UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

(Check One)

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

or

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, 2014

Commission file number: 001-35783

ALAMOS GOLD INC.

(Exact name of registrant as specified in its charter)

British Columbia	**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)**

2200-130 Adelaide Street West
Toronto, Ontario, Canada, M5H 3P5
(416) 368-9932
(Address and Telephone Number of Registrant's Principal Executive Offices)

Torys LLP
1114 Avenue of the Americas
23rd Floor
New York, New York 10036
Attention: Mile T. Kurta
(212) 880-6000
(Name, Address (Including Zip Code) and Telephone Number (Including Area Code) of Agent For Service in the United States)

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

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

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

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

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

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: 127,357,486 Common Shares, Without Par Value

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

Yes x No ¨

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

Yes ¨ No ¨

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 30, 2015 for the Year Ended December 31, 2014 (filed as Exhibit 99.1 hereto);

(b) Management's Discussion and Analysis for the Annual Audited Consolidated Financial Statements for the Year Ended December 31, 2014 (filed as Exhibit 99.2 hereto); and

(c) Annual Audited Consolidated Financial Statements for the Year Ended December 31, 2014 and December 31, 2013 including Consolidated Statements of Financial Position as at December 31, 2014 and December 31, 2013 and Consolidated Statements of Comprehensive Income and Changes in Equity and Cash Flows for the Years Ended December 31, 2014 and December 31, 2013 and Related Notes, together with the Auditor's Reports thereon, contained therein (filed as Exhibit 99.3 hereto).

FORWARD-LOOKING STATEMENTS

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

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

There can be no assurance that forward-looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Alamos's expectations include risks related to the on-going business of Alamos, including risks related to international operations; the actual results of current exploration activities; conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as future prices of gold and silver, as well as those risk factors described in the section entitled "Risk Factors" in Alamos's Annual Information Form, dated March 30, 2015 for the Year Ended December 31, 2014, 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, 2014, 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.

(1) Management of Alamos is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, Alamos's Chief Executive Officer and Chief Financial Officer and effected by Alamos's board of directors, management and other personnel 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.

(2) Management assessed the effectiveness of Alamos's internal control over financial reporting as of December 31, 2014, based on the criteria set forth in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

(3) Based on this assessment, management concluded that, as of December 31, 2014, Alamos's internal control over financial reporting was effective. Also, management determined that there were no material weaknesses in Alamos's internal control over financial reporting as of December 31, 2014.

(4) Ernst & Young LLP ("Ernst & Young"), the independent registered chartered professional accountants that audited Alamos's consolidated financial statements for the fiscal year ended December 31, 2014, has issued its opinion on Alamos's internal control over financial reporting (the "Attestation Report").

(d) Attestation Report of the Registered Public Accounting Firm. 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, 2014, 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 David Fleck and Paul Murphy members of its audit committee, is an "audit committee financial expert" (as such term is defined in Form 40-F) and that each of Anthony Garson, Paul Murphy and David Fleck 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: Amber Howell, Assistant Corporate Secretary of Alamos, 130 Adelaide Street West, Suite 2200, Toronto, Ontario, Canada M5H 3P5, telephone: (416) 368-9932. Alternatively, requests may be sent by e-mail to ahowell@alamosgold.com.

All amendments to 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

Ernst & Young is Alamos's external auditor. From time to time, Ernst & Young has provided consulting and other non-audit services to Alamos and its subsidiaries.

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, 2014, 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 Ernst & Young .

Pre-Approval Policies and Procedures

Alamos's audit committee has adopted specific policies and procedures for the engagement of non-audit services that require the auditors to submit to the audit committee a proposal for services to be provided and a cost estimate for approval. For the fiscal year ended December 31, 2014, Alamos's audit committee approved approximately $69,500 in tax fees.

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 in the management's discussion and analysis for the annual audited consolidated financial statements for the year ended December 31, 2014 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 (Chairman), Paul Murphy and Anthony Garson.

DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

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

Alamos's annual audited consolidated financial statements as at and for the fiscal year ended December 31, 2014 filed with this Form 40-F have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Alamos adopted IFRS on January 1, 2011, with a transition date of January 1, 2010. Prior to January 1, 2010, Alamos prepared its financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Under IFRS 1, IFRS is applied retrospectively at the transition date of January 1, 2010 with all adjustments to assets and liabilities as stated under Canadian GAAP taken to retained earnings (deficit) unless certain exemptions are applied. Accordingly, Alamos's financial statements, including those prepared after the date of this Form 40-F, may not be comparable to those prepared by U.S. companies. In addition, Alamos is not required to prepare a reconciliation of its financial statements between IFRS and U.S. generally accepted accounting principles, and has not quantified such differences, which may be significant.

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 five of its six 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 five 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: Anthony Garson, Paul Murphy, David Gower, Ken Stowe and David Fleck.

