July	$6.97	$7.82	13,124,700
August	$5.52	$7.25	14,319,300
September	$5.35	$6.20	16,320,200
October	$5.22	$6.61	19,483,700
November	$4.13	$5.55	18,225,500
December	$3.88	$5.15	34,309,200

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, 2018 to December 31, 2018:

2018	Low (USD$)	High (USD$)	Volume
January	$5.84	$6.84	48,886,100
February	$4.91	$6.03	43,481,400
March	$4.83	$5.46	49,338,300
April	$5.14	$5.79	34,109,600
May	$4.99	$5.65	37,961,500
June	$5.42	$6.13	34,957,100
July	$5.30	$5.92	32,633,500
August	$4.21	$5.55	34,554,800
September	$4.06	$4.80	35,614,900
October	$3.97	$5.07	41,514,300
November	$3.10	$4.24	37,316,000
December	$2.90	$3.78	82,333,600

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, 2018 to August 30, 2018 (the date on which the warrants expired) :

2018	Low (CAD$)	High (CAD$)	Volume
January	$0.01	$0.09	72,656
February	$0.02	$0.07	54,074
March	$0.02	$0.03	30,209
April	$0.02	$0.03	17,061
May	$0.02	$0.03	22,248
June	$0.02	$0.02	40,630
July	$0.01	$0.02	21,427
August	$0.01	$0.01	42,735

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, 2018 to December 31, 2018:

2018	Low (CAD$)	High (CAD$)	Volume
January	$0.59	$1.12	14,654
February	**$0.29**	**$0.62**	**16,717**
March	**$0.30**	**$0.42**	**7,956**
April	**$0.23**	**$0.37**	**9,902**
May	**$0.15**	**$0.33**	**6,770**
June	**$0.25**	**$0.45**	**9,641**
July	**$0.16**	**$0.32**	**7,104**
August	$0.05	$0.19	20,407
September	$0.05	$0.62	234,332
October	$0.11	$0.24	53,474
November	$0.08	$0.17	18,126
December	$0.01	$0.12	74,369

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 set out below. These distributions include equity or equity-linked compensation instruments issued by predecessor companies to Alamos Gold, including as a result of our acquisition of Richmont Mines Inc., Carlisle Goldfields Ltd., and pursuant to our business combination with AuRico Gold Inc. in 2015.

Date of Issuance	Number of Securities Issued	Price per Security (CAD$)	Type of Security
23-Mar-18	4,377	CAD 2.24	Common Shares(1a)
04-Apr-18	5,543	CAD 2.94	Common Shares(1a)
06-Apr-18	13,748	CAD 6.71	Common Shares(1b)
11-Apr-18	4,377	CAD 2.24	Common Shares(1a)
13-Apr-18	100,000	CAD 1.82	Common Shares(1a)
18-Apr-18	50,000	CAD 1.82	Common Shares(1a)
02-May-18	23,084	CAD 2.73	Common Shares(1a)
04-May-18	5,000	CAD 2.73	Common Shares(1a)
24-May-18	10,000	CAD 4.44	Common Shares(1a)
25-May-18	4,477	CAD 2.24	Common Shares(1a)
28-May-18	6,000	CAD 2.87	Common Shares(1a)
31-May-18	75,400	CAD 1.82	Common Shares(1a)
01-Jun-18	24,600	CAD 1.83	Common Shares(1a)
01-Jun-18	26,725	CAD 1.75	Common Shares(1a)
06-Jun-18	25,110	CAD 4.03	Common Shares(1a)
07-Jun-18	16,734	CAD 0.86	Common Shares(1a)
13-Jun-18	10,000	CAD 4.44	Common Shares(1a)
14-Jun-18	10,000	CAD 2.73	Common Shares(1a)
27-Jun-18	5,000	CAD 2.73	Common Shares(1a)
13-Jul-18	5,000	CAD 2.73	Common Shares(1a)
26-Jul-18	5,540	CAD 1.62	Common Shares(1a)
01-Aug-18	4,500	CAD 2.73	Common Shares(1a)
15-Aug-18	5,000	CAD 2.87	Common Shares(1a)
16-Aug-18	5,540	CAD 1.62	Common Shares(1a)
22-Aug-18	13,500	CAD 0.82	Common Shares(1a)
23-Aug-18	4,000	CAD 0.82	Common Shares(1a)
24-Aug-18	5,200	CAD 2.87	Common Shares(1a)
29-Aug-18	150	CAD 28.47	Common Shares(2)
04-Sep-18	4,000	CAD 2.87	Common Shares(1a)
28-Sep-18	10,500	CAD 2.87	Common Shares(1a)
20-Sep-18	6,000	CAD 2.87	Common Shares(1a)
07-Sep-18	3,187	CAD 2.73	Common Shares(1a)
07-Sep-18	6,047	CAD 2.73	Common Shares(1a)
13-Sep-18	4,377	CAD 2.24	Common Shares(1a)
18-Sep-18	92,335	CAD 2.43	Common Shares(1a)
19-Sep-18	1,302	CAD 1.73	Common Shares(1a)
21-Sep-18	1,468	CAD 1.73	Common Shares(1a)
21-Sep-18	1,488	CAD 2.24	Common Shares(1a)
21-Sep-18	1,975	CAD 2.24	Common Shares(1a)
25-Sep-18	10,100	CAD 4.44	Common Shares(1a)
11-Sep-18	60,000	CAD 3.75	Common Shares(1c)

13-Sep-18	12,500	CAD 3.75	Common Shares(1c)
02-Oct-18	9,900	CAD 4.44	Common Shares(1a)
04-Oct-18	46,167	CAD 2.43	Common Shares(1a)
05-Oct-18	150,000	CAD 1.82	Common Shares(1a)
22-Oct-18	1,900	CAD 1.82	Common Shares(1a)
11-Oct-18	112,725	CAD 2.57	Common Shares(1a)
05-Oct-18	5,400	CAD 2.87	Common Shares(1a)
12-Oct-18	5,530	CAD 2.87	Common Shares(1a)
01-Nov-18	63,500	CAD 2.51	Common Shares(1a)
08-Nov-18	2,192	CAD 1.73	Common Shares(1a)
12-Nov-18	2,400	CAD 2.73	Common Shares(1a)
12-Nov-18	1,963	CAD 1.73	Common Shares(1a)
14-Nov-18	20,176	CAD 2.51	Common Shares(1a)
15-Nov-18	150,000	CAD 2.51	Common Shares(1a)
15-Nov-18	40,000	CAD 2.51	Common Shares(1a)
16-Nov-18	13,850	CAD 2.51	Common Shares(1a)
16-Nov-18	35,000	CAD 2.51	Common Shares(1a)
19-Nov-18	100	CAD 2.51	Common Shares(1a)
20-Nov-18	150,000	CAD 2.51	Common Shares(1a)
20-Nov-18	81,513	CAD 2.51	Common Shares(1a)
21-Nov-18	19	CAD 2.51	Common Shares(1a)
21-Nov-18	91,426	CAD 2.51	Common Shares(1a)
21-Nov-18	89,141	CAD 2.51	Common Shares(1a)
22-Nov-18	11,357	CAD 2.51	Common Shares(1a)
22-Nov-18	78,700	CAD 2.51	Common Shares(1a)
23-Nov-18	17,433	CAD 2.51	Common Shares(1a)
26-Nov-18	6,203	CAD 2.51	Common Shares(1a)
07-Dec-18	1,449	CAD 3.45	Common Shares(1c)
07-Dec-18	1,449	CAD 3.45	Common Shares(1c)
18-Dec-18	1,449	CAD 3.45	Common Shares(1c)
7-Jan-19	45	CAD 10.00	Common Shares(2)
1-Feb-19	-1,791,852	CAD 4.07	NCIB
1-Feb-19	-652,500	CAD 4.07	NCIB
6-Mar-19	79,131	CAD 2.35	Common Shares(1a)
8-Mar-19	54,634	CAD 2.78	Common Shares(1a)
11-Mar-19	60,879	CAD 3.00	Common Shares(1a)
12-Mar-19	55,399	CAD 2.91	Common Shares(1a)
13-Mar-19	10,000	CAD 3.06	Common Shares(1a)
20-Mar-19	8,467	CAD 3.06	Common Shares(1a)

(1) Issued pursuant to the Company's long-term compensation plans, including (in the case of 1a, 1b, and 1c) prior to the acquisition by Alamos of:

(1a) Richmont Mines Inc.

(1b) Aurico Gold Inc.

(1c) New Alamos (granted after merger with Aurico Gold Inc.)

(1d) Carlisle Goldfields Limited

(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	Director of Continental Gold Ltd. Formerly Chief Financial Officer and Executive Vice President, Finance, Guyana Goldfields Inc., and Director of Century Iron Mines Corporation. Mr. Murphy was the Chief Financial Officer of GPM Metals Inc. from May 2012 to August 2018. 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 Gold (2011-2015) and Klondex Mines (2015-2018), where he Chaired the Governance & Human Resources Committee. Mr. Daniel holds a PhD in Economics. He was also Management Consultant to Anglo American PLC	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. 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., CEO of Emerita Resources, and President of Brazil Potash Corp., which is a private company since 2009. Director of Aguia Resources Ltd. and Emerita Resources Corp. Previously a Director of Former Alamos, Coastal Gold Corp., Apogee Opportunities Inc. 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[3] [4] Director Ontario, Canada	Lawyer and Managing Partner, Clients and Industries in the Toronto office of Bennett Jones LLP. Ms. Kennedy is Lead Director of the Bank of Canada, Chair of the Governing Council of the University of Toronto, Director of Neo Performance Materials Inc. and Director of Royal Canadian Geographical Society. 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, CFO of Maritime Tel and Tel Limited, and interim CEO of Nova Scotia Business Inc.. Currently the Chair of the Public Service Superannuation Plan Trustee Inc., Trustee of Pro Real Estate Investment Trust, Director of Nova Scotia Business Inc. Director of IWK Health Centre, Director of Ombudsman for Banking Services and Investments, Director of The Arthritis Society, and Director of Covalon Technologies Ltd. Mr. Smith was formerly a Partner of Ernst & Young and formerly on the Acadia University Board of Governors. 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
ELAINE ELLINGHAM, MBA, M.Sc., P.Geo. [2] [5] Director Ontario, Canada	Principal of Ellingham Consulting Ltd. Director of Almaden Minerals Ltd., Prospectors' and Developers' Association of Canada, and Aurania Resources Ltd. She has a range of experience in mineral exploration, corporate development and investor relations for mining companies including Aurania Resources Ltd., IAMGOLD Corporation, Campbell Resources Inc., Rio Algom Exploration Inc. and St Joe Canada Inc. Ms. Ellingham is a former Director of Wallbridge Mining Company Ltd., Williams Creek Limited, and Richmont Mines Inc. (acquired by Alamos in 2017) and acted as Richmont's interim President and Chief Executive Officer from July 2014 to November 2014.	Since May 8, 2018
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. Former Director of Carlisle Goldfields Ltd. 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, MBA 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). She is a graduate of the MBA program at McMaster University.	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, MA 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. Director of Inventus Mining Inc., Alamos Gold Holdings Cooperatief U.A. and Alamos Gold Holdings B.V. 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, a Master of Laws from the University of Toronto, and a Master of Arts in International Relations from Queen Mary University of London. He is a member of the Law Society of Upper Canada.	N/A
GREGORY FISHER, B.Comm, CPA, CA Vice President, Finance Ontario, Canada	Vice President, Finance of the Company from July 2015 to present. Director of Alamos Gold Holdings Cooperatief U.A. and Alamos Gold Holdings B.V. 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
CHRISTOPHER ROCKINGHAM, B.Sc., MBA Vice President, Exploration Ontario, Canada	Vice President, Exploration of the Company from September 2018 to present. Prior thereto Vice President, Exploration at AuRico Metals where he played a key role in the exploration program, Environmental Assessment approval and Impact Benefit Agreements for the Kemess Underground project. Prior to that, Mr. Rockingham was Vice President of Exploration and Business Development with AuRico Gold and before that Northgate Minerals.	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 1,498,047 common shares, directly or indirectly, representing approximately 0.38% 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 Elaine Ellingham. 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. Ms. Ellingham has over 25 years financial and management experience, including serving as an audit committee member for several companies and completing financial due diligence while employed at TSX. 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. Mr. Smith and Mr. Fleck have 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]
2017	$659,000	$173,500	$109,200	$Nil
2018	$706,200	$Nil	$104,200	$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, 2016 (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 22, 2019, 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, 2018

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This Management's Discussion and Analysis ("MD&A"), dated February 20, 2019, 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, 2018 and 2017, 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 48.

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,	
	2018	2017	2018	2017
Financial Results (in millions)				
Operating revenues	$163.1	$161.7	$651.8	$542.8
Cost of sales [1]	$207.1	$136.6	$639.4	$456.8
(Loss) earnings from operations	($51.3)	$17.1	($22.6)	$56.0
Net (loss) earnings	($71.5)	($4.7)	($72.6)	$26.6
Adjusted net earnings [2]	$4.3	$0.3	$19.6	$38.9
Cash provided by operations before working capital and cash taxes [2]	$52.8	$52.7	$211.7	$183.3
Cash provided by operating activities	$47.4	$48.6	$213.9	$163.5
Capital expenditures (sustaining) [2]	$21.4	$11.5	$63.8	$42.7
Capital expenditures (growth) [2]	$36.4	$25.6	$139.2	$111.8
Capital expenditures (capitalized exploration) [3]	$3.7	$2.1	$18.5	$8.0
Operating Results				
Gold production (ounces) [4]	125,600	120,300	505,000	429,400
Gold sales (ounces)	131,161	126,786	509,879	430,115
Per Ounce Data				
Average realized gold price	$1,244	$1,275	$1,278	$1,262
Average spot gold price (London PM Fix)	$1,227	$1,275	$1,268	$1,257
Cost of sales per ounce of gold sold (includes amortization) [1]	$1,579	$1,077	$1,254	$1,062
Total cash costs per ounce of gold sold [2]	$770	$753	$802	$770
All-in sustaining costs per ounce of gold sold [2]	$983	$902	$989	$933
Share Data				
(Loss) earnings per share, basic	($0.18)	($0.01)	($0.19)	$0.09
Adjusted earnings per share, basic [2]	$0.01	—	$0.05	$0.13
Weighted average common shares outstanding (basic) (000's)	390,540	337,178	389,816	305,521
Financial Position (in millions)				
Cash and cash equivalents			$206.0	$200.8

(1) Cost of sales includes mining and processing costs, royalties, and amortization expense. For the three months and year ended December 31, 2018, cost of sales includes a $64.0 million non-cash inventory impairment charge at El Chanate.
(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 at Mulatos and Island Gold.
(4) Gold production from Island Gold has 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 and 98,600 ounces respectively.

	Three Months Ended December 31,		Years Ended December 31,	
	2018	2017[1]	2018	2017[1]
Gold production (ounces)				
Young-Davidson	50,900	56,500	180,000	200,000
Mulatos	35,600	42,700	175,500	160,000
Island Gold [1]	29,000	9,000	105,800	9,000
El Chanate	10,100	12,100	43,700	60,400
Gold sales (ounces)				
Young-Davidson	51,944	52,475	185,593	197,937
Mulatos	38,819	50,006	175,104	159,276
Island Gold [1]	30,199	11,720	105,520	11,720
El Chanate	10,199	12,585	43,662	61,182
Cost of sales (in millions)[2]				
Young-Davidson	$61.5	$58.1	$235.0	$213.4
Mulatos	$38.4	$47.7	$173.1	$153.0
Island Gold [1]	$28.7	$13.4	$106.5	$13.4
El Chanate[2]	$78.5	$17.4	$124.8	$77.0
Cost of sales per ounce of gold sold (includes amortization)				
Young-Davidson	$1,184	$1,107	$1,266	$1,078
Mulatos	$989	$954	$989	$961
Island Gold [1]	$950	$1,143	$1,009	$1,143
El Chanate	$7,697	$1,383	$2,858	$1,259
Total cash costs per ounce of gold sold [3]				
Young-Davidson	$764	$690	$822	$658
Mulatos	$793	$762	$786	$775
Island Gold [1]	$570	$401	$589	$401
El Chanate	$1,304	$1,311	$1,289	$1,188
Mine-site all-in sustaining costs per ounce of gold sold [3],[4]				
Young-Davidson	$974	$859	$1,017	$834
Mulatos	$881	$798	$855	$835
Island Gold [1]	$834	$546	$781	$546
El Chanate	$1,333	$1,335	$1,317	$1,218
Capital expenditures (sustaining, growth and capitalized exploration) (in millions)[3]				
Young-Davidson	$23.1	$17.0	$86.6	$80.3
Mulatos[5]	$11.8	$9.0	$35.3	$43.9
Island Gold [1],[6]	$16.8	$4.8	$66.1	$4.8
El Chanate	$0.1	$0.2	$0.6	$1.4
Other	$9.7	$8.2	$32.9	$32.1

(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 and 98,600 ounces respectively.
(2) Cost of sales includes mining and processing costs, royalties and amortization. For the three months and year ended December 31, 2018, cost of sales includes a $64.0 million non-cash inventory impairment charge at El Chanate.
(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 at Mulatos of $0.6 million and $2.9 million for the three and twelve months ended December 31, 2018 ($1.0 million and $6.9 million for the three and twelve months ended December 31, 2017).
(6) Includes capitalized exploration at Island Gold of $3.1 million and $15.6 million for the three and twelve months ended December 31, 2018.

