

DETOUR GOLD

Detour Gold Releases Reasonable Settlement Offer to Paulson & Co.

- *Reasonable offer reflects feedback from shareholders*
- *Offer would result in almost half of the Board being refreshed in six weeks*
- *Notwithstanding Marcelo Kim's initial rejection of the offer, the Board will continue to be open to dialogue and will leave the offer open*

October 12, 2018 - Detour Gold Corporation (TSX: DGC) ("Detour Gold" or the "Company") responds to numerous shareholders who have encouraged a constructive dialogue and negotiated settlement with Paulson & Co. ("Paulson"), Chairman Alex Morrison has released the details of Detour Gold's latest offer of settlement of October 9th, that was rejected this morning by Marcelo Kim of Paulson.

This settlement offer reflects the Board of Director's (the "Board's") ongoing openness to change and willingness to reach a reasonable compromise that reflects the desires and interests of our shareholders. Detour Gold reminds shareholders that it has already made significant changes to its Board with the addition of three new nominees and the resignation of two long-serving directors. Detour Gold understands from its significant shareholders that while some further change may be welcomed it is not nearly to the extent pursued by Marcelo Kim.

Without wholesale Board change, Marcelo Kim continues to demand his presence on the Board. These demands are completely out of line with the feedback received from shareholders. As fiduciaries of the Company and representatives of both shareholders and corporate interests the Board cannot possibly accept such a proposal.

While the full copy of the letter is attached to this press release, the principal terms of the settlement offer are as follows:

- **New Nominees:** In addition to the three new directors appointed in August (one of whom, Jim Gowans, was approached to be on the Paulson slate), one additional nominee of Paulson appointed immediately to the Board. Based on ability to positively contribute, we expressed a preference for either Chris Robison or Dawn Whittaker from the Paulson slate but remained open to meeting additional candidates. Marcelo Kim was not included in those preferred as Detour Gold does not believe his candidacy has the support of the Company's shareholders.
- **Removal of Legacy Directors:** As part of the Company's continuous Board renewal efforts, in addition to the two legacy directors who were removed in August, one additional legacy director to leave the Board for a total of three legacy directors leaving the company. Pro forma for these changes to the Board, four of nine or 44% of Detour directors will have turned over in the past six weeks.
- **Nominee Appointed to Committees:** Placement of the additional Paulson nominee on the Corporate Governance & Nominating Committee and the Special Committee.
- **New CEO:** Michael Kenyon will step down as interim CEO by no later than the upcoming Annual General Meeting and the new Paulson nominee can begin work immediately with the Corporate Governance & Nominating Committee on an open global search for a new CEO.
- **Sale of Detour Gold:** While Detour Gold disagrees with Marcelo Kim and Paulson on their central thesis --the sale of the company now-- the Paulson nominee would immediately work with Detour Gold's advisors and the special committee to understand the work that has been done in this area and the current state of play in this challenged mining M&A environment.

- **Paulson Presentation to the Board:** Access by Paulson directly to the Board for presentations during a standstill period on any ideas for change they may have.
- **Civil Claim:** Detour Gold would drop its tipping and market manipulation civil claim against Paulson.
- **Non Disparagement and Standstill:** Paulson and Detour Gold would enter into an 18 month standstill and mutual non disparagement.

“I am disappointed that this latest very reasonable offer was rejected by Marcelo Kim. Demanding a wholesale change of the Board as a condition to negotiating a settlement is neither practical nor responsible. Given the critical stage we are at in executing the Life of Mine Plan, now is not the time to throw the Company into chaos and start from scratch, especially following the significant changes the Board has already made. Such changes would limit the oversight the Board could provide and put our operations at risk.” said Alex Morrison, Chairman. “Our Board has decided to keep our reasonable settlement offer open to Paulson. We ask our shareholders and other key stakeholders to assist us in achieving a satisfactory conclusion for all parties.”

Advisors

The Company has retained Kingsdale Advisors as its strategic shareholder and communications advisor, BMO Capital Markets as its financial advisor, and McCarthy Tétrault LLP and Norton Rose Fulbright LLP as its legal advisors.

About Detour Gold

Detour Gold is an intermediate gold producer in Canada that holds a 100% interest in the Detour Lake mine, a long life large-scale open pit operation. Detour Gold's shares trade on the Toronto Stock Exchange under the trading symbol DGC.

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