Presiding Director at Meetings of Independent Directors

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

Communication with Independent Directors

Shareholders may send communications to the registrant's independent directors by contacting Amber Howell, Assistant Corporate Secretary of Alamos, 130 Adelaide Street West, Suite 2200, Toronto, Ontario, Canada M5H 3P5, telephone: (416) 368-9932. Alternatively, communications may be sent by e-mail to ahowell@alamosgold.com. Communications will be referred to Paul Murphy, Chairman of the Board of Directors of Alamos, for appropriate action. The status of all outstanding concerns addressed to Amber Howell 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 *Our Governance*.

Board and Committee Charters

Alamos's board of directors mandate and the charters for its audit committee, compensation committee, technical, environmental, social and employees' health and safety committee, and corporate governance and nominating committee are available for viewing on its web site at www.alamosgold.com under *Our Governance* and are available in print to any shareholder who requests them. Requests for copies of these documents should be made by contacting Amber Howell, Assistant Corporate Secretary of Alamos, 130 Adelaide Street West, Suite 2200, Toronto, Ontario, Canada M5H 3P5, telephone: (416) 368-9932. Alternatively, requests may be sent by e-mail to ahowell@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, 2014, 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 31, 2015

ALAMOS GOLD INC.

By: */s/ James Porter*
Name: James Porter
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit	Description
	Annual Information
99.1	Annual Information Form, dated March 30, 2015, for the Year Ended December 31, 2014
99.2	Management's Discussion and Analysis for the Annual Audited Consolidated Financial Statements for the Year Ended December 31, 2014
99.3	Annual Audited Consolidated Financial Statements for the Year Ended December 31, 2014, including Consolidated Statements of Financial Position as at December 31, 2014 and December 31, 2013 and Consolidated Statements of Comprehensive Income and Changes in Equity and Cash Flows for the Years Ended December 31, 2014 and December 31, 2013 and Related Notes, together with the Auditor's Reports thereon, 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 Ernst & Young LLP

Exhibit 99.1



ALAMOS GOLD INC.

Suite 2200 – 130 Adelaide Street West
Toronto, Ontario M5H 3P5
416-368-9932

ANNUAL INFORMATION FORM

for the year ended December 31, 2014

March 30, 2015

ALAMOS GOLD INC.
ANNUAL INFORMATION FORM
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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 30, 2015, unless otherwise stated herein.

Currency and Exchange Rates

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

Canadian Dollars into United States Dollars	2014	2013	2012
Closing	$0.862	$0.940	$1.005
Average	$0.905	$0.971	$0.994
High	$0.942	$1.016	$1.030
Low	$0.859	$0.935	$0.960

The noon rate of exchange on March 30, 2015, as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars was US$0.788 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 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 the Company, 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.

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 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 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 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.

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.
"Cu"	Copper.
"dacite"	The extrusive (volcanic) equivalent of quartz-diorite.
"dome"	An uplift or anticlinal structure, either circular or elliptical in outline, in which the rocks dip gently away in all directions.
"dore"	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).
"HQ diameter"	2.4 inch diameter drill hole.
"IFRS"	International financial reporting standards, the accounting principles used by the Company.
"indicated resource" or "indicated mineral resource"	That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.
"inferred resource" or "inferred mineral resource"	That part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
"km"	Kilometres.
"leaching"	The separation, selective removal or dissolving-out of soluble constituents from a rock or ore body by the natural actions of percolating solutions.
"m"	Metres.
"Mineral Reserve"	The economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. The study must include adequate information on mining, processing, metallurgical, economics and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that occur when the material is mined and processed.

"measured resource" or "measured mineral resource"	That part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.
"mineral resource"	A concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the earth's crust in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. The term "mineral resource" covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which mineral reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. The phrase "reasonable prospects for economic extraction" implies a judgment by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. A mineral resource is an inventory of mineralization that under realistically assumed and justifiable technical and economic conditions might become economically extractable. The term "mineral resource" used in this AIF is a Canadian mining term as defined in accordance with NI 43-101 under the guidelines set out in the CIM Standards.
"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.
"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