2018 Highlights

Fourth Quarter 2018

- Produced 125,600 ounces of gold, an increase from the third quarter reflecting a stronger performance from Young-Davidson and record quarterly production from Island Gold
- Sold a record 131,161 ounces of gold at an average realized price of $1,244 per ounce, $17 above the average London PM Fix, for revenues of $163.1 million
- Total cash costs[1] decreased to $770 per ounce, the lowest in 2018 reflecting improved performance at Young-Davidson; all-in sustaining costs ("AISC")[1] of $983 per ounce also decreased from the third quarter
- Cost of sales of $1,579 per ounce were higher than guidance reflecting a non-cash inventory impairment charge at El Chanate of $64.0 million, or $488 per ounce
- Reported adjusted net earnings[1] of $4.3 million, or $0.01 per share[1], which includes one-time adjustments for a $64.0 million ($49.9 million after-tax) non-cash inventory impairment charge at El Chanate, as well as unrealized foreign exchange losses recorded within both deferred taxes and foreign exchange of $15.8 million, and other items totaling $10.1 million
- Realized a net loss of $71.5 million, or $0.18 per share
- Generated cash flow from operating activities[1] of $47.4 million ($52.8 million, or $0.14 per share, before changes in working capital[1]), an increase from the third quarter primarily reflecting lower costs, higher gold sales and a higher realized gold price
- Ended the quarter with no debt and cash and cash equivalents of $206.0 million
- Announced a Normal Course Issuer Bid permitting Alamos to purchase for cancellation up to 25,513,043 common shares, representing 10% of the Company's public float
- Received the *Schedule 2 Amendment* from the Federal government for a new tailings facility at Young-Davidson, securing tailings capacity for all existing Mineral Reserves and Resources
- Successfully obtained permits for the high return Cerro Pelon project in Mexico and commenced full scale construction

Full year 2018

- Met the mid-point of guidance with record production of 505,000 ounces of gold, representing an 18% increase from the previous record in 2017
- Achieved increased production guidance at both Island Gold and Mulatos, with guidance having been revised higher twice at both operations in 2018
- Sold a record 509,879 ounces of gold at an average realized price of $1,278 per ounce for record revenues of $651.8 million
- Total cash costs[1] of $802 and AISC[1] of $989 per ounce were in line with revised cost guidance. Cost of sales of $1,254 per ounce were above guidance reflecting the non-cash inventory impairment charge at El Chanate
- Reported adjusted net earnings[1] of $19.6 million, or $0.05 per share[1] which includes one-time adjustments for the El Chanate non-cash inventory impairment, as well as unrealized foreign exchange losses recorded within both deferred taxes and foreign exchange of $33.2 million, and other items totaling $9.1 million
- Realized a net loss of $72.6 million, or $0.19 per share
- Reported record cash flow from operating activities[1] of $213.9 million ($211.7 million, or $0.54 per share, before changes in working capital[1]), a 15% increase from 2017
- Generated positive free cash flow at each of the Company's operations for total mine-site free cash flow of $56.4 million[1]
- Continued exploration success at Island Gold, driving a 14% increase in Mineral Reserves, 76% increase in Measured and Indicated Mineral Resources and 73% increase in Inferred Mineral Resources at Island Gold, compared to the end of 2017
- Successfully commissioned the Phase I expansion at Island Gold on schedule in the third quarter, increasing mill capacity to 1,100 tonnes per day
- Liquidated the Company's equity positions in AuRico Metals and Corex Gold, generating proceeds of $24.9 million and realizing a gain of $14.3 million reported in retained earnings (deficit)

Subsequent to Year-End

- The Company re-purchased and canceled 2,444,352 common shares at a cost of $10.0 million, or $4.07 per share under its Normal Course Issuer Bid
- Announced a doubling of the annual dividend, with a $0.01 per share dividend to be paid quarterly in 2019 (up from $0.01 semi-annually previously). The first quarterly dividend of $0.01 per share will be payable to shareholders of record on March 15, 2019, to be paid on March 29, 2019

(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.

2018 Key Business Developments

Normal Course Issuer Bid

On December 24, 2018, a Normal Course Issuer Bid was initiated permitting Alamos to purchase for cancellation up to 25,513,043 Class A Common Shares ("Common Shares"), representing 10% of the Company's public float. The Company may purchase Common Shares under the Normal Course Issuer Bid over the next twelve-month period beginning December 24, 2018 and ending December 23, 2019. Any purchases made under the Normal Course Issuer Bid will be effected through the facilities of the TSX, alternative Canadian trading systems and/or the New York Stock Exchange.

The price for any repurchased Common Shares will be the prevailing market price at the time of the purchase. All Common Shares purchased by the Company will be cancelled. Purchase and payment for the Common Shares will be made by Alamos in accordance with the requirements of the TSX and applicable securities laws.

Subsequent to the end of 2018, the Company purchased and canceled 2,444,352 common shares at a cost of $10.0 million, or $4.07 per share.

Quarterly Dividend Program

The Company announced the doubling of its annual dividend from $0.01 paid semi-annually to $0.01 paid quarterly. This is expected to double the amount of dividends distributed to shareholders from the $7.8 million paid in 2018. The increase in dividends is in line with the Company's long term capital allocation objective of returning capital to shareholders, and is supported by recent higher gold prices and the Company's expectation for significant free cash flow growth in 2020 and beyond.

Mineral Reserve and Resource Update

On February 19, 2019, the Company reported a global Mineral Reserve and Resource update. Highlights of the release include the following:

- Global Proven and Probable Mineral Reserves of 9.7 million ounces of gold, (199 million tonnes ("mt") grading 1.51 grams per tonne of gold ("g/t Au")), down slightly from 9.8 million ounces at the end of 2017 with mining depletion largely offset by increases at Island Gold and Lynn Lake
- Island Gold's Proven and Probable Mineral Reserves increased 14% to 1.0 million ounces of gold, (3.0 mt grading 10.28 g/t Au) net of mining depletion with Mineral Reserve Grades also increasing slightly to 10.28 g/t Au
- Lynn Lake's Proven and Probable Mineral Reserves increased 16% to 1.9 million ounces of gold, (32.0 mt grading 1.83 g/t Au) with the additions to be incorporated into an optimized feasibility study
- Global Measured and Indicated Mineral Resources decreased 2% to 7.2 million ounces of gold, (202 mt grading 1.11 g/t Au) reflecting decreases at Mulatos and El Chanate, partially offset by additions at Island Gold and Lynn Lake
- Global Inferred Mineral Resources increased 13% to 5.4 million ounces of gold, (129 mt grading 1.31 g/t Au) with grades also increasing 12% driven by substantial additions at Island Gold
- Island Gold's Inferred Mineral Resources increased 73% to 1.6 million ounces of gold, (4.2 mt grading 11.71 g/t Au) with grades also increase 23%

Kirazlı Project

On July 25, 2018, the Company obtained the GSM (Business Opening and Operation) permit required for the development of its Kirazlı project from the Çanakkale Governorship in Turkey. There are several additional permits required prior to the start of gold production at Kirazlı, which the Company expects to receive in due course. As disclosed in December 2018, the Operating License, which is required for the start of earthworks on the open pit, remains outstanding. The Company spent approximately $21 million of Kirazlı's initial capital estimate of $152 million in 2018.

Outlook and Strategy

2019 Guidance							
	Young-Davidson	Mulatos	Island Gold	El Chanate	Turkey	Other [2]	Total
Gold production *(000's ounces)*	180-190	150-160	135-145	15-25			**480-520**
Cost of sales, including amortization *(in millions)*[4],[5]	$226	$165	$123	$26	—	—	**$540**
Cost of sales, including amortization *($ per ounce)*[4],[5]	$1,220	$1,065	$880	$1,300	—	—	**$1,080**
Total cash costs *($ per ounce)*[1],[5]	$750-790	$820-860	$460-500	$1,200	—	—	**$710-750**
All-in sustaining costs *($ per ounce)*[1],[5]					—	—	**$920-960**
Mine-site all-in sustaining costs *($ per ounce)*[1],[3],[5]	$940-980	$860-900	$730-770	$1,200	—	—	—
Amortization costs *($ per ounce)*[1]	$450	$225	$400	$100	—	—	**$350**
Capital expenditures *(in millions)*							
Sustaining capital[1]	$35-40	$5	$35-40	—	—	—	**$75-85**
Growth capital[1]	$45-50	$45-50 [6]	$15-20	—	$75	$35 [2]	**$215-230**
Total capital expenditures[1]	$80-90	$50-55	$50-60	—	$75	$35	**$290-315**

(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 (excluding Turkey which is separately disclosed).
(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, and is calculated based on the mid-point of guidance.
(5) Company-wide cost of sales, total cash costs, and all-in sustaining costs guidance have been updated from original guidance. The Company has not revised guidance for cost of sales, total cash costs, and mine-site all-in sustaining costs at individual mine sites.
(6) Includes capital spending at Cerro Pelon and La Yaqui Grande of approximately $33 million

The Company's long-term strategic objective is to generate increasing cash flow through low-cost production growth from its existing operations and portfolio of development projects. In 2018, the Company produced a record 505,000 ounces of gold, an 18% increase from 2017, driven by strong operational performances from both Island Gold and Mulatos. Since 2014, Alamos has transformed from a single asset producer with 140,000 ounces of annualized production to producing 505,000 ounces from four operating mines. This transformational growth has been accomplished while also improving margins through lower operating costs. Looking forward, the Company anticipates a substantial reduction in growth capital in 2020 and beyond and a further reduction in costs, which will lead to strong free cash flow growth.

In 2018, the Company continued to execute on its various internal growth initiatives. This included advancing the lower mine expansion at Young-Davidson, as well as the successful completion of the Phase I expansion at Island Gold while also delivering a significant increase in Mineral Reserves and Resources which will support future expansions. Within the development pipeline, the permits for the Cerro Pelon project in Mexico were received in 2018 and construction has now commenced. In addition, the GSM permit for the Kirazlı project in Turkey was received with full scale construction anticipated to commence following the receipt of the Operating License.

The Company expects a similar level of production in 2019, relative to 2018, with total cash costs and all-in sustaining costs expected to decrease 9% and 5%, respectively (based on the mid-point of guidance) driven by operational improvements at Young-Davidson and low-cost production growth at Island Gold. Costs and capital are expected to decline through the year driving stronger mine-site free cash flow in the second half of the year.

The near-term focus at Young-Davidson remains on maximizing efficiency from the upper mine infrastructure, while completing development and construction of the lower mine. Gold production at Young-Davidson is expected to increase slightly in 2019 to a range of 180,000 to 190,000 ounces, compared to 2018 production of 180,000 ounces. Total cash costs and mine-site all-in sustaining costs are expected to decrease 6% compared to 2018, driven by higher underground mining rates and grades mined. Young-Davidson's 2019 guidance for production, mining rates, operating costs and capital are all consistent with its average performance over the past two years.

Capital spending at Young-Davidson is expected to total $80 to $90 million, consistent with 2018. Spending will be focused on completing development and infrastructure of the lower mine as well as starting construction of a newly permitted tailings facility ("TIA 1"). The Company successfully completed permitting of TIA 1 during the fourth quarter of 2018 with receipt of the *Schedule*

2 Amendment from the Federal government. TIA 1 will provide sufficient capacity for the remaining Mineral Reserves and Resources at Young-Davidson at substantially lower costs than the current facility.

Gold production from Young-Davidson is expected to decrease in 2020 reflecting approximately three months of downtime of the Northgate shaft to complete the tie-in of the upper and lower mines. This will temporarily limit underground throughput and impact three months of production during the first half of 2020. Following completion of the tie-in, underground mining rates are expected to ramp up above 7,500 tpd in the second half of 2020 and towards the long-term target of 8,000 tpd in 2021. This is expected to drive annual gold production above 200,000 ounces per year in 2021 and beyond. Combined with declining costs and capital spending, the Company expects strong free cash flow growth from Young-Davidson starting in the second half of 2020.

Island Gold is expected to produce between 135,000 to 145,000 ounces in 2019, a 32% increase relative to the previous record in 2018, reflecting higher grades and throughput with the completion of the Phase I expansion last year. Combined with an expected 19% decrease in total cash costs and 4% decrease in mine-site all-in sustaining costs, Island Gold is expected to generate strong free cash flow growth in 2019, net of a continued significant investment of $19 million in exploration to further expand Mineral Reserves and Resources.

Capital spending at Island Gold is expected to total $50 to $60 million in 2019, consistent with 2018. This includes $35 to $40 million of sustaining capital with underground development being accelerated to bring the significant growth in Mineral Reserves and Resources into the mine plan as well as support mining rates above 1,100 tpd. Lateral exploration development has also been increased to support the expanded exploration program.

The Phase I expansion at Island Gold was completed in September 2018, expanding the mill to a design capacity of approximately 1,200 tpd. The current mine infrastructure can support similar mining rates; however, the operation is currently permitted to operate at an average annual rate of 1,100 tpd. With a mine and mill that can support higher throughput rates, the Company is in the process of permitting an amendment to 1,200 tpd which is expected to be received by the end of 2019 as part of a Phase II expansion. In parallel, the Company has started an evaluation of a potential Phase III expansion of the operation beyond 1,200 tpd.

Total production from the Mulatos District is expected to be between 150,000 to 160,000 ounces of gold in 2019, consistent with long term guidance provided in January 2018. Mulatos significantly outperformed this production range in 2018 reflecting higher than expected recoveries at La Yaqui and Mulatos, and extended production from the high-grade San Carlos underground deposit which reached the end of its mine life in the third quarter of 2018. Mine-site all-in sustaining costs are expected to decrease relative to 2018 guidance of $900 per ounce reflecting the end of the 5% royalty early in 2019. Mine-site all-in sustaining costs are expected to increase slightly from 2018 with the operation having outperformed in 2018 given the above noted factors.

Capital spending across the Mulatos District is expected to total $50 to $55 million in 2019 including $5 million of sustaining capital. This increased from 2018 reflecting $25 million budgeted in 2019 for development of the Cerro Pelon project. Cerro Pelon is higher grade, higher return project and is expected to start contributing low cost production in 2020.

Mining activities ceased at El Chanate in the fourth quarter of 2018 and the operation has transitioned to residual leaching which will result in a declining rate of production through 2019. Mine-site all-in sustaining costs are expected to average $1,200 per ounce in 2019, with approximately 25% of those costs having been already incurred.

Development capital spending in 2019 will be primarily focused on the construction of the Kirazlı project, with the bulk of the remainder comprised of capitalized exploration at Island Gold and exploration, permitting and development activities at Lynn Lake.

The 2019 global exploration budget is $33 million, down slightly from the 2018 budget reflecting lower exploration spending at Mulatos. Island Gold continues to be the main focus of exploration with $19 million budgeted, an increase from the 2018 initial budget of $15 million. Mulatos and Lynn Lake remain the other two areas of focus with $6 million budgeted for each.

With over $600 million of cash and available liquidity, no debt, and growing cash flow from its operations, the Company is well positioned to fund its internal growth initiatives.

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,	
	2018	2017	2018	2017
Gold production (ounces)	50,900	56,500	180,000	200,000
Gold sales (ounces)	51,944	52,475	185,593	197,937
Financial Review (in millions)				
Operating Revenues	$64.4	$66.8	$236.3	$249.7
Cost of sales [1]	$61.5	$58.1	$235.0	$213.4
Earnings from operations	$2.9	$8.7	$1.3	$36.3
Cash provided by operating activities	$23.6	$33.4	$97.5	$114.5
Capital expenditures (sustaining) [2]	$10.8	$8.7	$35.8	$34.1
Capital expenditures (growth) [2]	$12.3	$8.3	$50.8	$46.2
Mine-site free cash flow [2]	$0.5	$16.4	$10.9	$34.2
Cost of sales, including amortization per ounce of gold sold [1]	$1,184	$1,107	$1,266	$1,078
Total cash costs per ounce of gold sold [2]	$764	$690	$822	$658
Mine-site all-in sustaining costs per ounce of gold sold [2],[3]	$974	$859	$1,017	$834
Underground Operations				
Tonnes of ore mined	588,956	664,847	2,280,399	2,423,289
Tonnes of ore mined per day ("tpd")	6,402	7,227	6,248	6,639
Average grade of gold [4]	2.71	2.70	2.51	2.69
Metres developed	2,975	2,776	12,009	12,787
Mill Operations				
Tonnes of ore processed	745,567	716,273	2,683,962	2,735,267
Tonnes of ore processed per day	8,104	7,786	7,353	7,494
Average grade of gold [4]	2.39	2.59	2.31	2.47
Contained ounces milled	57,192	59,561	197,701	217,184
Average recovery rate	92%	92%	92%	92%

[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 met revised production guidance with strong fourth quarter production of 50,900 ounces of gold. This was lower than the comparative quarter of 2017; however, a 4% improvement from the third quarter of 2018 and the highest quarterly production of the year reflecting higher underground mining rates and grades. Full year production of 180,000 ounces decreased 10% from 2017 primarily due to unscheduled downtime encountered in the first half of 2018 to both the Northgate hoist and the mill.

Underground mining rates increased to 6,402 tpd in the fourth quarter, a 7% increase from the third quarter and in-line with revised near-term guidance of 6,500 tpd until the tie-in of the lower mine in the first half of 2020 is completed. For the full year, underground mining rates were below prior year rates at 6,248 tpd due to temporary ore pass challenges experienced in the first half of the year, and eight days of downtime to the Northgate shaft in the second quarter. Underground mining rates are expected to increase substantially in the second half of 2020 following completion of the lower mine tie-in.

Underground grades mined also improved significantly to 2.71 g/t Au in the fourth quarter, a 5% increase from the third quarter and the highest grades of the year. Underground grades mined of 2.51 g/t Au for the year were slightly below guided levels and reserve grade of 2.69 g/t Au, due primarily to mine sequencing.

Mill throughput increased to a record 745,567 tonnes, or 8,104 tpd, in the fourth quarter, an 11% increase from the third quarter, bringing full year mill throughput to 7,353 tpd. Mill throughput is expected to average 7,800 tpd in the first half of 2019 before

decreasing to match underground mining rates in the second half of the year once lower grade surface stockpiles have been depleted.

Mill recoveries of 92% in the quarter and year-to-date were in line with expectations and the prior year period.

Financial Review

Fourth quarter revenues of $64.4 million were consistent with the comparative prior year quarter, and 12% higher than the third quarter of 2018 reflecting higher ounces sold and a higher realized gold price. Revenues of $236.3 million in 2018 were $13.4 million lower than the prior year due to a 6% decline in ounces sold, partially offset by a higher realized gold price.

Cost of sales, which reflects mining and processing costs, royalties, and amortization expense of $61.5 million were higher than the comparative quarter of 2017 reflecting higher per tonne underground mining costs and processing costs. For 2018, cost of sales were $235.0 million, an increase of $21.6 million due to higher underground mining costs, primarily attributable to increased maintenance and input costs.

Total cash costs decreased to $764 per ounce in the fourth quarter, down 7% from the third quarter and the lowest quarterly costs in 2018. Total cash costs were 11% higher than the fourth quarter of 2017 due to lower grades processed and a higher mining cost per tonne. Mining costs of CAD $51 per tonne in the quarter were above budget, reflecting the impact of lower mining rates on fixed costs, as well as higher diesel and maintenance costs. Total cash costs of $822 per ounce for 2018 were 25% higher than the prior year period reflecting 7% lower grades mined, and a 16% increase in mining cost per tonne.

Mine-site AISC also decreased to $974 per ounce in the fourth quarter, down 5% from the third quarter. For the full year, mine-site AISC averaged $1,017 per ounce. Mine-site AISC were 13% and 22% higher than the prior year quarter and prior year, respectively, reflecting higher total cash costs and higher sustaining capital. Total cash costs and mine-site AISC are both expected to decrease by approximately 6% in 2019.

Capital expenditures were $23.1 million in the fourth quarter, higher than the same quarter of 2017. This included $10.8 million of sustaining capital and $12.3 million of growth capital. Major capital spending in the fourth quarter was focused on lower mine development and lateral development in the upper and lower mines. Capital expenditures of $86.6 million for the twelve-month period were higher than the prior year period and guidance reflecting increased spending on tailings and water management.

Young-Davidson generated mine-site free cash flow of $0.5 million in the fourth quarter and $10.9 million for the full year, lower than the same periods of 2017 due to less ounces sold, lower gross margins and higher capital spending.

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.

Financial results for Island Gold are included for the period of ownership (November 23, 2017) onward. Operational data is presented in the table below for the fourth quarter and the full year period of 2017 for informational purposes.

Island Gold Financial and Operational Review

	Three Months Ended December 31,		Years Ended December 31,	
	2018	2017 [1]	2018	2017 [1]
Gold production (ounces) [1]	29,000	9,000	105,800	9,000
Gold sales (ounces) [1]	30,199	11,720	105,520	11,720
Financial Review (in millions)				
Operating Revenues	$37.5	$14.9	$135.1	$14.9
Cost of sales [2]	$28.7	$13.4	$106.5	$13.4
Earnings from operations	$7.8	$1.5	$27.2	$1.5
Cash provided by operating activities	$16.3	$11.8	$75.9	$11.8
Capital expenditures (sustaining) [3]	$8.0	$1.7	$20.2	$1.7
Capital expenditures (growth) [3]	$5.7	$2.0	$30.3	$2.0
Capital expenditures (capitalized exploration) [3]	$3.1	$1.1	$15.6	$1.1
Mine-site free cash flow [3]	($0.5)	$7.0	$9.8	$7.0
Cost of sales, including amortization per ounce of gold sold [2]	$950	$1,143	$1,009	$1,143
Total cash costs per ounce of gold sold [3]	$570	$401	$589	$401
Mine-site all-in sustaining costs per ounce of gold sold [3],[4]	$834	$546	$781	$546
Underground Operations				
Tonnes of ore mined	102,692	94,407	344,336	374,962
Tonnes of ore mined per day ("tpd")	1,116	1,026	943	1,027
Average grade of gold [5]	8.95	9.44	9.07	9.42
Metres developed	1,560	1,667	6,477	6,906
Mill Operations				
Tonnes of ore processed	105,432	84,559	369,767	338,603
Tonnes of ore processed per day	1,146	919	1,013	928
Average grade of gold [5]	9.02	8.46	9.20	9.36
Contained ounces milled	30,621	23,005	109,414	101,842
Average recovery rate	96%	96%	96%	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 and 98,600 ounces.
[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 a record 29,000 ounces in the fourth quarter and a record 105,800 ounces for the full year, a 7% increase from 2017. Island Gold exceeded expectations in 2018 with full-year production meeting the mid-point of revised guidance, which had been increased twice during the year.

Underground mining rates increased to 102,692 tonnes, or 1,116 tpd in the fourth quarter. This marked a 37% improvement from the third quarter as mining rates were increased to match the expanded mill capacity. For the full-year, 344,336 tonnes were mined, or 943 tpd, with mining rates in line with milling capacity prior to completing the mill expansion. Underground mining rates are expected to average 1,100 tpd in 2019, a 17% increase from average mining rates of 943 tpd in 2018. Underground grades mined averaged 8.95 g/t Au in the fourth quarter and 9.07 g/t Au for the full year, the latter above guidance reflecting a positive grade reconciliation.

Mill throughput increased to a new record of 105,432 tonnes, or 1,146 tpd in the fourth quarter reflecting the completion of the Phase I expansion of the mill in September 2018. This marked a 13% increase compared to the third quarter and 25% increase compared to the prior year quarter. The Phase I expansion has increased the design capacity of the mill to approximately 1,200 tpd; however,

the operation is currently permitted to operate at an average annual rate of 1,100 tpd. With a mine and mill that can support higher throughput rates, the Company is in the process of permitting an amendment to 1,200 tpd which is expected to be received by the end of 2019 as part of a Phase II expansion.

Mill recoveries were 96% for both the fourth quarter and full year, in line with the prior year and budget. Milled grades of 9.02 g/t Au for the quarter and 9.20 g/t Au for the year were consistent with underground grades mined. Milled grades are expected to increase to between 10.50 and 11.50 g/t Au in 2019. Combined with higher mining and milling rates, this is expected to drive a 32% increase in gold production in 2019 (based on the mid-point of guidance).

Financial Review

With the Company acquiring Island Gold on November 23, 2017, financial information prior to the acquisition date has not been included in the comparative table above.

Island Gold generated revenues of $37.5 million in the fourth quarter reflecting record gold production and ounces sold. Revenues for the year were $135.1 million compared to $14.9 million in the prior year, which was a partial period.

Cost of sales in the fourth quarter and for the full year were $28.7 million and $106.5 million, respectively. Cost of sales includes ongoing amortization charges related to the purchase price of the asset, which increases amortization to approximately $375 per ounce based on current Mineral Reserves and Resources.

Total cash costs were $570 per ounce in the fourth quarter, a 15% improvement from the third quarter of 2018, reflecting lower per tonne mining costs driven by higher mining rates. Full year total cash costs of $589 per ounce were slightly above annual guidance of $575 per ounce reflecting higher underground mining costs, partially offset by higher grades mined. Total cash costs are expected to decrease approximately 19% in 2019 driven by higher grades mined and mining rates.

Mine-site AISC of $834 per ounce in the fourth quarter were slightly above annual guidance of $825 per ounce primarily reflecting the timing of sustaining capital, as spending was below budget for the first half of the year. Full year mine-site AISC of $781 per ounce were below full year guidance reflecting higher production and lower sustaining capital.

Capital expenditures totaled $16.8 million in the fourth quarter, with spending focused primarily on lateral development, mining equipment, and capitalized exploration. This included $8.0 million of sustaining capital and $8.8 million of growth capital (inclusive of capitalized exploration). For 2018, capital expenditures totaled $66.1 million, consistent with guidance. This included $15.6 million of capitalized exploration focused on increasing near-mine Mineral Resources.

Mine-site free cash flow was negative $0.5 million during the fourth quarter due to timing of capital spending. For 2018, Island Gold generated mine-site free cash flow of $9.8 million, ahead of budget driven by stronger than expected production. Island Gold is expected to generate strong free cash flow growth in 2019 driven by higher production and lower costs.

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 28,972 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 1.97 million ounces of gold to-date. The Mulatos mine is subject to a 5% royalty which is capped at 2 million ounces of gold. This is expected to be achieved in the first quarter of 2019, 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,	
	2018	2017	2018	2017
Gold production (ounces)	35,600	42,700	175,500	160,000
Gold sales (ounces)	38,819	50,006	175,104	159,276
Financial Review *(in millions)*				
Operating Revenues	$48.1	$64.0	$223.3	$201.4
Cost of sales [1]	$38.4	$47.7	$173.1	$153.0
Earnings from operations	$8.8	$14.5	$42.7	$41.7
Cash provided by operating activities	$14.7	$22.3	$71.0	$64.3
Capital expenditures (sustaining) [2]	$2.5	$0.9	$7.2	$5.5
Capital expenditures (growth) [2]	$8.7	$7.1	$25.2	$19.0
Capital expenditures (capitalized exploration) [2]	$0.6	$1.0	$2.9	$6.9
La Yaqui Phase I construction cost [2]	$—	$—	$—	$12.5
Mine-site free cash flow, excluding La Yaqui construction costs [2]	$2.9	$13.3	$35.7	$32.9
Cost of sales, including amortization per ounce of gold sold [1]	$989	$954	$989	$961
Total cash costs per ounce of gold sold [2]	$793	$762	$786	$775
Mine site all-in sustaining costs per ounce of gold sold [2],[3]	$881	$798	$855	$835
Open Pit & Underground Operations				
Tonnes of ore mined - open pit [4]	2,118,300	2,575,306	8,479,211	8,485,933
Total waste mined - open pit	1,081,811	1,719,986	6,037,427	6,443,971
Total tonnes mined - open pit	4,270,049	4,515,673	17,267,699	15,566,165
Waste-to-ore ratio (operating)	0.51	0.67	0.71	0.76
Tonnes of ore mined - underground	—	23,238	48,772	100,701
Crushing and Heap Leach Operations				
Tonnes of ore stacked	1,776,719	1,745,513	6,795,175	6,796,155
Average grade of gold processed [5]	0.92	0.91	0.90	0.92
Contained ounces stacked	52,296	51,242	195,606	201,222
Mill Operations				
Tonnes of high grade ore milled	—	31,449	91,680	133,328
Average grade of gold processed [5]	—	8.15	6.70	9.42
Contained ounces milled	—	8,238	19,744	40,378
Total contained ounces stacked and milled	52,296	59,480	215,350	241,600
Recovery ratio (ratio of ounces produced to contained ounces stacked and milled)	68%	72%	81%	66%
Ore crushed per day (tonnes) - combined	19,300	19,300	18,900	19,000

[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").

Mulatos produced 35,600 ounces in the fourth quarter, a decrease from the first three quarters of the year as mining from the San Carlos underground deposit ceased in the third quarter. For the full year, Mulatos produced 175,500 ounces meeting the mid-point of revised guidance, which was increased twice during the year. Mulatos outperformed initial guidance and budget with the San

Carlos underground mine operating approximately six months longer than expected, as well as higher than budgeted heap leach recoveries from both Mulatos and La Yaqui Phase I. With no further production from San Carlos, the Company expects 2019 production to return to the previously guided long term range of 150,000 to 160,000 ounces.

Total tonnes mined in the fourth quarter were 6% lower than the prior year quarter, due to an unexpected pit slope movement in the El Salto area of the open pit which temporarily impacted access to the Mulatos pit. On a year-to-date basis, total tonnes mined were 11% higher than 2017 reflecting a full year of mining at La Yaqui Phase I compared to one quarter in the prior year. The waste-to-ore ratio of 0.51:1 was lower than the prior year quarter and guidance.

Total crusher throughput averaged 19,300 tpd for a total of 1,776,719 tonnes stacked in the fourth quarter at a grade of 0.92 g/t Au, both in line with the prior year period. Total crusher throughput and grade for the year was also in line with the prior year period, and slightly above guidance.

The recovery ratio of ounces produced to contained ounces stacked and milled was 68% in the quarter compared to 72% in the prior year period. For the full-year, the recovery ratio of 81% significantly outperformed guidance of 75%, resulting in stronger production for the year. The Company expects a recovery ratio of 70% in 2019.

Financial Review

Fourth quarter revenues of $48.1 million were $15.9 million lower than the prior year quarter, primarily due to lower concentrate ounces sold in 2018 with the completion of mining at San Carlos in September. Revenues for 2018 were $223.3 million, an 11% increase from the prior year due to higher realized gold prices and ounces sold.

Cost of sales of $38.4 million in the fourth quarter were lower than the prior year period, due to lower tonnes mined in the open pit and the completion of underground mining at San Carlos. For the full year of 2018, cost of sales of $173.1 million were higher than the prior year reflecting higher total tonnes mined and increased amortization related to mining at La Yaqui Phase I.

Total cash costs of $793 per ounce in the fourth quarter were higher than $762 per ounce in the prior year quarter, as a result of lower recoveries, partially offset by a lower strip ratio. Total cash costs averaged $786 per ounce in 2018, below full year guidance of $800 per ounce and consistent with 2017 costs of $775 per ounce.

Mine-site AISC in the fourth quarter of $881 per ounce were higher than the $798 per ounce reported in the prior year quarter, due to timing of sustaining capital spending and higher cash costs. Mine-site AISC averaged $855 per ounce in 2018, below guidance of $900 per ounce and consistent with the prior year period.

Mulatos generated mine-site free cash flow of $2.9 million in the fourth quarter and $35.7 million for the full year, driven by stronger than expected production, and increased operating margins. A portion of Mulatos' strong cash flow in 2018 was invested in permitting and early construction activities at Cerro Pelon, advancing permitting at La Yaqui Grande, as well as funding ongoing exploration activities.

El Chanate

The El Chanate mine is located northeast of the town of Caborca in the state of Sonora, Mexico. El Chanate ceased mining activities in October 2018 and transitioned to residual leaching.

El Chanate Financial and Operational Review

	Three Months Ended December 31,		Years Ended December 31,	
	2018	2017	2018	2017
Gold production (ounces)	10,100	12,100	43,700	60,400
Gold sales (ounces)	10,199	12,585	43,662	61,182
Financial Review *(in millions)*				
Operating Revenues	$13.1	$16.0	$57.1	$76.8
Cost of sales [1]	$78.5	$17.4	$124.8	$77.0
Loss from operations	($65.4)	($1.4)	($67.7)	($0.2)
Cash provided by operating activities	$2.4	$0.6	$0.6	$4.8
Capital expenditures	$0.1	$0.2	$0.6	$1.4
Mine-site free cash flow [2]	$2.3	$0.4	$—	$3.4
Cost of sales, including amortization per ounce of gold sold [1]	$7,697	$1,383	$2,858	$1,259
Total cash costs per ounce of gold sold [2]	$1,304	$1,311	$1,289	$1,188
Mine site all-in sustaining costs per ounce of gold sold [2],[3]	$1,333	$1,335	$1,317	$1,218
Open Pit Operations				
Tonnes of ore mined	481,623	895,545	3,050,636	4,475,004
Total tonnes mined	658,014	4,156,001	8,815,076	22,646,606
Waste-to-ore ratio (operating)	0.37	3.64	1.89	4.06
Average grade of gold [4]	0.52	0.48	0.55	0.47
Crushing and Heap Leach Operations				
Total tonnes of ore stacked	573,336	988,640	3,066,456	4,536,847
Average grade of gold [4]	0.52	0.48	0.55	0.50
Total contained ounces stacked	9,585	15,257	54,224	72,932
Ore crushed and run-of-mine ore stacked per day (tonnes) - combined	6,200	10,700	8,400	12,400

[1] Cost of sales includes mining and processing costs, royalties and amortization. For the three months and year ended December 31, 2018, cost of sales includes a $64.0 million non-cash inventory impairment charge at El Chanate.
[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 10,100 ounces of gold in the fourth quarter of 2018, down from 12,100 ounces in the prior year quarter as the operation has transitioned to residual leaching in the quarter. Mining activities ceased at El Chanate on October 30, 2018. The Company expects to recover between 15,000 and 25,000 ounces in 2019 through residual leaching.

Financial Review

Fourth quarter revenues of $13.1 million were lower than the prior year quarter due to fewer ounces sold as mining activities wound down during the period. Revenues for 2018 of $57.1 million were down from $76.8 million in the prior year period due to a lower realized gold price and ounces sold.

During the fourth quarter, the Company reviewed the heap leach pad inventory at the El Chanate mine as the operation transitioned to residual leaching activities. This included an analysis of the number of ounces included in inventory on the heap leach pad that are expected to be recovered economically. It was determined that approximately 51,900 ounces are not economically recoverable. As a result, the Company incurred a non-cash inventory impairment charge of $64.0 million (pre-tax) which has been included in cost of sales.

Total cash costs per ounce of $1,304 for the fourth quarter, were consistent with the prior year period. Total cash costs per ounce of $1,289 in 2018 were higher than 2017 reflecting lower ounces stacked in the period, and higher per-tonne mining and processing costs resulting from lower throughput. Mine-site AISC per ounce were $1,333 for the quarter and $1,317 for the full year.

Mine-site free cash flow was $2.3 million in the quarter and break-even for the year. The Company expects mine-site free cash flow to improve in 2019 with the transition to residual leaching.

Fourth Quarter 2018 Development Activities

Kirazlı (Çanakkale, Turkey)

The Company has been granted the three major permits required for the start of construction of Kirazlı including the Environmental Impact Assessment, Forestry Permits and GSM (Business Opening and Operation) permit.

There are several additional permits required prior to the start of gold production at Kirazlı, which the Company expects to receive in due course. As disclosed in December 2018, the next permit required to meet the construction schedule is an Operating License which allows for the start of earthworks on the future open pit. Following receipt of the Operating License, the Company expects to ramp up major construction and earthworks activities, putting initial production from Kirazlı on track for the second half of 2020.

The Company spent $20.9 million of Kirazlı's initial capital of $152 million in 2018 with road construction complete and the water reservoir and power line 50% and 85% complete, respectively.

As outlined in the 2017 Feasibility Study, Kirazlı has a 44% after-tax internal rate of return and is expected to produce over 100,000 ounces of gold during its first full year of production at mine-site all-in sustaining costs of less than $400 per ounce.

Mulatos District (Sonora, Mexico)

Cerro Pelon and La Yaqui Grande

The environmental impact assessment ("MIA") for Cerro Pelon was submitted during the second quarter of 2018, with approval of the MIA and Change in Land Use permits received in the fourth quarter. The Company has invested $3.4 million on permitting and engineering activities at these projects in the fourth quarter, and $6.8 million for the full year. On receipt of these permits, the Company has commenced full scale construction, with $25 million budgeted in 2019 for development of the project.

Given its proximity to Mulatos' infrastructure, ore from the Cerro Pelon open pit will be trucked to the existing heap leach circuit for crushing and processing. Recently completed work includes construction of a bridge to cross the overland conveyor, and a haulage road and crushing circuit which will be located at the Mulatos mine. Cerro Pelon is a higher grade, high return project, and is expected to start contributing low cost production in 2020, driving down combined Mulatos District costs.