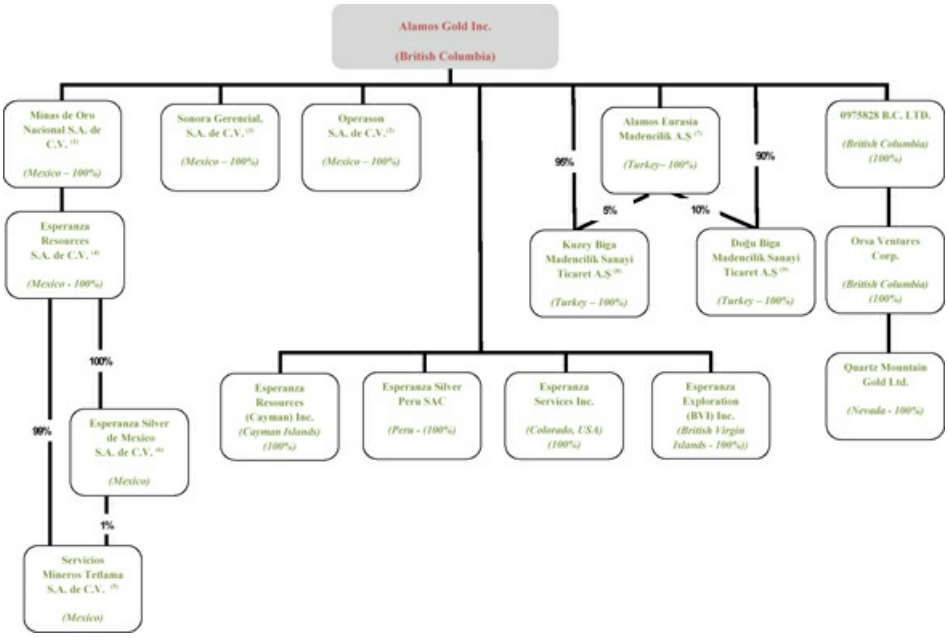
Name and Incorporation

The name of the Company is Alamos Gold Inc. The Company's principal place of business is 130 Adelaide Street West, Suite 2200, Toronto, Ontario, Canada M5H 3P5. The registered office of the Company is located at 1600-925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L2.

Alamos was formed by the amalgamation of Alamos Minerals Ltd. ("Alamos Minerals"), a company incorporated under the laws of the Province of British Columbia, and National Gold Corporation ("National Gold"), a company incorporated under the laws of the Province of Alberta, and continued into the Province of British Columbia under the former *Company Act* (British Columbia) on February 21, 2003, with the resulting amalgamated company continuing under the name "Alamos Gold Inc." The *Business Corporations Act* (British Columbia) (the "BCBCA") came into force on March 29, 2004, and on July 15, 2004, after obtaining shareholder approval, Alamos altered its Notice of Articles to increase its authorized capital from 1,000,000,000 common shares without par value to an unlimited number of common shares without par value and adopted new articles that take advantage of certain business flexibilities available under the BCBCA. 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 $0.8 billion as of March 30, 2015.

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. As at March 30, 2015, 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.



(1) The authorized share capital of Minas de Oro Nacional, S.A. de C.V. ("MON") consists of 50,000 fixed shares and an unlimited number of variable shares. The issued and outstanding capital of MON consists of 50,000 fixed shares and 485,624,800 variable shares. All of the variable shares are registered in the name of the Company. One of the 50,000 outstanding fixed shares of MON is held for the benefit of the Company in the name of John McCluskey, the President and Chief Executive Officer of the Company.

(2) One of the 50,000 outstanding fixed shares of Operason, S.A. de C.V. is held for the benefit of the Company in the name of John McCluskey, the President and Chief Executive Officer of the Company.

(3) One of the 50,000 outstanding fixed shares of Sonora Gerencial, S.A. de C.V. is held for the benefit of the Company in the name of John McCluskey, the President and Chief Executive Officer of the Company.

(4) One of the 1,000,000 outstanding fixed shares of Esperanza Resources, S.A. de C.V. is held for the benefit of the Company in the name of John McCluskey, the President and Chief Executive Officer of the Company.

(5) One of the 100 outstanding fixed shares of Servicios Minera Tetlama, S.A. de C.V. is held for the benefit of the Company in the name of Esperanza Silver de Mexico, S.A. de C.V.

(6) One of the 1,000 outstanding fixed shares of Esperanza Silver de Mexico, S.A. de C.V. is held for the benefit of the Company in the name of Alamos Gold Inc.

(7) Alamos Eurasia Madencilik A.Ş ("Alamos Eurasia") has authorized and issued and outstanding share capital of an aggregate of 553,749 shares all of which are held by the Company.

(8) Kuzey Biga Madencilik Sanayi Ticaret A.Ş ("Kuzey Biga") has authorized and issued and outstanding share capital of 120,165,280 shares. The shares of Kuzey Biga are distributed with 113,669,780 to Alamos, 6,495,500 shares to Alamos Eurasia.

(9) Doğu Biga Madencilik Sanayi Ticaret A.Ş. ("Doğu Biga") has authorized and issued and outstanding share capital of 31,041,882 shares. The shares of Doğu Biga are distributed with 27,796,782 to Alamos, 3,245,100 shares to Alamos Eurasia.