In addition, $8 million is budgeted in 2019 for permitting and engineering of La Yaqui Grande. The MIA for La Yaqui Grande was submitted late in 2018 with approval expected in the second half of 2019.

Lynn Lake (Manitoba, Canada)

The Company released a positive Feasibility Study on the Lynn Lake 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.

Over the past year, the Company has been evaluating value engineering initiatives to enhance the project's economics, including modifications to the overall site layout, structures and foundations for the process plant, and review of the camp location. This work along with 259,000 ounces of newly defined Mineral Reserves that were not included in the 2017 Feasibility Study will be incorporated into an updated Feasibility Study which is expected to be completed in the second quarter of 2019. Development spending in the fourth quarter of $0.6 million related to project optimization activities, and $2.4 million for the full year.

The 2019 capital budget for Lynn Lake is $11 million, including $5 million for development activities and $6 million for exploration. Development spending will be focused on completing the updated Feasibility Study and 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.

Fourth Quarter 2018 Exploration Activities

Island Gold (Ontario, Canada)

The 2018 exploration program targeted three main areas within the Island Main Zone which extends over two-kilometres along strike. The focus was on expanding the down-plunge and lateral extensions of the deposit with the objective of adding new near-mine Mineral Resources. Drill holes in the Main and Western Extension areas were testing high-grade, east-plunging shoots below existing Mineral Reserves and Resources. Drill holes in the Eastern Extension were exploring for additional plunging shoots along strike beyond existing Mineral Reserves and Resources.

The 2018 exploration budget included 45,000 metres ("m") of surface directional exploration drilling, 30,000 m of underground exploration drilling, 35,000 m of underground delineation drilling and 15,000 m of regional exploration drilling.

The underground delineation drilling program was focused on converting Inferred Mineral Resources into Indicated Mineral Resources. This drilling was conducted from the 340, 450, 620, 730, and 840 levels.

Surface exploration drilling

A total of 9 holes were completed in the fourth quarter as part of the directional drilling program which totaled 11,737 m. Directional drilling targeted areas peripheral to the Inferred Mineral Resource blocks below the 1,000 m level, with drill hole spacing ranging from 75 m to 100 m. The area that was targeted by the surface directional drill program extends approximately 2,000 m in strike length between the 1,000 m and 1,500 m elevation below surface.

The surface directional drilling program will continue in 2019 with a focus on defining new Inferred Mineral Resources.

In the fourth quarter, 5 holes totalling 6,039 m were completed as part of the regional exploration drilling program to drill test targets along the Goudreau Deformation Zone to the west of the main Island Gold Mine deposit and at the Kremzar Gold Deposit.

Underground exploration drilling

During the fourth quarter of 2018, a total of 2,596 m of underground exploration diamond drilling was completed in 7 holes from the 450 and 840 levels. The objective of the underground drilling is to identify new Mineral Resources close to existing Mineral Resource or Reserve blocks.

Total capitalized exploration expenditures at Island Gold during the fourth quarter of 2018 were $3.1 million, with full year capitalized exploration expenditures of $15.6 million.

Mulatos District (Sonora, Mexico)

The Company has a large exploration package covering 28,972 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. After significant exploration success at La Yaqui Grande over the past few years, the focus in 2018 has shifted to other parts of the district including El Carricito, El Halcon and El Jaspe.

In the fourth quarter of 2018, the Company invested $1.5 million in exploration activities within the Mulatos District, of which $0.6 million was capitalized and the remainder expensed. This included 4,174 m of diamond drilling focused on El Carricito. For the full year, the Company spent $10.5 million, of which $2.9 million was capitalized.

At El Carricito, the drill program is testing anomalous alteration and structural targets identified by mapping in the first half of 2018.

Lynn Lake (Manitoba, Canada)

The results from the 2018 regional exploration program which included till sampling, mapping, and prospecting have been integrated with the Lynn Lake database and are being interpreted in conjunction with the results of the airborne gravity gradiometer ("AGG") and magnetic survey with the objective of generating a pipeline of prospective targets across the Lynn Lake Greenstone Belt.

Spending in the fourth quarter totaled $1.4 million, with full year expenditures to $5.1 million.

Key External Performance Drivers

Gold Price

The Company's financial 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 2018, the London PM Fix price of gold averaged $1,227 per ounce, while the Company realized an average gold price of $1,244 per ounce in the quarter, $17 per ounce above the London PM Fix. The Company was effective in managing gold price fluctuations throughout the year, including hedging a portion of its gold production, which resulting in a realized gold price of $1,278 per ounce in 2018, or $10 per ounce above the London PM Fix for the year.

As at December 31, 2018, the Company has hedged 15,000 ounces ensuring an average minimum gold price of $1,250 per ounce and participation up to an average gold price of $1,377 per ounce. Subsequent to year end, the Company hedged a further 85,000 ounces, bringing the total to 100,000 ounces ensuring an average minimum gold price of $1,289 per ounce and participation up to an average gold price of $1,413 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 2018, the Canadian dollar averaged approximately $1.32 CAD to $1 US dollar compared to $1.31 CAD to $1 USD in the third quarter of 2018. The Mexican peso ("MXN") averaged 19.81 MXN to $1 US dollar in the fourth quarter compared to 18.94 MXN to $1 US dollar in the third quarter of 2018

The Company recorded a $1.7 million foreign exchange loss in the fourth quarter related to translation of the Company's net monetary assets and resulting from changes in period-end foreign exchange rates. During the fourth quarter, the Canadian dollar year end spot price weakened 5% relative to the US dollar, depreciating to $1.36 CAD to $1 US dollar at December 31st compared to $1.29 CAD to $1 USD at September 30, 2018. Similarly, the Mexican peso ("MXN") year end spot price weakened 5% during the fourth quarter to 19.65 MXN to $1 US dollar as at December 31, 2018 from 18.69 MXN to $1 US dollar at September 30, 2018.

During the quarter, the movement of the CAD and MXN rates also generated a foreign exchange loss of $14.1 million on the revaluation of monetary tax and deferred tax balances, recorded within deferred tax expense.

The Company actively manages its currency exposure through a hedging program, which resulted in realized foreign exchange loss of $0.6 million in the quarter, and a gain $3.9 million for the full year. The Company applies hedge accounting; accordingly these realized loss and gains have been applied to benefit operating and capital costs at the operating mines, which has improved mine-site all-in sustaining costs for the full 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,		
	2018	2017	2018	2017	2016
Gold production (ounces) [1]	125,600	120,300	505,000	429,400	392,000
Gold sales (ounces)	131,161	126,786	509,879	430,115	389,151
Operating Revenues	$163.1	$161.7	$651.8	$542.8	$482.2
Cost of sales[2]	$207.1	$136.6	$639.4	$456.8	$429.3
(Loss) earnings from operations	($51.3)	$17.1	($22.6)	$56.0	$21.3
Net (loss) earnings	($71.5)	($4.7)	($72.6)	$26.6	($17.9)
Adjusted net (loss) earnings [3]	$4.3	$0.3	$19.6	$38.9	($16.0)
(Loss) earnings per share, basic	($0.18)	($0.01)	($0.19)	$0.09	($0.07)
Adjusted (loss) earnings per share [3]	$0.01	—	$0.05	$0.13	($0.06)
Total assets			$3,265.2	$3,320.3	$2,492.2
Total non-current liabilities			538.0	525.9	633.2
Cash flow from operations	$47.4	$48.6	$213.9	$163.5	$135.7
Dividends per share, declared	0.01	0.01	0.02	0.02	0.02
Average realized gold price per ounce	$1,244	$1,275	$1,278	$1,262	$1,239
Cost of sales per ounce of gold sold, including amortization [2]	$1,579	$1,077	$1,254	$1,062	$1,103
Total cash costs per ounce of gold sold [3]	$770	$753	$802	$770	$797
All-in sustaining costs per ounce of gold sold [3]	$983	$902	$989	$933	$1,010

(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 and 98,600 ounces, respectively.
(2) Cost of sales includes mining and processing costs, royalties and amortization. For the three months and year ended December 31, 2018, cost of sales includes a $64.0 million non-cash inventory impairment charge at El Chanate.
(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.

Review of Fourth Quarter Financial Results

Operating Revenue

During the fourth quarter of 2018, the Company sold 131,161 ounces of gold for total revenue of $163.1 million, an increase of $1.4 million compared to the prior year period. This was primarily driven by the Island Gold acquisition completed in November 2017, which contributed a record 30,199 ounces, or $37.5 million in gold sales in the quarter, offset by lower ounces sold at Mulatos and a lower realized gold price in the quarter. The Company's realized gold price of $1,244 per ounce in the fourth quarter was $17 per ounce higher than the London PM fix of $1,227 per ounce.

Cost of Sales

For the fourth quarter of 2018, cost of sales were $207.1 million, compared to $136.6 million in the prior-year period, with the increase driven by a non-cash inventory impairment charge recorded at El Chanate in the quarter.

Mining and Processing

Mining and processing costs were $96.2 million compared to $90.6 million in the prior-year period. The increased costs were mainly the result of the addition of Island Gold, which contributed $15.5 million of mining and processing costs in the period, as well as higher per-unit operating costs at Young-Davidson.

Consolidated total cash costs for the quarter were $770 per ounce, compared to $753 in the prior year period. The increase was driven by higher total cash costs at Young-Davidson and El Chanate, partially offset by the addition of lower cost production from Island Gold.

In the quarter, AISC per ounce increased to $983 from $902 in the prior year period. This was primarily driven by higher total cash costs, and the timing of sustaining capital spending at Young-Davidson.

Impairment of El Chanate inventory

During the quarter, the Company wrote down $64.0 million of heap leach inventory at El Chanate, of which $62.5 million was related to mining and processing costs and $1.5 million was related to amortization. The Company ceased mining activities at El Chanate during 2018 and has begun residual leaching the heap leach pad. An analysis of the recoverability of the ounces in inventory on

the heap leach pad was conducted as of December 31, 2018. The Company estimated that approximately 51,900 ounces may not be economically recovered, resulting in a non-cash impairment charge of $64.0 million ($49.9 million after-tax).

Royalties

Royalty expense was $4.8 million in the fourth quarter and consistent with the prior year period of $4.9 million, as higher royalties at Island Gold were offset by lower royalties at Mulatos.

Amortization

Amortization of $42.1 million in the quarter was consistent with the prior year period expense of $41.1 million. Amortization was $321 per ounce, compared to $324 per ounce in the prior year period, and consistent with guidance.

Loss from Operations

The Company recognized a loss from operations of $51.3 million in the quarter, compared to earnings of $17.1 million in the same period of 2017, as a result of the non-cash El Chanate inventory impairment charge of $64.0 million and increased operating costs at Young-Davidson.

Net Loss

The Company reported a net loss of $71.5 million in the quarter, compared to net loss of $4.7 million in the same period of 2017. Net loss for the fourth quarter was impacted by the non-cash inventory impairment charge, other losses related to disposals and settlement charges, and foreign exchange movements related to the weakening of Canadian dollar and Mexican Peso, which generated a foreign exchange loss of $1.7 million, as well as a foreign exchange loss of $14.1 million recorded within deferred income taxes.

Review of 2018 Financial Results

Operating Revenue

For the year ended 2018, the Company sold 509,879 ounces of gold for total revenue of $651.8 million, a 20% increase compared to the prior year period. This was primarily driven by the Island Gold acquisition, which contributed 105,520 ounces, or $135.1 million in revenue for the year, compared to 11,720 ounces in the prior year due to the acquisition closing in November 2017. In addition, the Company benefited from a higher realized gold price of $1,278 per ounce compared to $1,262 per ounce in 2017, resulting in a $6.7 million benefit.

Cost of Sales

For the year ended 2018, cost of sales were $639.4 million, compared to $456.8 million in the prior-year period. Cost of sales in 2018 includes a non-cash inventory impairment charge recorded in the fourth quarter of $64.0 million.

Mining and Processing

Mining and processing costs increased to $387.2 million from $315.6 million in the prior-year period, driven by the addition of Island Gold, which added $56.0 million of mining and processing costs in the current year. In addition, mining and processing costs at Young-Davidson increased as a result of higher underground mining and maintenance costs.

Consolidated total cash costs per ounce for 2018 were $802 per ounce compared to $770 in the prior year period. The increase in total cash costs is attributable to higher per-unit costs at Young-Davidson, driven by lower underground mining rates and higher maintenance charges during the year. Higher costs at Young-Davidson and El Chanate were partially offset by the addition of lower cost ounces from Island Gold.

For the year, AISC per ounce increased to $989 from $933 in the prior year period. The increase was primarily driven by higher operating costs and sustaining capital at Young-Davidson.

Impairment of El Chanate inventory

During the quarter, the Company wrote down $64.0 million of heap leach inventory at El Chanate, of which $62.5 million was related to mining and processing costs and $1.5 million was related to amortization. The Company ceased mining activities at El Chanate during 2018 and has begun residual leaching the heap leach pad. An analysis of the recoverability of the ounces in inventory on the heap leach pad was conducted as of December 31, 2018. The Company estimated that approximately 51,900 ounces may not be economically recovered, resulting in a non-cash impairment charge of $64.0 million ($49.9 million after-tax).

Royalties

Royalty expense was higher for the year ended 2018 at $21.6 million, compared to $15.6 million in the prior year period, primarily due to the addition of Island Gold, and a higher number of ounces sold at Mulatos.

Amortization

Amortization of $166.6 million in 2018 was higher than in the prior year of $125.6 million. Amortization was $327 per ounce, in line with guidance but an increase from the prior year, reflecting amortization charges at Island Gold which carries a higher per-ounce amortization charge.

Loss from Operations

The Company recognized a loss from operations of $22.6 million for the year ended 2018, compared to earnings of $56.0 million in 2017. The decrease was due to lower margins at Young-Davidson and the non-cash inventory impairment charge recorded at El Chanate, partially offset by higher ounces sold at Mulatos and Island Gold.

Net Loss

The Company reported a net loss of $72.6 million for the year ended 2018, compared to net earnings of $26.6 million in the same period of 2017. Net loss for the year ended 2018 was significantly impacted by the non-cash inventory impairment charge recorded at El Chanate and foreign exchange movements, as the Company recorded a foreign exchange loss of $4.4 million (compared to a gain of $5.0 million in the prior year), in addition to foreign exchange losses of $28.8 million recorded within deferred income taxes, mainly resulting from a weakening Canadian dollar.

Consolidated Expenses and Other

(in millions)

	Three Months Ended December 31,		Years Ended December 31,	
	2018	2017	2018	2017
Exploration expense	($2.5)	($2.3)	($11.0)	($8.3)
Corporate and administrative expense	(3.5)	(4.6)	(17.4)	(15.5)
Share-based compensation expense	(1.3)	(1.1)	(6.6)	(6.2)
Finance expense	(0.2)	(1.1)	(3.0)	(6.6)
Foreign exchange (loss) gain	(1.7)	(5.1)	(4.4)	5.0
Other loss	(10.1)	(5.3)	(8.4)	(3.1)
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 2018 relate to drilling at El Carricito (Mulatos), as well as corporate exploration support. Exploration spending at Island Gold, Lynn Lake and near-mine exploration at Mulatos are capitalized and are therefore reflected as capital expenditures rather than exploration expense. For 2018, exploration expense of $11.0 million primarily relates to drilling in the Mulatos district in Mexico.

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 incurred at the corporate office located in Canada. Corporate and administrative costs remained consistent with the prior year period and in line with annual guidance of $18 million for the year.

Share-based compensation

Share-based compensation expense was $1.3 million in the fourth quarter and $6.6 million for the year, both consistent with the prior year comparative periods.

Finance expense

Finance expense decreased compared to the prior year period, though was consistent with budget, as the Company repaid senior secured notes on April 3, 2017 resulting in a reduction of gross interest expense per quarter subsequent to retirement of the notes.

Foreign exchange loss

During the quarter, a foreign exchange loss of $1.7 million was recorded. Both the Canadian dollar and Mexican peso weakened by 5% in the fourth quarter, compared to the US dollar. For the year ended 2018, the foreign exchange loss of $4.4 million was driven by an 9% depreciation of the Canadian dollar.

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. During the fourth quarter, the Company realized a loss of $0.6 million on settled contracts, and the mark-to-market loss on the outstanding hedge position of $6.2 million was recorded within other comprehensive income. For the year ended 2018, the Company realized gains of $3.9 million on settled contracts, and a mark-to-market loss of $9.8 million 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 an other loss of$10.1 million compared to a loss of$5.3 million in the prior year period. The fourth quarter charges are comprised of losses on disposal of assets, legal settlement fees, mark-to-market gains and losses on non-hedged derivatives, including gold collar contracts.

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 2018, the Company recognized a current tax recovery of $0.6 million and a deferred tax expense of $8.8 million. During the year ended December 31, 2018 the Company recognized a current tax expense of $17.3 million and a deferred tax expense of $16.9 million, compared to a current tax expense of $11.9 million and a deferred tax recovery of $16.3 million in the same period of 2017. Current income tax expense in 2018 was primarily related to income tax and mining taxes in Mexico. The deferred tax expense was primarily due to changes to foreign exchange rates during the periods.

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 functional currency financial statements. The total foreign exchange impact recorded within deferred taxes in the year was a $28.8 million expense (2017 - $22.5 million recovery).

Financial Condition

	December 31, 2018	December 31, 2017	
Current assets	$380.0	$453.2	Current assets decreased in 2018, driven by a lower inventory balance as the Company recorded an inventory impairment charge at El Chanate;
Long-term assets	2,885.2	2,867.1	Long-term assets remained consistent with the prior year as capital expenditures in the year were offset by amortization charges.
Total assets	$3,265.2	$3,320.3	
Current liabilities	$124.9	$113.2	Current liabilities increased due to an increase in trade payables and accruals, mainly at Young-Davidson and Island Gold.
Non-current liabilities	538.0	525.9	Non-current financial liabilities increased from the prior year-end driven by movements in foreign exchanges rates and the impact of these fluctuations on the deferred income tax liability.
Total liabilities	$662.9	$639.1	
Shareholders' equity	$2,602.3	$2,681.2	Shareholders' equity for the period decreased as a result of the net loss incurred in the year, and dividends declared during the year of $7.8 million.
Total liabilities and equity	$3,265.2	$3,320.3	

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, 2018, the Company had cash and cash equivalents of $206.0 million and $7.8 million in equity securities compared to $200.8 million and $35.8 million respectively, at December 31, 2017. In addition, the Company has access to an additional $400 million in liquidity through its existing credit facility. In the opinion of management, the Company's liquidity position of $613.8 million at December 31, 2018 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.

Cash Flow

(in millions)

	Three Months Ended December 31,		Years Ended December 31,	
	2018	2017	2018	2017
Cash flow provided by operating activities	$47.4	$48.6	$213.9	$163.5
Cash flow (used in) from investing activities	(61.5)	7.0	(196.6)	(119.4)
Cash flow (used in) from financing activities	(2.6)	(3.8)	(8.8)	(97.6)
Effect of foreign exchange rates on cash	(2.1)	—	(3.3)	2.1
Net increase in cash	(18.8)	51.8	5.2	(51.4)
Cash and cash equivalents, beginning of period	224.8	149.0	200.8	252.2
Cash and cash equivalents, end of period	$206.0	$200.8	$206.0	$200.8

Cash flow provided by operating activities

In the fourth quarter of 2018, operating activities generated cash flow of $47.4 million compared to $48.6 million in the same period of 2017. Cash flow provided by operations before working capital and taxes paid was $52.8 million in the fourth quarter, compared to $52.7 million in the prior year period. The consistent operating cash flows were due to higher ounces sold in 2018, offset by a lower realized gold price and higher operating costs. For the year ended 2018, operating activities generated $213.9 million compared to $163.5 million in the prior year period, as a result of higher gold sales and higher realized gold prices.

Cash flow used in investing activities

For the fourth quarter of 2018, capital expenditures were $61.5 million compared to $39.2 million in 2017. Capital expenditures were higher than the prior year, reflecting capital spending at Island Gold, which was acquired on November 23, 2017, as well as higher capital at Young-Davidson. The Company invested $221.5 million on mineral property, plant and equipment for the year ended 2018, compared to $162.5 million in the prior year, primarily due to spending at Island Gold which was not included in the comparative period.

In addition, the Company liquidated its investment in AuRico Metals Inc., and Corex Gold Corp in the first quarter of 2018 for proceeds of $24.9 million and realized a gain of $14.3 million ($12.5 million net of tax). This gain was transferred from accumulated other comprehensive income to deficit.

In the comparative period, as part of the Richmont Mines acquisition that closed on November 23, 2017, the Company acquired $46.2 million in cash and cash equivalents upon close of the transaction.

Cash flow used in financing activities

In the fourth quarter of 2018, the Company paid a dividend of $3.9 million and incurred $0.9 million related to lease payments. For the year ended 2018, the Company incurred $8.8 million of an outflow primarily related to dividends paid and lease payments, offset by fund received from the exercise of stock options and warrants.

Credit Facility

In the third quarter of 2018, the Company completed the extension of its existing undrawn revolving credit facility (the "Facility") of $400.0 million to September 20, 2022 from September 20, 2021 at similar terms and conditions to those existing previously. The 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, 2018, the Company is in compliance with the covenants and the Facility is fully undrawn.

Contractual Obligations	Less than 1 year	2 - 3 years	4 - 5 years	More than 5 years	Total
Operating and financing leases	3.1	1.5	0.7	0.6	5.9
Accounts payable and accrued liabilities	118.7	—	—	—	118.7
Decommissioning liability	—	6.4	—	47.0	53.4
Contract mining	31.9	32.0	—	—	63.9
Capital commitments	24.5	—	—	—	24.5
	$178.2	$39.9	$0.7	$47.6	$266.4

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 average approximately $3.5 million per quarter for 2019. Obligations related to contract mining are based on current mine plans, and are subject to change.

Initiation of Normal Course Issuer Bid and Quarterly Dividend Program

On December 24, 2018, a Normal Course Issuer Bid was initiated permitting Alamos to purchase for cancellation up to 25,513,043 Class A Common Shares ("Common Shares"), representing 10% of the Company's public float of the Common Shares. The Company may purchase Common Shares under the Normal Course Issuer Bid over the next twelve-month period beginning December 24, 2018 and ending December 23, 2019. Any purchases made under the Normal Course Issuer Bid will be effected through the facilities of the TSX, alternative Canadian trading systems and/or the New York Stock Exchange. As at December 31, 2018, there were no purchases, however, in 2019, the Company has purchased and cancelled 2,444,352 common shares at a cost of $10.0 million or $4.07 per share.

Commencing in the first quarter of 2019, the Company is initiating a quarterly dividend commencing in the first quarter of 2019, with the first dividend of $0.01 per share payable to shareholders on record on March 15, 2019, to be paid on March 29, 2019. The Company expects to increase the amount of dividends paid to shareholders in 2019 through the quarterly program opposed to the historic practice of semi-annual dividends

Outstanding Share Data

	February 20, 2019
Common shares	388,805,896
Stock options	6,655,455
Deferred share units	645,413
Performance share units	983,441
Restricted share units	2,213,200
	399,303,405

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, 2018.

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, 2018, 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 $1,250 per ounce and a maximum average realized gold price of $1,377 per ounce, regardless of the movement in gold prices during 2019.

The following gold collar contracts are outstanding as of December 31, 2018:

Period Covered	Contract type	Ounces subject to contract	Average purchase put option	Average sold call option
2019	Collar	15,000	$1,250	$1,377

The fair value of these contracts was a liability of $0.1 million at December 31, 2018 (December 31, 2017 - asset of $0.5 million). The options mature through 2018.

For the year ended December 31, 2018, the Company realized a gain of $3.9 million related to the settlement of option contracts (for the year ended December 31, 2017 - realized losses of $0.6 million). The total unrealized losses for the year ended December 31, 2018 was $0.6 million (for the year ended December 31, 2017 - unrealized gain of $2.6 million). The Company has elected to not apply hedge accounting to gold option contracts, with changes in fair value recorded in net earnings.

Foreign currency contracts

As at December 31, 2018, 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)	Forward price (USD/CAD)
2019	Collars	342.0	1.30	1.35	N/A
2019	Forwards	9.0	N/A	N/A	1.34

Mexican Peso contracts

Period Covered	Contract type	Contracts (MXN Millions)	Average minimum rate (MXN/USD)	Average maximum rate (MXN/USD)
2019	Collars	1,380.0	19.50	22.07

The fair value of these contracts was a liability of $4.7 million at December 31, 2018 (December 31, 2017 - asset of $5.0 million). For the year ended December 31, 2018, the Company realized gains of $3.9 million on the foreign currency contracts (for the year ended December 31, 2017 - realized gains of $4.3 million. In 2018, all the gains were eligible for hedge accounting, however, of the gains recognized in the year ended December 31, 2017 only $3.5 million were eligible to be recognized in accumulated other comprehensive income under hedge accounting).

Fuel contracts

The Company enters into option contracts to economically hedge against the risk of an increase in the price of diesel fuel. These option contracts are for the purchase of New York Harbour Ultra Low Sulfur Diesel ("ULSD") contracts, which settle on a monthly basis, and the Company believes this is an appropriate manner of managing price risk.

As at December 31, 2018, the Company has hedged 2.74 million gallons of diesel at a range of $1.83 to $2.09 per gallon.

For the year ended December 31, 2018, the Company has an unrealized loss of $0.5 million recorded in accumulated other comprehensive loss related to the fuel hedges.

Summary of Quarterly Financial and Operating Results

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

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Gold ounces produced	125,600	124,000	126,500	128,900	120,300	107,000	105,900	96,200
Gold ounces sold	131,161	119,401	129,272	130,045	126,786	100,551	104,023	98,755
Operating Revenues	$163.1	$146.7	$168.9	$173.1	$161.7	$128.8	$131.3	$121.0
(Loss) earnings from operations	($51.3)	$0.6	$9.6	$18.5	$17.1	$20.9	$15.8	$2.2
Net (loss) earnings	($71.5)	$7.2	($8.9)	$0.6	($4.7)	$28.8	$2.4	$0.1
(Loss) earnings per share, basic (2)	($0.18)	$0.02	($0.02)	$—	($0.01)	$0.10	$0.01	$—
Earnings before interest, taxes, depreciation and amortization (1)	$43.0	$41.7	$51.9	$58.6	$47.8	$51.1	$50.1	$35.9
Cash provided by operating activities	$47.4	$45.2	$62.5	$58.8	$48.6	$43.4	$51.4	$20.1
Average realized gold price	$1,244	$1,229	$1,307	$1,331	$1,275	$1,281	$1,262	$1,225

(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 overall trended up since Q1 2017 as a result of higher production and a strengthening gold price. The Company acquired Island Gold in the fourth quarter of 2017, increasing production from approximately 100,000 ounces per quarter to over 120,000 ounces per quarter, driving revenues higher. Since the acquisition of Island Gold, quarterly revenues have been consistent throughout 2018, with fluctuations resulting from changes in gold price for the period. Subject to the following, earnings from operations and cash flow from operating activities have improved since Q1 2017 as a result of a higher gold price and lower operating costs, resulting in higher margins on ounces produced. Earnings from operations and net income in the fourth quarter of 2018 were impacted by one-time, non-cash items, including a non-cash inventory impairment charge at El Chanate.

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:

- adjusted net earnings and adjusted earnings per share;
- cash flow from operating activities before changes in working capital and taxes received;
- Company-wide free cash flow;
- 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.

Adjusted Net Earnings and Adjusted Earnings per Share

"Adjusted net earnings" and "adjusted earnings per share" are non-GAAP financial measures with no standard meaning under IFRS which exclude the following from net earnings:

- Foreign exchange gain (loss)
- Items included in other gain (loss)
- Certain non-reoccurring items
- Foreign exchange gain (loss) recorded in deferred tax expense

Net earnings have been adjusted, including the associated tax impact, for the group of costs in "Other loss" on the consolidated statement of comprehensive income. Transactions within this grouping are: the fair value changes on non-hedged derivatives; the renunciation of flow-through exploration expenditures; and loss on disposal of assets. The adjusted entries are also impacted for tax to the extent that the underlying entries are impacted for tax in the unadjusted net earnings.

The Company uses adjusted net earnings for its own internal purposes. Management's internal budgets and forecasts and public guidance do not reflect the items which have been excluded from the determination of adjusted net earnings. Consequently, the presentation of adjusted net earnings enables shareholders to better understand the underlying operating performance of the core mining business through the eyes of management. Management periodically evaluates the components of adjusted net earnings based on an internal assessment of performance measures that are useful for evaluating the operating performance of our business and a review of the non-GAAP measures used by mining industry analysts and other mining companies.

Adjusted net earnings 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 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 operating profit or cash flows from operations as determined under IFRS. The following table reconciles this non-GAAP measure to the most directly comparable IFRS measure.

(in millions)

	Three Months Ended December 31,		Years Ended December 31,		
	2018	2017	2018	2017	2016
Net Earnings (Loss)	($71.5)	($4.7)	($72.6)	$26.6	($17.9)
Adjustments:					
Impairment of El Chanate inventory	64.0	—	64.0	—	—
Tax impact on impairment of El Chanate inventory	(14.1)	—	(14.1)	—	—
Foreign exchange loss (gain)	1.7	(5.1)	4.4	5.0	12.5
Other loss (gain)	10.1	5.3	8.4	3.1	(5.5)
Unrealized foreign exchange loss (gain) recorded in deferred tax expense	14.1	(0.3)	28.8	(22.5)	(5.1)
Transaction costs related to the Richmont acquisition	—	3.8	—	3.8	—
Acquisition fair value adjustment on Richmont acquisition	—	1.3	—	1.3	—
Loss on redemption of senior secured notes	—	—	—	29.1	—
Other income and mining tax adjustments [1]	—	—	0.7	(7.5)	—
Adjusted net earnings (loss)	$4.3	$0.3	$19.6	$38.9	($16.0)
Adjusted earnings (loss) per share - basic	$0.01	$—	$0.05	$0.13	($0.06)

[1] This reflects the recognition of previously unrecognized capital losses, and the tax impact on adjusted earnings.

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,	
	2018	2017	2018	2017
Cash flow from operating activities	$47.4	$48.6	$213.9	$163.5
Add back: Changes in working capital and cash taxes	5.4	4.1	(2.2)	19.8
Cash flow from operating activities before changes in working capital and cash taxes	**$52.8**	**$52.7**	**$211.7**	**$183.3**

Company-wide Free Cash Flow

"Company-wide free cash flow" is a non-GAAP performance measure calculated from the consolidated operating cash flow, less consolidated 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 company-wide. Company-wide 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. Company-wide free cash flow should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

(in millions)

	Three Months Ended December 31,		Years Ended December 31,	
	2018	2017	2018	2017
Cash flow from operating activities	$47.4	$48.6	$213.9	$163.5
Less: mineral property, plant and equipment expenditures	(61.5)	(39.2)	(221.5)	(162.5)
Company-wide free cash flow	**($14.1)**	**$9.4**	**($7.6)**	**$1.0**

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. Mine-site 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. Mine-site 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,	
	2018	**2017**	**2018**	**2017**
(in millions)				
Cash flow from operating activities	$47.4	$48.6	$213.9	$163.5
Less: operating cash flow used by non-mine site activity	(9.6)	(19.5)	(31.1)	(31.9)
Cash flow from operating mine-sites	**$57.0**	**$68.1**	**$245.0**	**$195.4**
Mineral property, plant and equipment expenditure	$61.5	$39.2	$221.5	$162.5
Less: capital expenditures from development projects, and corporate [(1)]	(9.7)	(8.2)	(32.9)	(44.6)
Capital expenditure from mine-sites	**$51.8**	**$31.0**	**$188.6**	**$117.9**
Total mine-site free cash flow	**$5.2**	**$37.1**	**$56.4**	**$77.5**

(1) The comparative periods include capital expenditures related to La Yaqui Phase I of nil and $12.5 million for the three and twelve months ended December 31, 2017.

Young-Davidson Mine-Site Free Cash Flow

	Three Months Ended December 31,		Years Ended December 31,	
	2018	**2017**	**2018**	**2017**
(in millions)				
Cash flow from operating activities	$23.6	$33.4	$97.5	$114.5
Mineral property, plant and equipment expenditure	(23.1)	(17.0)	(86.6)	(80.3)
Mine-site free cash flow	**$0.5**	**$16.4**	**$10.9**	**$34.2**

Mulatos Mine-Site Free Cash Flow

	Three Months Ended December 31,		Years Ended December 31,	
	2018	**2017**	**2018**	**2017**
(in millions)				
Cash flow from operating activities	$14.7	$22.3	$71.0	$64.3
Mineral property, plant and equipment expenditure	(11.8)	(9.0)	(35.3)	(43.9)
Less: La Yaqui Phase I construction cost	—	—	—	12.5
Mulatos mineral property, plant and equipment expenditure	**($11.8)**	**($9.0)**	**($35.3)**	**($31.4)**
Mine-site free cash flow	**$2.9**	**$13.3**	**$35.7**	**$32.9**

Island Gold Mine-Site Free Cash Flow

	Three Months Ended December 31,		Years Ended December 31,	
	2018	**2017**	**2018**	**2017**
(in millions)				
Cash flow from operating activities	$16.3	$11.8	$75.9	$11.8
Mineral property, plant and equipment expenditure	(16.8)	(4.8)	(66.1)	(4.8)
Mine-site free cash flow	**($0.5)**	**$7.0**	**$9.8**	**$7.0**

El Chanate Mine-Site Free Cash Flow	Three Months Ended December 31,		Years Ended December 31,	
	2018	2017	2018	2017
(in millions)				
Cash flow from operating activities	$2.4	$0.6	$0.6	$4.8
Mineral property, plant and equipment expenditure	(0.1)	(0.2)	(0.6)	(1.4)
Mine-site free cash flow	**$2.3**	**$0.4**	**$—**	**$3.4**

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,		
	2018	2017	2018	2017	2016
(in millions, except ounces and per ounce figures)					
Mining and processing	$96.2	$90.6	$387.2	$315.6	$297.0
Royalties	4.8	4.9	21.6	15.6	13.3
Total cash costs	$101.0	$95.5	$408.8	$331.2	$310.3
Gold ounces sold	131,161	126,786	509,879	430,115	389,151
Total cash costs per ounce	**$770**	**$753**	**$802**	**$770**	**$797**
Total cash costs	$101.0	$95.5	$408.8	$331.2	$310.3
Corporate and administrative[1]	3.5	4.6	17.4	15.5	16.3
Sustaining capital expenditures[2]	21.4	11.5	63.8	42.7	49.2
Share-based compensation	1.3	1.1	6.6	6.2	10.2
Sustaining exploration	0.9	1.0	4.8	3.9	3.5
Accretion of decommissioning liabilities	0.8	0.7	3.0	2.7	2.1
Realized gains on FX options	—	—	—	(0.8)	1.6
Total all-in sustaining costs	$128.9	$114.4	$504.4	$401.4	$393.2
Gold ounces sold	131,161	126,786	509,879	430,115	389,151
All-in sustaining costs per ounce	**$983**	**$902**	**$989**	**$933**	**$1,010**

(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,		
	2018	2017	2018	2017	2016
(in millions)					
Capital expenditures per cash flow statement	$61.5	$39.2	$221.5	$162.5	$146.5
Less: non-sustaining capital expenditures at:					
Young-Davidson	(12.3)	(8.3)	(50.8)	(46.2)	(54.6)
Mulatos	(9.3)	(8.1)	(28.1)	(38.4)	(24.5)
Island Gold	(8.8)	(3.1)	(45.9)	(3.1)	—
Corporate and other	(9.7)	(8.2)	(32.9)	(32.1)	(18.2)
Sustaining capital expenditures	$21.4	$11.5	$63.8	$42.7	$49.2

Young-Davidson Total Cash Costs and Mine-site AISC Reconciliation	Three Months Ended December 31,		Years Ended December 31,	
	2018	2017	2018	2017
(in millions, except ounces and per ounce figures)				
Mining and processing	$38.7	$35.1	$149.0	$125.9
Royalties	1.0	1.1	3.6	4.4
Total cash costs	$39.7	$36.2	$152.6	$130.3
Gold ounces sold	51,944	52,475	185,593	197,937
Total cash costs per ounce	**$764**	**$690**	**$822**	**$658**
Total cash costs	$39.7	$36.2	$152.6	$130.3
Sustaining capital expenditures	10.8	8.7	35.8	34.1
Exploration	0.1	0.1	0.2	0.4
Accretion of decommissioning liabilities	—	0.1	0.2	0.2
Total all-in sustaining costs	$50.6	$45.1	$188.8	$165.0
Gold ounces sold	51,944	52,475	185,593	197,937
Mine-site all-in sustaining costs per ounce	**$974**	**$859**	**$1,017**	**$834**

Mulatos Total Cash Costs and Mine-site AISC Reconciliation	Three Months Ended December 31,		Years Ended December 31,	
	2018	2017	2018	2017
(in millions, except ounces and per ounce figures)				
Mining and processing	$28.7	$34.9	$125.9	$112.9
Royalties	2.1	3.2	11.8	10.6
Total cash costs	$30.8	$38.1	$137.7	$123.5
Gold ounces sold	38,819	50,006	175,104	159,276
Total cash costs per ounce	**$793**	**$762**	**$786**	**$775**
Total cash costs	$30.8	$38.1	$137.7	$123.5
Sustaining capital expenditures	2.5	0.9	7.2	5.5
Exploration	0.3	0.4	2.6	1.9
Accretion of decommissioning liabilities	0.6	0.5	2.2	2.1
Total all-in sustaining costs	$34.2	$39.9	$149.7	$133.0
Gold ounces sold	38,819	50,006	175,104	159,276
Mine-site all-in sustaining costs per ounce	**$881**	**$798**	**$855**	**$835**

Island Gold Total Cash Costs and Mine-site AISC Reconciliation	Three Months Ended December 31,		Years Ended December 31,	
	2018	2017	2018	2017
(in millions, except ounces and per ounce figures)				
Mining and processing	$15.5	$4.1	$56.0	$4.1
Royalties	1.7	0.6	6.2	0.6
Total cash costs	$17.2	$4.7	$62.2	$4.7
Gold ounces sold	30,199	11,720	105,520	11,720
Total cash costs per ounce	**$570**	**$401**	**$589**	**$401**
Total cash costs	$17.2	$4.7	$62.2	$4.7
Sustaining capital expenditures	8.0	1.7	20.2	1.7
Total all-in sustaining costs	$25.2	$6.4	$82.4	$6.4
Gold ounces sold	30,199	11,720	105,520	11,720
Mine-site all-in sustaining costs per ounce	**$834**	**$546**	**$781**	**$546**

El Chanate Total Cash Costs and Mine-site AISC Reconciliation	Three Months Ended December 31,		Years Ended December 31,	
	2018	2017	2018	2017
(in millions, except ounces and per ounce figures)				
Mining and processing	$13.3	$16.5	$56.3	$72.7
Total cash costs	$13.3	$16.5	$56.3	$72.7
Gold ounces sold	10,199	12,585	43,662	61,182
Total cash costs per ounce	**$1,304**	**$1,311**	**$1,289**	**$1,188**
Total cash costs	$13.3	$16.5	$56.3	$72.7
Sustaining capital expenditures	0.1	0.2	0.6	1.4
Accretion of decommissioning liabilities	0.2	0.1	0.6	0.4
Total all-in sustaining costs	$13.6	$16.8	$57.5	$74.5
Gold ounces sold	10,199	12,585	43,662	61,182
Mine-site all-in sustaining costs per ounce	**$1,333**	**$1,335**	**$1,317**	**$1,218**

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,	
	2018	**2017**	**2018**	**2017**
Net (loss) earnings	($71.5)	($4.7)	($72.6)	$26.6
Add back:				
Finance expense	0.2	1.1	3.0	6.6
Amortization	42.1	41.1	166.6	125.6
Impairment of El Chanate inventory	64.0	—	64.0	—
Loss on redemption of senior secured notes	—	—	—	29.1
Deferred income tax expense (recovery)	8.8	6.0	16.9	(16.3)
Current income tax (recovery) expense	(0.6)	4.3	17.3	11.9
EBITDA	**$43.0**	**$47.8**	**$195.2**	**$183.5**

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 mineral reserves of it's mines and the portion of mineral resources expected to be ultimately converted to reserves. The estimation of quantities of mineral reserves and mineral 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. Mineral reserve estimates are used in the calculation of depletion expense and to calculate the recoverable amount of a CGU, and to forecast the expected life of a 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, 2018, or for December 31, 2017.

Accounting Policies and Changes

The Company adopted the following amendments to accounting standards, effective January 1, 2018:

The Company has adopted IFRS 15, Revenue from Contracts with Customers ("IFRS 15") as of January 1, 2018. IFRS 15 covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The Company elected to apply IFRS 15 using a modified retroactive approach by recognizing the cumulative effect of initially adopting IFRS 15 as an adjustment to the opening balance sheet through equity at January 1, 2018. The adoption of IFRS 15 resulted in no impact to the consolidated financial statements as the timing of revenue recognition on gold sales is unchanged.

The Company has adopted IFRIC Interpretation 22, Foreign Currency Transactions and Advance Consideration. The interpretation clarifies which date should be used for translation when a foreign currency transaction involves an advance payment or receipt. The Company has evaluated the impact of applying IFRIC 22, and has concluded that the adoption of the standard had no material impact on the consolidated financial statements.

Future accounting standard changes, not effective as of December 31, 2018:

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). The objective of IFRS 16 is to recognize substantially all leases on balance sheet for lessees. IFRS 16 requires lessees to recognize a "right-of-use" asset and a lease liability calculated using a prescribed methodology. The effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019. A lessee can choose to apply IFRS 16 using either a full retrospective or a modified retrospective approach. The Company will adopt IFRS 16 for the annual period beginning January 1, 2019 using the modified retrospective approach which does not require restatement of comparative periods. Instead, the cumulative impact of applying IFRS 16 will be accounted for as an adjustment to equity at the beginning of 2019. The Company elected to apply the practical expedient to grandfather its previous assessment of which contracts are, or contain, leases. The Company does not expect IFRS 16 to have a significant impact to the balance sheet, however will result in the recognition of additional right of use assets and lease liabilities on the balance sheet, and a corresponding increase in depreciation and interest expense. The Company also expects cash flows from operating activities to increase under IFRS 16 as lease payments for substantially all leases will be recorded as financing outflows in the consolidated statement of cash flows as opposed to operating cash flows. The Company has substantially completed its assessment of existing operating leases and will finalize its assessment and report more detailed information in its first quarter 2019 interim 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 Company does not expect the adoption of the Interpretation to have a material impact to the consolidated financial statements.

On December 12, 2017 the IASB issued narrow-scope amendments to three standards as part of its annual improvements process. The amendments are effective on or after January 1, 2019. Each of the amendments has its own specific transition requirements.

Amendments were made to the following standards:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangements - to clarify how an entity accounts for increasing its interest in a joint operation that meets the definition of a business;
- IAS 12 Income Taxes - to clarify that all income tax consequences of dividends are recognized consistently with the transactions that generated the distributable profits - i.e. in profit or loss, OCI, or equity; and
- IAS 23 Borrowing Costs - to clarify that specific borrowings - i.e. funds borrowed specifically to finance the construction of a qualifying asset - should be transferred to the general borrowings pool once the construction of the qualifying asset has been completed. They also clarify that an entity includes funds borrowed specifically to obtain an asset other than a qualifying asset as part of general borrowings.

The Company does not anticipate the adoption of these standard amendments to have an impact on the consolidated financial statements.

On October 22, 2018, the IASB issued amendments to IFRS 3 Business Combinations, that seek to clarify whether a transaction results in an asset or a business acquisition. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single

identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process. The amendments apply to businesses acquired in annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted. The Company does not anticipate the adoption of the amendment to have an impact on the consolidated financial statements.

Internal Control over Financial Reporting

Management is responsible for the design, implementation 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, 2018. 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, 2018.

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 year ended December 31, 2018 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, 2018 and have concluded that these disclosure controls and procedures were appropriately designed and operating effectively as at December 31, 2018.

Risk Factors and Uncertainties

Risk Factors

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

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, Canadian dollars ,Mexican pesos and Turkish lira 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 certain 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 2018 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 or Mulatos 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. 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. 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 requirements that certain contracts be denominated in Turkish Lira, 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 Kirazlý Project in Turkey. The Company received its GSM (Business Opening and Operation) permit on July 25, 2018 granted by the Çanakkale Governorship. The Company is awaiting its required operating license, despite assurances from the Republic of Turkey that it is forthcoming. 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 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 of 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 the Company's assets that are located outside of 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.

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

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, 2018). These accounting principles differ in certain material respects from accounting principles generally accepted in the United States of America. The Company's reporting currency is the United States dollar unless otherwise noted.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains forward-looking statements and forward-looking information as defined under Canadian and U.S. securities laws. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements. Words such as "expect", "believe", "anticipate", "will", "intend", "estimate", "forecast", "budget" and similar expressions identify forward-looking statements.

Forward-looking statements include information as to strategy, plans or future financial or operating performance, such as the Company's expansion plans, project timelines, production plans and expected sustainable productivity increases, expected increases in mining activities and corresponding cost efficiencies, expected drilling targets, expected sustaining costs, expected improvements in cash flows and margins, expectations of changes in capital expenditures, forecasted cash shortfalls and the Company's ability to fund them, cost estimates, projected exploration results, reserve and resource estimates, expected production rates and use of the stockpile inventory, expected recoveries, sufficiency of working capital for future commitments and other statements that express management's expectations or estimates of future performance.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by management at the time of making such statements, are inherently subject to significant business, economic, political and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements.

Such factors and assumptions underlying the forward-looking statements in this document include, but are not limited to: changes to current estimates of mineral reserves and resources; changes to production estimates (which assume accuracy of projected ore grade, mining rates, recovery timing and recovery rate estimates and may be impacted by unscheduled maintenance; labour and contractor availability and other operating or technical difficulties); fluctuations in the price of gold; changes in foreign exchange rates (particularly the Canadian dollar, Mexican peso, Turkish Lira and U.S. dollar); the impact of inflation; changes in our credit rating; any decision to declare a quarterly dividend; employee relations; litigation; disruptions affecting operations; availability of and increased costs associated with mining inputs and labour; development delays at the Young-Davidson mine; inherent risks associated with mining and mineral processing; the risk that the Young-Davidson, Island Gold, 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.

ALAMOS GOLD INC.

2018 FINANCIAL REPORT

December 31, 2018 and 2017

(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, implementation 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 properly fulfill 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 the standards of the Public Company Accounting Oversight Board (United States).

"John A. McCluskey"
John A. McCluskey
President and Chief Executive Officer

"James R. Porter"
James R. Porter, CPA, CA, CPA (Illinois)
Chief Financial Officer

KPMG LLP
Bay Adelaide Centre
333 Bay Street Suite 4600
Toronto ON M5H 2S5
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Alamos Gold Inc. (the Company) as of December 31, 2018 and 2017, the related consolidated statements of comprehensive income, changes in equity, and cash flows for each of the years in the two-year period ended December 31, 2018, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and its financial performance and its cash flows for each of the years in the two-year period ended December 31, 2018, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 20, 2019 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. 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.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

"KPMG LLP"
Chartered Professional Accountants, Licensed Public Accountants
We have served as the Company's auditor since 2005
Toronto, Canada
February 20, 2019

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and 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, 2018, based on 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, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of December 31, 2018 and 2017, the related consolidated statements of comprehensive income, changes in equity, and cash flows for each of the years in the two-year period ended December 31, 2018, and the related notes (collectively, the consolidated financial statements), and our report dated February 20, 2019 expressed an 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, 2018. 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.

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 20, 2019

ALAMOS GOLD INC.

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

	December 31, 2018	December 31, 2017
A S S E T S		
Current Assets		
Cash and cash equivalents	$206.0	$200.8
Equity securities	7.8	35.8
Amounts receivable (note 6)	40.5	41.0
Inventory (note 7)	110.2	161.2
Other current assets	15.5	14.4
Total Current Assets	380.0	453.2
Non-Current Assets		
Long-term inventory (note 7)	30.0	68.7
Mineral property, plant and equipment (note 8)	2,813.3	2,753.4
Other non-current assets	41.9	45.0
Total Assets	**$3,265.2**	**$3,320.3**
L I A B I L I T I E S		
Current Liabilities		
Accounts payable and accrued liabilities (note 9)	$118.7	$101.0
Income taxes payable	6.2	12.2
Total Current Liabilities	124.9	113.2
Non-Current Liabilities		
Deferred income taxes (note 11)	491.5	477.0
Decommissioning liabilities (note 10)	44.9	44.6
Other non-current liabilities	1.6	4.3
Total Liabilities	662.9	639.1
E Q U I T Y		
Share capital (note 12)	$3,705.2	$3,691.7
Contributed surplus	87.3	89.5
Warrants	3.9	4.0
Accumulated other comprehensive (loss) income	(9.2)	13.0
Deficit	(1,184.9)	(1,117.0)
Total Equity	2,602.3	2,681.2
Total Liabilities and Equity	**$3,265.2**	**$3,320.3**

Commitments (note 19)
Subsequent events (note 12a, 12g)
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 (Loss) Income
For the years ended December 31, 2018 and 2017
(Stated in millions of United States dollars, except share and per share amounts)

	December 31, 2018	December 31, 2017
OPERATING REVENUES	$651.8	$542.8
COST OF SALES		
Mining and processing	387.2	315.6
Impairment of El Chanate inventory (note 7)	64.0	–
Royalties (note 19)	21.6	15.6
Amortization	166.6	125.6
	639.4	456.8
EXPENSES		
Exploration	11.0	8.3
Corporate and administrative	17.4	15.5
Share-based compensation (note 12)	6.6	6.2
	674.4	486.8
(LOSS) EARNINGS FROM OPERATIONS	**(22.6)**	**56.0**
OTHER EXPENSES		
Finance expense	(3.0)	(6.6)
Foreign exchange (loss) gain	(4.4)	5.0
Other loss (note 13)	(8.4)	(3.1)
Loss on redemption of senior secured notes	–	(29.1)
(LOSS) EARNINGS BEFORE INCOME TAXES	**($38.4)**	**$22.2**
INCOME TAXES (note 11)		
Current income tax expense	(17.3)	(11.9)
Deferred income tax (expense) recovery	(16.9)	16.3
NET (LOSS) EARNINGS	**($72.6)**	**$26.6**
Items that may be subsequently reclassified to net earnings:		
Unrealized (loss) gain on currency hedging instruments, net of taxes	(7.4)	6.0
Unrealized loss on fuel hedging instruments, net of taxes	(0.5)	–
Items that will not be reclassified to net earnings:		
Unrealized (loss) gain on equity securities, net of taxes	(1.8)	6.6
Total other comprehensive (loss) income	**($9.7)**	**$12.6**
COMPREHENSIVE (LOSS) INCOME	**($82.3)**	**$39.2**
(LOSS) EARNINGS PER SHARE (note 12)		
– basic	**($0.19)**	**$0.09**
– diluted	**($0.19)**	**$0.09**
Weighted average number of common shares outstanding (000's)		
– basic	389,816	305,521
– diluted	389,816	309,021

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, 2018 and 2017
(Stated in millions of United States dollars)

	December 31, 2018	December 31, 2017
SHARE CAPITAL (note 12)		
Balance, beginning of the year	$3,691.7	$2,822.2
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 share-based compensation	3.5	2.3
Issuance of shares related to exercise of warrants	0.6	0.5
Issuance of shares through flow-through share agreements	—	8.4
Transfer from contributed surplus of share-based compensation redeemed	9.4	1.2
Balance, end of year	**$3,705.2**	**$3,691.7**
CONTRIBUTED SURPLUS		
Balance, beginning of the year	$89.5	$70.9
Share-based compensation	7.2	6.4
Transfer of share capital of share-based compensation redeemed	(9.4)	(1.2)
Equity settled share-based payments related to the Richmont acquisition	—	13.4
Balance, end of year	**$87.3**	**$89.5**
WARRANTS		
Balance, beginning of the year	$4.0	$3.5
Exercise of warrants	(0.2)	—
Issuance of warrants	0.1	0.5
Balance, end of year	**$3.9**	**$4.0**
ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME		
Balance, beginning of the year on equity securities	$7.0	$0.4
Realized gain on sale of equity securities, reclassified to deficit, net of tax (note 16)	(12.5)	—
Unrealized (loss) gain - equity securities, net of taxes	(1.8)	6.6
	($7.3)	$7.0
Balance, beginning of the year on currency hedging instruments	$6.0	—
Unrealized (loss) gain on currency hedging instruments, net of taxes	(7.4)	6.0
	($1.4)	$6.0
Balance, beginning of the year on fuel hedging instruments	—	—
Unrealized loss on fuel hedging instruments, net of taxes	(0.5)	—
	($0.5)	—
Balance, end of year	**($9.2)**	**$13.0**
DEFICIT		
Balance, beginning of the year	($1,117.0)	($1,137.6)
Dividends (note12(f))	(7.8)	(6.0)
Reclassification of realized gain on sale of equity securities, net of tax (note 16)	12.5	—
Net (loss) earnings	(72.6)	26.6
Balance, end of year	**($1,184.9)**	**($1,117.0)**
TOTAL EQUITY	**$2,602.3**	**$2,681.2**

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

ALAMOS GOLD INC.

Consolidated Statements of Cash Flows
For the years ended December 31, 2018 and 2017
(Stated in millions of United States dollars)

	December 31, 2018	December 31, 2017
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net (loss) earnings for the period	($72.6)	$26.6
Adjustments for items not involving cash:		
Amortization	166.6	125.6
Foreign exchange loss (gain)	4.4	(5.0)
Current income tax expense	17.3	11.9
Deferred income tax expense (recovery)	16.9	(16.3)
Share-based compensation	6.6	6.2
Finance expense	3.0	6.6
Impairment of El Chanate inventory	64.0	–
Loss on redemption of senior secured notes	–	29.1
Other items (note 14)	5.5	(1.4)
Changes in working capital and taxes received or paid (note 14)	2.2	(19.8)
	213.9	**163.5**
INVESTING ACTIVITIES		
Mineral property, plant and equipment	(221.5)	(162.5)
Cash received from the acquisition of Richmont (note 5)	–	46.2
Proceeds from sale of equity securities	24.9	(6.7)
Other	–	3.6
	(196.6)	**(119.4)**
FINANCING ACTIVITIES		
Net proceeds from bought deal financing	–	239.1
Repayment of senior secured notes	–	(327.2)
Repayment of debt and equipment financing obligations	(4.1)	(4.4)
Interest paid	–	(12.2)
Credit facility transaction fees	(0.8)	(2.1)
Proceeds received from the exercise of stock options and warrants	3.9	3.5
Dividends paid	(7.8)	(6.0)
Proceeds from issuance of flow-through shares	–	11.7
	(8.8)	**(97.6)**
Effect of exchange rates on cash and cash equivalents	(3.3)	2.1
Increase (decrease) in cash and cash equivalents	**5.2**	**(51.4)**
Cash and cash equivalents - beginning of year	200.8	252.2
CASH AND CASH EQUIVALENTS - END OF YEAR	**$206.0**	**$200.8**

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

ALAMOS GOLD INC.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017
(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 20, 2019.

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
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
Patricia Mining Corp.	Holding company	Canada
Alamos Gold Holdings Inc.	Holding company	Canada
Alamos Gold Holdings Coöperatief U.A.	Holding company	Netherlands
Alamos Gold Holdings B.V.	Holding company	Netherlands

These subsidiaries are controlled by the Company, and are wholly-owned. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company also consolidates the accounts of Caborca Industrial S.A. de C.V., a related party entity, which provides mining support services to the Company's El Chanate mine. This entity is consolidated in accordance with IFRS 10, Consolidated Financial Statements.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

(b) Investments in associates and joint ventures

The Company accounts for investments in associates and joint ventures using the equity method of accounting. The carrying value of the Company's investments in associates and joint ventures represents the cost of the investment, including the Company's share of retained earnings and losses subsequent to formation. At the end of each reporting period, the Company assesses its investments for any indicators of impairment.

(c) Foreign currency

Functional and presentation currency

These consolidated financial statements are presented in United States dollars ("US dollars"), which is the functional currency of the Company and all its subsidiaries.

Translation of transactions and balances into the functional currency

Transactions in currencies other than the Company's or a subsidiary's functional currency ("foreign currencies") are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at that date. Foreign currency non-monetary items that are measured in terms of historical cost are not retranslated.

Exchange differences are recognized in net (loss) earnings in the period in which they arise. Exchange differences on deferred foreign tax assets and liabilities are presented as deferred income tax expense (recovery) on the Consolidated Statements of Comprehensive (Loss) Income.

(d) Revenue recognition

Revenue from the sale of gold, including refined metal, dore and gold concentrate, is recognized when control over the metal is transferred to the customer. Transfer of control generally occurs when the refined metal, dore, or gold concentrate has been accepted by the customer. Once the customer has accepted the metals, control has typically been transferred and the customer is able to direct the use of and obtain substantially all of the remaining benefits from the metals. On transfer of control, revenue and related costs can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company as payment is received on the date of or within a few days of transfer of control.

(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 (loss) earnings 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	3-7 years
Buildings	7-20 years
Office equipment	2-8 years

When components of an item of property, plant and equipment have different useful lives than those noted above, they are accounted for as separate items of property, plant and equipment. Each asset or component's estimated useful life is determined considering its physical life limitations; however, this physical life cannot exceed the remaining life of the mine at which the asset is utilized. Estimates of remaining useful lives and residual values are reviewed annually. Any changes in estimates of useful lives are accounted for prospectively from the date of the change.

Exploration and evaluation assets

Expenditures incurred prior to the Company obtaining the right to explore are expensed in the period in which they are incurred.

Exploration and evaluation expenditures include costs such as exploratory drilling, sample testing, costs of pre-feasibility studies, and for qualifying assets, borrowing costs. Subsequent to obtaining the legal right to explore, these costs are capitalized on a project-by-project basis pending determination of the technical feasibility and commercial viability of the project. All capitalized exploration and evaluation expenditures are monitored for indications of impairment, to ensure that exploration activities related to the property are continuing and/or planned for the future. If an exploration property does not prove viable, an impairment loss is recognized in net (loss) earnings as the excess of the carrying amount over the recoverable amount (refer to note 3 (j) for definition of 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) Income.

(h) Intangible assets

Identifiable intangible assets are recorded at fair value on the date of acquisition. Subsequent to initial recognition, they are recorded at cost less accumulated amortization and accumulated impairment losses. Identifiable intangible assets with a finite useful life are amortized on a straight-line basis over their expected useful life, unless another method represents a more accurate allocation of the expense over their useful life. Amortization expense resulting from intangible assets, is included in amortization expense in the Consolidated Statements of Comprehensive (Loss) Income.

(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

For financial assets measured at amortized cost, the impairment model under IFRS 9, Financial Instruments ("IFRS 9"), reflects expected credit losses. 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.

(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 (Loss) Income.

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 Comprehensive (Loss) Income 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 to previous years.

Deferred income taxes

Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following do not result in deferred tax assets or liabilities:

- temporary differences arising from the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit;
- taxable temporary differences arising from the initial recognition of goodwill; and
- taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements where the timing of the reversal of the temporary differences can be controlled by the parent and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings or loss in the period that substantive enactment occurs except to the extent it relates to items recognized directly in equity or in other comprehensive income.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced to its recoverable amount.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to the same taxable entity and income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

(q) (Loss) earnings per share

Basic (loss) earnings per share is calculated based on the weighted average number of common shares and common share equivalents outstanding for the period. Diluted (loss) earnings 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's financial instruments are classified and subsequently measured as follows:

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

The Company's accounting policy for financial instruments is 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 classified or designated as at fair value through profit and loss: 1) the Company's objective 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 is not recycled to profit or loss, rather transfered to deficit. The Company has elected to account for equity securities within this manner.

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

Financial liabilities, including 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 against the United States Dollars ("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-hedging derivative financial instruments are included in net earnings or loss as non-hedging 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 accounting standards and amendments to accounting standards, effective January 1, 2018:

The Company has adopted IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") as of January 1, 2018. IFRS 15 covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The Company elected to apply IFRS 15 using a modified retroactive approach by recognizing the cumulative effect of initially adopting IFRS 15 as an adjustment to the opening balance sheet through equity at January 1, 2018. The adoption of IFRS 15 resulted in no impact to the consolidated financial statements as the timing of revenue recognition on gold sales is unchanged.

The Company has adopted IFRIC Interpretation 22, *Foreign Currency Transactions and Advance Consideration* . The interpretation clarifies which date should be used for translation when a foreign currency transaction involves an advance payment or receipt. The Company has evaluated the impact of applying IFRIC 22, and has concluded that the adoption of the standard had no material impact on the consolidated financial statements.

(v) Standards issued but not yet adopted

Standards issued, but not yet adopted include:

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). The objective of IFRS 16 is to recognize substantially all leases on balance sheet for lessees. IFRS 16 requires lessees to recognize a "right-of-use" asset and a lease liability calculated using a prescribed methodology. The effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019. A lessee can choose to apply IFRS 16 using either a full retrospective or a modified retrospective approach. The Company will adopt IFRS 16 for the annual period beginning January 1, 2019 using the modified retrospective approach which does not require restatement of comparative periods. Instead, the cumulative impact of applying IFRS 16 will be accounted for as an adjustment to equity at the beginning of 2019. The Company elected to apply the practical expedient to grandfather its previous assessment of which contracts are, or contain, leases. The Company does not expect IFRS 16 to have a significant impact to the balance sheet, however will result in the recognition of additional right of use assets and lease liabilities on the balance sheet, and a corresponding increase in depreciation and interest expense. The Company also expects cash flows from operating activities to increase under IFRS 16 as lease payments for substantially all leases will be recorded as financing outflows in the consolidated statement of cash flows as opposed to operating cash flows. The Company has substantially completed its assessment of existing operating leases and will finalize its assessment and report more detailed information in its first quarter 2019 interim 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 Company does not expect the adoption of the Interpretation to have a material impact to the consolidated financial statements.

On December 12, 2017 the IASB issued narrow-scope amendments to three standards as part of its annual improvements process. The amendments are effective on or after January 1, 2019. Each of the amendments has its own specific transition requirements.

Amendments were made to the following standards:

- IFRS 3 *Business Combinations* and IFRS 11 *Joint Arrangements* - to clarify how an entity accounts for increasing its interest in a joint operation that meets the definition of a business;
- IAS 12 *Income Taxes* - to clarify that all income tax consequences of dividends are recognized consistently with the transactions that generated the distributable profits - i.e. in profit or loss, OCI, or equity; and
- IAS 23 *Borrowing Costs* - to clarify that specific borrowings - i.e. funds borrowed specifically to finance the construction of a qualifying asset - should be transferred to the general borrowings pool once the construction of the qualifying asset has been completed. They also clarify that an entity includes funds borrowed specifically to obtain an asset other than a qualifying asset as part of general borrowings.

The Company does not anticipate the adoption of these standard amendments to have an impact on the consolidated financial statements.

On October 22, 2018, the IASB issued amendments to IFRS 3 *Business Combinations*, that seek to clarify whether a transaction results in an asset or a business acquisition. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process. The amendments apply to businesses acquired in annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted. The Company does not anticipate the adoption of the amendment to have an impact on the consolidated financial statements.

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 mineral reserves of it's mines and the portion of mineral resources expected to be ultimately converted to reserves. The estimation of quantities of mineral reserves and mineral 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. Mineral reserve estimates are used in the calculation of depletion expense and to calculate the recoverable amount of a CGU, and to forecast the expected life of a mine.

- The Company forecasts prices of commodities, exchange rates, production costs, discount rates, and recovery rates. These estimates may change the economic status of mineral reserves and may result in mineral reserves and mineral 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 CGUs at December 31, 2018, or for December 31, 2017.

5. ACQUISITION OF RICHMONT MINES INC.

On November 23, 2017, the Company completed a plan of 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. Richmont owned and operated the Island Gold mine in Ontario, Canada.

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.

During the year, the Company finalized the purchase price allocation, which did not result in any adjustment to the preliminary values allocated to the net assets acquired.

The following table summarizes the final fair value of the total consideration transferred from Alamos shareholders and the fair value of identified assets acquired and liabilities assumed:

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

6. AMOUNTS RECEIVABLE

	December 31, 2018	December 31, 2017
Sales tax receivables		
Canada	$10.6	$6.4
Mexico	17.5	26.5
Other	3.4	0.9
Concentrate receivable	2.3	3.2
Other receivables	6.7	4.0
	$40.5	**$41.0**

Sales tax receivables are mainly related to value-added taxes at the Company's Mexican and Canadian operations. The Company expects that these receivables will be collected within the next year.

7. INVENTORY

	December 31, 2018	December 31, 2017
In-process precious metals	$53.6	$131.6
Ore in stockpiles	35.4	44.1
Parts and supplies	45.7	41.5
Dore, refined precious metals and gold in concentrate	5.5	12.7
	140.2	**229.9**
Less: Long-term inventory	(30.0)	(68.7)
	$110.2	**$161.2**

Long term inventory consists of heap leach and long-term stockpiles which are expected to be recovered after one year.

The amount of inventories recognized in mining and processing costs for the year ended December 31, 2018 was $393.1 million (December 31, 2017 - $323.3 million). The amount of inventories recognized in amortization costs for the year ended December 31, 2018 was $166.6 million (December 31, 2017 - $125.6 million).

For the year ended December 31, 2018, the Company wrote down $64.0 million of heap leach inventory at El Chanate, of which $62.5 million related to mining and processing costs and $1.5 million related to amortization. The Company ceased mining activities at El Chanate during 2018 and has begun residual leaching the heap leach pad. An analysis of the recoverability of the ounces in inventory on the heap leach pad was conducted as of December 31, 2018. The Company estimated that approximately 51,900 ounces were not expected to be economically recovered, resulting in an impairment charge of $64.0 million ($49.9 million after-tax).

8. MINERAL PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	Mineral property		Exploration and evaluation	**Total**
		Depletable	Non-depletable		
Cost					
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
Additions	123.4	73.4	15.3	14.4	226.5
Transfer (i)	–	98.6	–	(98.6)	—
Disposals	(8.8)	–	–	–	(8.8)
At December 31, 2018	**$1,217.6**	**$2,290.3**	**$95.8**	**$242.7**	**$3,846.4**
Accumulated amortization and impairment charges					
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
Amortization	72.4	88.1	–	–	160.5
Disposals	(2.7)	–	–	–	(2.7)
At December 31, 2018	**$403.6**	**$618.1**	**$5.1**	**$6.3**	**$1,033.1**
Net carrying value					
At December 31, 2017	$769.1	$1,588.3	$75.4	$320.6	$2,753.4
At December 31, 2018	**$814.0**	**$1,672.2**	**$90.7**	**$236.4**	**$2,813.3**

The net carrying values by segment (note 15) are as follows:

	Plant and equipment	Mineral property		Exploration and evaluation	**Total**
		Depletable	Non-depletable		
Young-Davidson	$608.9	$744.7	$90.7	–	$1,444.3
Mulatos	115.6	95.8	–	–	211.4
Island Gold	79.5	720.6	–	–	800.1
El Chanate	1.5	0.8	–	–	2.3
Kirazlı (i)	3.2	110.3	–	–	113.5
Corporate and other	5.3	–	–	236.4	241.7
At December 31, 2018	**$814.0**	**$1,672.2**	**$90.7**	**$236.4**	**$2,813.3**
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**

(i) Kirazlı Project

On July 25, 2018, the Company received the GSM (Business Opening and Operation) permit. With receipt of the permit, the costs associated with Kirazlı were transferred from the exploration and evaluation category to the depletable category.

Other

The carrying value of construction in progress at December 31, 2018 was $120.7 million (December 31, 2017 - $64.4 million).

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2018	**December 31, 2017**
Trade accounts payable and accrued liabilities	$104.4	$87.3
Royalties payable	4.8	4.9
Share-based compensation liability	1.6	4.5
Current portion of equipment financing obligations	2.6	4.2
Derivative liabilities (note 16)	5.3	0.1
	$118.7	**$101.0**

10. 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, 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**
Reclamation expenditures	(0.9)
Accretion expense	3.0
Revisions to expected discounted cash flows	(1.8)
Balance – December 31, 2018	**$44.9**

The majority of the expenditures are expected to occur between 2021 and 2036. The discount rates used in discounting the estimated reclamation and closure cost obligations were between 2.3% and 8.4% for the year ended December 31, 2018 (2017 – 2.3% and 7.6%), and the inflation rate used was between 2.0% and 4.2% for the year ended December 31, 2018 (2017 – 2.0% and 4.0%).

The total undiscounted value of the decommissioning liabilities at December 31, 2018 was $53.4 million (2017 - $53.2 million).

11. INCOME TAXES

The following table represents the major components of income tax expense (recovery) recognized in net (loss) earnings for the years ended December 31, 2018 and 2017:

	December 31, 2018	December 31, 2017
Current income tax expense	$17.3	$11.9
Deferred income tax expense (recovery)	16.9	(16.3)
Income tax expense (recovery) recognized in net (loss) earnings	**$34.2**	**($4.4)**

The statutory tax rate for 2018 was 25.0% (2017 – 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) earnings for the years ended December 31, 2018 and 2017:

	December 31, 2018	December 31, 2017
(Loss) earnings before income taxes	($38.4)	$22.2
Statutory tax rate	25.0%	25.0%
Expected income tax (recovery) expense based on above rates	($9.6)	$5.6
Effect of higher tax rates in foreign jurisdictions	(2.4)	0.3
Non-deductible expenses	4.4	4.9
Impact of local mining taxes	6.0	2.2
Impact of foreign exchange	28.8	(22.5)
Impact of renouncement of flow through share expenditures	0.3	2.6
Withholding tax	1.2	1.3
Change in unrecognized temporary differences	5.2	2.6
Other	0.3	(1.4)
Income tax (recovery) expense	**$34.2**	**($4.4)**

The following table reflects the change in deferred income tax liability at December 31, 2018 and December 31, 2017:

	December 31, 2018	December 31, 2017
Balance, beginning of year	$477.0	$291.0
Deferred income tax liability recognized on Richmont Mines acquisition (note 5)	–	201.5
Deferred income tax expense (recovery) recognized in net (loss) earnings	16.9	(16.3)
Deferred income tax (recovery) expense recognized in OCI	(2.4)	3.5
Deferred income tax recovery recognized in equity	–	(2.7)
Balance, end of year	**$491.5**	**$477.0**

The following reflects the deferred income tax liability at December 31, 2018 and December 31, 2017:

	December 31, 2018	December 31, 2017
Accounting value of mineral property, plant and equipment in excess of tax value	$446.8	$409.0
Accounting value of inventories in excess of tax value	13.8	34.7
Other taxable temporary differences	64.3	58.6
Non-capital losses carried forward	(33.4)	(25.3)
Deferred income tax liability	**$491.5**	**$477.0**

The Company has Canadian tax losses of $92.8 million expiring between 2024 and 2038, Mexican tax losses of $39.8 million expiring between 2019 and 2028, United States tax losses of $19.6 million expiring between 2028 and 2037, as well as Turkish tax losses of $4.3 million expiring between 2019 and 2023.

The Company has unrecognized deferred income tax assets at December 31, 2018 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 $81.9 million (December 31, 2017 -$77.8 million).

At December 31, 2018, the Company has unrecognized deferred income tax liabilities on taxable temporary differences of $13.4 million (December 31, 2017 - $6.1 million) for taxes that would be payable on the unremitted earnings of certain subsidiaries of the Company.

12. 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, 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	1,301,535	8.4
Outstanding at December 31, 2017	**389,101,550**	**$3,691.7**
Shares issued through:		
Share-based compensation plans	1,984,698	12.9
Exercise of warrants	163,955	0.6
Outstanding at December 31, 2018	**391,250,203**	**$3,705.2**

(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.

Normal Course Issuer Bid

On December 24, 2018, a Normal Course Issuer Bid ("NCIB") was initiated permitting the Company to purchase for cancellation up to 25,513,043 Class A Common Shares (“Common Shares”), representing 10% of the Company’s public float of the Common Shares. The Company may purchase Common Shares under the NCIB over the next twelve-month period beginning December 24, 2018 and ending December 23, 2019. Any purchases made under the NCIB will be effected through the facilities of the TSX, alternative Canadian trading systems and/or the New York Stock Exchange.

As at December 31, 2018, the Company has not purchased and cancelled any Common Shares.

Subsequent to year end, the Company purchased and cancelled 2,444,352 common shares at a cost of $10.0 million or $4.07 per share.

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, and employees 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, 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**
Granted	1,009,100	6.56
Exercised	(1,984,698)	2.40
Expired	(2,798,292)	12.70
Outstanding at December 31, 2018	**6,655,455**	**$7.38**

During the year ended December 31, 2018, the weighted average share price at the date of exercise for stock options exercised was CAD $5.89 per share (for the year ended December 31, 2017: CAD $9.99 per share).

(i) Stock options granted

During the year ended December 31, 2018, the Company granted 1,009,100 stock options (year ended December 31, 2017 - 578,490). 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, 2018	December 31, 2017
Weighted average share price at grant date (CAD$)	$6.56	$9.62
Risk-free rate	1.88% - 2.06%	0.91% - 1.35%
Expected dividend yield	0.70%	0.70%
Expected stock price volatility (based on historical volatility)	57%	57%
Expected life of option (months)	42 - 84	36 - 84
Weighted average per share fair value of stock options granted (CAD$)	$3.11	$4.27

Stock options outstanding and exercisable as at December 31, 2018:

Range of exercise prices (CAD$)	Outstanding			Exercisable	
	Number of options	Weighted average exercise price (CAD$)	Weighted average remaining contractual life (years)	Number of options	Weighted average exercise price (CAD$)
$0.82 - $3.00	213,108	2.67	0.04	213,108	2.67
$3.01 - $7.00	2,668,070	4.97	4.52	1,136,011	4.18
$7.01 - $11.00	3,159,640	8.24	1.66	2,773,982	8.05
$11.01 - $15.00	249,777	13.15	0.67	249,777	13.15
$15.01 - $19.00	364,860	16.42	0.56	364,860	16.42
	6,655,455	**$7.38**	**2.65**	**4,737,738**	**$7.79**

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, 2018 and 2017:

	Restricted share units ("RSU")	Stock appreciation rights ("SAR")	Deferred share units ("DSU")	Performance share units ("PSU")
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**
Granted	611,717	–	164,808	440,420
Forfeited	(99,939)	(482,533)	–	(56,684)
Settled	(445,016)	(63,800)	–	–
Outstanding units, December 31, 2018	**1,567,696**	**509,192**	**645,413**	**983,441**

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 at the option of the Company. The Company has historically equity settled these instruments.

e) (Loss) earnings 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 (loss) earnings per share is calculated based on the weighted average number of common shares outstanding during the period, including the effects of dilutive common share equivalents.

	For the years ended December 31,	
	2018	**2017**
Net (loss) earnings	**($72.6)**	**$26.6**
Weighted average number of common shares outstanding (in thousands)	389,816	305,521
Basic (loss) earnings per share	**($0.19)**	**$0.09**
Dilutive effect of potential common share equivalents (in thousands)	—	3,500
Diluted weighted average number of common shares outstanding (in thousands)	389,816	309,021
Diluted (loss) earnings per share	**($0.19)**	**$0.09**

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 $6.44 for the year ended December 31, 2018 (2017 - CAD $9.40), 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)	**2018**	**2017**
Stock options	6,655	2,920
Warrants	5,215	12,232
	11,870	**15,152**

(f) Dividends

On April 30 and October 30, 2018, the Company paid a dividend of $0.01 per share or $3.9 million, for a total of $7.8 million in 2018.

(g) Share purchase warrants

The Company has the following share purchase warrants ("Warrants"), outstanding as at December 31, 2018 related to past acquisitions:

	Number of warrants	**Common shares issuable**	**Exercise price**	**Expiry date**
	(000s)	**(000s)**	**CAD**	
AGI.WT.A	5,215	5,215	$10.00	January 7, 2019
	5,215	**5,215**		

On August 30, 2018, 7,167,000 warrants expired. The warrants previously traded under the ticker AGI.WT. The company recorded a $0.1 million gain upon the expiry.

Subsequent to year end, on January 7, 2019, 5,215,000 warrants with the ticker AGI.WT.A expired unexercised.

13. OTHER LOSS

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

	December 31, 2018	December 31, 2017
Reduction of obligation to renounce flow-through exploration expenditures	$0.6	$2.3
Unrealized loss on non-hedging derivatives	(0.4)	(0.3)
Loss on disposal of assets	(6.1)	(1.9)
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	(2.5)	1.9
	($8.4)	**($3.1)**

14. SUPPLEMENTAL CASH FLOW INFORMATION

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

	December 31, 2018	December 31, 2017
Amounts receivable	($7.9)	$14.0
Inventory	13.9	(15.9)
Advances and prepaid expenses	(7.2)	(4.3)
Accounts payable and accrued liabilities	7.6	(12.1)
Income taxes paid	(4.2)	(1.5)
	$2.2	**($19.8)**

Interest received	$2.8	$2.5

Other items for the years ended:

	December 31, 2018	December 31, 2017
Unrealized loss on non-hedging derivatives	$0.4	$0.3
Payment for reclamation activities	(0.9)	–
Reduction of obligation to renounce flow-through exploration expenditures	(0.6)	(2.3)
Loss on disposal of assets	6.1	1.9
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	0.5	3.3
	$5.5	**($1.4)**

15. 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, 2018

	Young-Davidson	Mulatos	Island Gold	El Chanate	Corporate/other[1]	Total
Operating revenues	$236.3	$223.3	$135.1	$57.1	–	**$651.8**
Cost of sales						
Mining and processing	149.0	125.9	56.0	56.3	–	**387.2**
Impairment of El Chanate inventory	–	–	–	64.0	–	**64.0**
Royalties	3.6	11.8	6.2	–	–	**21.6**
Amortization	82.4	35.4	44.3	4.5	–	**166.6**
	235.0	173.1	106.5	124.8	–	**639.4**
Expenses						
Exploration	–	7.5	1.4	–	2.1	**11.0**
Corporate and administrative	–	–	–	–	17.4	**17.4**
Share-based compensation	–	–	–	–	6.6	**6.6**
Earnings (loss) from operations	$1.3	$42.7	$27.2	($67.7)	($26.1)	**($22.6)**
Finance expense						**(3.0)**
Foreign exchange loss						**(4.4)**
Other loss						**(8.4)**
Loss before income taxes						**($38.4)**

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

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						**(6.6)**
Foreign exchange gain						**5.0**
Other loss						**(3.1)**
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.

(b) Segment assets and liabilities

The following table presents the segment assets and liabilities:

	Total Assets		Total liabilities	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Young-Davidson	$1,569.4	$1,580.9	$272.3	$243.4
Mulatos	366.9	356.5	95.4	100.3
Island Gold	876.2	849.6	236.3	222.5
El Chanate	35.9	111.4	5.9	24.3
Corporate/other	416.8	421.9	53.0	48.6
Total assets and liabilities	**$3,265.2**	**$3,320.3**	**$662.9**	**$639.1**

16. 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, 2018. 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, 2018		December 31, 2017	
	Level 1	Level 2	Level 1	Level 2
Financial assets				
Fair value through profit or loss				
Gold options	–	–	–	0.5
Fair value through OCI				
Equity securities	7.8	–	35.8	–
Currency hedging derivative instruments	–	–	–	5.0
Financial liabilities				
Fair value through profit or loss				
Share purchase warrants	–	–	(0.1)	–
Gold options	–	(0.1)	–	–
Fair value through OCI				
Currency hedging derivative instruments	–	(4.7)	–	–
Fuel options	–	(0.5)	–	–
	$7.8	($5.3)	$35.7	$5.5

The methods of measuring financial assets and liabilities have not changed during the year ended December 31, 2018. The Company does not have any financial assets or liabilities measured at fair value based on unobservable inputs (Level 3).

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.

Equity Securities

As at December 31, 2018, the Company held shares in Monarques Gold Corp. that had a value of $7.3 million. The Company also has other investments valued at $0.5 million.

During the first quarter of 2018, the Company disposed of its investment in AuRico Metals as it was acquired by a third party for CAD $1.80 per share. The Company received $22.2 million in proceeds on its investment, resulting in a gain of $13.7 million, based on an average cost of CAD$0.72 per share. Also in the first quarter, the Company disposed of its position in Corex Gold for $ 2.7 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. The tax impact of these gains were $1.8 million. These gains were transferred from accumulated other comprehensive income to deficit.

Revolving Credit Facility

In the third quarter of 2018, the Company completed the extension of its existing undrawn revolving credit facility (the "Facility") of $400.0 million to September 20, 2022 from September 20, 2021 at similar terms and conditions to those existing previously. The Facility bears interest at a 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, 2018, the Company is in compliance with the covenants and the Facility is fully undrawn.

The Company incurred costs of $0.8 million in 2018 to extend the Facility (2017 - $2.1 million). These costs are amortized into net earnings over the term of the Facility.

Derivative Instruments

The fair value of derivative instruments is as follows:

	December 31, 2018	December 31, 2017
Derivatives designated as hedging instruments		
Currency hedging derivative instruments	($4.7)	$5.0
Fuel options	(0.5)	–
	(5.2)	5.0
Derivatives not designated as hedging instruments		
Gold options	($0.1)	$0.5
Share purchase warrants liability	–	(0.1)
	($0.1)	$0.4

Currency derivative instruments

The Company enters into option and forward contracts to hedge 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, 2018, the Company has 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). Cash flows in relation to the designated hedged item and hedging instrument are matched since the foreign currency option and forward contracts (hedging instrument) matures during the same month as the operational cash flows (hedged item) are expected to

be incurred. The correlation between the foreign exchange rate of the hedged item and the hedging instrument is 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 using one unit of both the hedged and hedging item respectively.
- Credit risk is not material in the fair value of the hedging relationship.

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, 2018 and 2017 recorded in accumulated other comprehensive income is:

	December 31, 2018	**December 31, 2017**
Balance, beginning of the period	$6.0	–
Unrealized (loss) gains on currency instruments	(5.9)	11.2
Less: realized gains on CAD currency instruments	(3.9)	(2.2)
Less: realized gains on MXN currency instruments	—	(1.3)
Deferred income tax related to hedging instrument	2.4	(1.7)
	($1.4)	**$6.0**

For the year ended December 31, 2018, 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, 2018:

Canadian dollar contracts

Period Covered	Contract type	Contracts (CAD$ Millions)	Average minimum rate (USD/CAD)	Average maximum rate (USD/CAD)	Forward price (USD/CAD)
2019	Collars	342.0	1.30	1.35	N/A
2019	Forwards	9.0	N/A	N/A	1.34

Mexican Peso contracts

Period Covered	Contract type	Contracts (MXN Millions)	Average minimum rate (MXN/USD)	Average maximum rate (MXN/USD)
2019	Collars	1,380.0	19.50	22.07

The fair value of these contracts was a liability of $4.7 million at December 31, 2018 (December 31, 2017 - asset of $5.0 million). For the year ended December 31, 2018, the Company realized gains of $3.9 million on the foreign currency contracts (for the year ended December 31, 2017 - realized gains of $4.3 million).

Gold option contracts

As at December 31, 2018, 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 $1,250 per ounce and a maximum average realized gold price of $1,377 per ounce, regardless of the movement in gold prices during 2019.

The following gold collar contracts are outstanding as of December 31, 2018:

Period Covered	Ounces subject to contract	Average purchase put option	Average sold call option
2019	15,000	$1,250	$1,377

The fair value of these contracts was a liability of $0.1 million at December 31, 2018 (December 31, 2017 - asset of $0.5 million). The options mature through out 2018.

For the year ended December 31, 2018, the Company realized a gain of $3.9 million related to the settlement of option contracts (for the year ended December 31, 2017 - realized losses of $0.6 million). Total unrealized losses for the year ended December 31, 2018 was $0.6 million (for the year ended December 31, 2017 - unrealized gain of $2.6 million). The Company has elected to not apply hedge accounting to the gold option contracts, with changes in fair value recorded in net earnings.

Fuel option contracts

The Company enters into option contracts to hedge against the risk of an increase in the price of diesel fuel. These option contracts are for the purchase of New York Harbour Ultra Low Sulfur Diesel ("ULSD") contracts, which settle on a monthly basis, and the Company believes this is an appropriate manner of managing price risk.

During the year ended December 31, 2018, the Company has designated options as cash flow hedges for the highly probable consumption of diesel. 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 the hedging instrument. In order to assess the economic relationship between rack ULSD price and the NY Harbour ULSD benchmark, the Company considered both qualitative and quantitative factors. Cash flows in relation to the designated hedged item and hedging instrument are matched since the NY Harbour ULSD option contracts (hedging instrument) expires during the same month as the operational cash flows (hedged item) are expected to be incurred. The correlation between the hedged item and the hedging instrument is 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 the diesel price risk that is hedged with a NY Harbour ULSD hedging instrument using one unit of both the hedged and hedging item respectively.

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

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.

As at December 31, 2018, the Company has hedged 2.74 million gallons of diesel at a range of $1.83 to $2.09 per gallon.

For the year ended December 31, 2018, the Company has an unrealized loss of $0.5 million recorded in accumulated other comprehensive loss related to the fuel hedges. The Company did not recognize any ineffectiveness on the hedging instruments.

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, 2018, 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, 2018 by $63.0 million (2017 - $54.3 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, 2018 would have increased or reduced other comprehensive (loss) income by $0.8 million (2017 - $3.5 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 future cash flows attributable to changes in market interest rates. The interest rate on the Facility is variable, however, the Facility was undrawn as at December 31, 2018.

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 $ 2.1 million in interest earned by the Company. The Company has not entered into any derivative contracts to manage this risk.

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 or deterioration 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, 2018	December 31, 2017
Impact of a 10% change in foreign exchange rates		
Canadian dollar	$1.4	$7.8
Mexican peso	2.1	1.5

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, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Cash and cash equivalents	$26.8	$43.1	$10.8	$7.1
Equity securities	7.8	35.8	–	–
Amounts receivable	11.9	7.4	21.4	22.0
Other monetary assets	33.0	47.8	5.9	–
Accounts payable and accrued liabilities	(69.1)	(56.1)	(16.8)	(14.7)
Total exposure to currency risk	10.4	78.0	21.3	14.4

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, 2018	December 31, 2017
Cash and cash equivalents	$206.0	$200.8
Concentrate receivable	2.3	3.2
Trade receivables	5.7	4.0
Total financial instrument exposure to credit risk	**$214.0**	**$208.0**

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	3.1	1.5	0.7	0.6	5.9
Accounts payable and accrued liabilities	118.7	–	–	–	118.7
Decommissioning liability	–	6.4	–	47.0	53.4
Contract mining	31.9	32.0	–	–	63.9
Capital commitments	24.5	–	–	–	24.5
	$178.2	**$39.9**	**$0.7**	**$47.6**	**$266.4**

Contractual obligations exist with respect to royalties (note 19); 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.

17. 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, 2018, total managed capital was $2,602.3 million (2017 - $2,681.2 million).

	December 31, 2018	December 31, 2017
Shareholder's equity	$2,602.3	$2,681.2

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.

18. RELATED PARTY TRANSACTIONS

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

Expense by nature:	**December 31, 2018**	**December 31, 2017**
Short-term employee benefits	6.1	8.8
Share-based payments	4.9	4.5
	$11.0	**$13.3**

These transactions are in the normal course of operations and all of the transactions are measured at the exchange amount of consideration established and agreed to by the parties.

19. COMMITMENTS

Capital commitments

As of December 31, 2018, the Company has $24.5 million in committed capital purchases (December 31, 2017 - $21.8 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, 2018, the royalty was paid or accrued on approximately 1.97 million ounces of applicable gold production. Royalty expense related to the third party royalty was $10.6 million for the year ended December 31, 2018 (2017 - $9.6 million). In addition, royalty expense includes the 0.5% Extraordinary Mining Duty, which totaled $1.2 million for the year ended December 31, 2018, payable to the Mexican government (2017- $1.0 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, 2018, the Company recorded a royalty expense of $3.5 million (2017 - $3.9 million). In addition, other royalties related to production at Young-Davidson totaled $0.1 million for the year ended December 31, 2018 (2017 - $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 year ended December 31, 2018, the Company recorded a royalty expense of $6.2 million related to production at Island Gold (2017 - $0.6 million).

In addition, a third party has a 2% net smelter return royalty on production from a portion of the Company's Turkish projects. The Company is also subject to a 2% state royalty on production in Turkey based on current gold prices, subject to certain deductions. No payments have been made, as the projects are not in production.

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 22, 2019

/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 22, 2019

/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, 2018, 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 22, 2019

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, 2018, 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 22, 2019

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Toronto, ON M5H 2S5

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 20, 2019, with respect to the consolidated financial statements of Alamos Gold Inc.(the "Company") comprising the consolidated statements of financial position of the Company as at December 31, 2018 and December 31, 2017 and the consolidated statements of comprehensive (loss) income, changes in equity and cash flows for each of the years then ended, and the related notes; and
- our Report of Independent Registered Public Accounting Firm dated February 20, 2019 on the effectiveness of internal control over financial reporting as of December 31, 2018,

each of which is included in this annual report on Form 40-F of the Company for the fiscal year ended December 31, 2018.

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, Licenced Public Accountants

March 22, 2019
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, 2018 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, 2018, 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 (Registration No. 333-206182) 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 22, 2019

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, 2018 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, 2018, 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 (Registration No. 333-206182) 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 22, 2019

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, 2018 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, 2018, 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 (Registration No. 333-206182) 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 22, 2019

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, 2018 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, 2018, 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 (Registration No. 333-206182) 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 22, 2019

By: */s/ Herbert Welhener*_____

Name: Herbert Welhener

CONSENT OF EXPERT

I, Christopher Rockingham, 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, 2018 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, 2018, 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 (Registration No. 333-206182) 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 22, 2019

By: */s/ Christopher Rockingham*_____
Name: Christopher Rockingham

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, 2018 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, 2018, 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 (Registration No. 333-206182) 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 22, 2019

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

CONSENT OF EXPERT

I, Nathan Bourgeault, 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, 2018 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, 2018, 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 (Registration No. 333-206182) 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 22, 2019

By: */s/ Nathan Bourgeault*

Name: Nathan Bourgeault