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 Mulatos mine within the Company's Salamandra concessions in the state of Sonora, Mexico (the "Mulatos Mine"), which it acquired in February 2003. In 2014, the Mulatos Mine produced 140,500 ounces of gold. Alamos also owns the development-stage Ağı Dağı, Kirazli and Çamyurt projects in the Biga district of northwestern Turkey, which it acquired in 2010. The Company also owns the Esperanza Gold Project in Morelos State, Mexico, and the Quartz Mountain Property in Oregon, USA, each of which were acquired in 2013. As at December 31, 2014, Alamos had $358.1 million in cash and cash equivalents and short-term investments.

Three-Year History

In 2012, the Company produced 200,000 ounces of gold, realized earnings of $118 million, and announced a further increase of its semi-annual dividend to $0.10 per share. In addition, the Company announced the successful start-up of the new gravity mill designed to process high-grade ore from the Escondida zone. In June of 2012, the Company announced a positive preliminary feasibility study for Ağı Dağı and Kirazli, supporting a decision to proceed with permitting towards construction. The study contemplates total life of mine production of over 1.5 million ounces of gold and 4.9 million ounces of silver over a combined nine-year mine life. Using a $1,239 per ounce average gold price assumption, the after-tax net present value at a 5% discount rate for the Ağı Dağı and Kirazli projects was calculated to be $276 million. The Company also announced an initial inferred mineral resource for the Çamyurt project. The Company also experienced the best quarter in its history to that point, from a financial perspective, achieving record revenues, cash flows and earnings.

In 2013, the Company produced 190,000 ounces of gold, realizing earnings of $38.8 million. The Company sold a record 198,000 ounces of gold for revenues of $282.2 million. In January 2013, Alamos announced an unsolicited offer to acquire Aurizon Mines Ltd. ("Aurizon") for approximately CAD$780 million in cash and shares. On March 4, 2013, the Aurizon Board of Directors announced that it had entered into an agreement with Hecla Mining Ltd. ("Hecla"). Among the terms of Aurizon's agreement with Hecla was a CAD$27.2 million dollar "break fee" payable by Aurizon to Hecla in the event that Alamos acquired more than 33.32% of the outstanding Aurizon shares. As a result of Aurizon taking on this additional expense (the $27 million break fee payable to Hecla), as well as other developments occurring in the two months following announcement of the offer for Aurizon which negatively impacted Aurizon's value to Alamos, Aurizon no longer represented a sensible acquisition target for Alamos. On March 19, 2013, Alamos announced that it would not take up any Aurizon shares under its offer. Alamos subsequently realized proceeds of $111.1 million on the disposition of the Company's investment in the common shares of Aurizon.

On February 13, 2013, the common shares of the Company commenced trading on the NYSE under the ticker symbol “AGI”. In addition, Alamos announced a Normal Course Issuer Bid through which it repurchased 562,802 Alamos common shares for cancellation in 2013 and 2014.

In August 2013, the Company received approval from the Turkish Government of its EIA report for the Kirazli project in Turkey.

Also in August 2013, the Company completed the acquisition of Esperanza Resources Corp. (“Esperanza”), and its 100% ownership of the Esperanza Gold Project (formerly referred to as the Cerro Jumil gold project) located in Morelos State, Mexico. Alamos paid net cash of $44.7 million and issued 7.2 million share purchase warrants in consideration for Esperanza. The Esperanza Gold Project has the potential to increase the Company’s production in Mexico by over 50%, with relatively low cash costs, low technical risk, and low capital expenditure requirements. The Company is working towards revision and resubmission of an environmental impact assessment (“EIA”) report which was prepared and submitted by the previous operators of the project, and preparation of a feasibility study to further support development of the project. Also in 2013, the Company completed the acquisition of Orsa Ventures Corp. (“Orsa”) for $3.4 million. Orsa owns the right to earn a 100% interest in the Quartz Mountain Property in Oregon and other assets in Oregon and Nevada.

In 2014, the Company produced 140,500 ounces and sold 134,600 ounces of gold for revenues of $169.9 million. The Company recognized a loss in 2014 of $2.1 million, resulting from lower gold prices and a lower number of ounces sold.

In March 2014, the Company reported a 31% increase in global measured and indicated mineral reserves, reflecting the acquisition of the Esperanza Gold Project.

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

In August 2014, the Company received approval of the Environmental Impact Assessment (“EIA”) for it Ağı Dağı gold project.

At the Company’s Annual General Meeting in June 2014, Paul Murphy was appointed as Chairman of the Company.

In March 2015, the Company sold the El Realito exploration concessions, a small portion of its large exploration package at Mulatos, to Agnico Eagle Mines Limited (“Agnico”) for proceeds of US$7 million cash and a 2% net smelter returns (“NSR”) royalty. The El Realito exploration concessions represent approximately 6% of the Company’s large exploration package. The concessions are located in the north-west corner of the Mulatos District, approximately 14 kilometers from the existing Mulatos Mine and processing facilities and adjacent to Agnico’s La India mine. As part of the agreement, Agnico has the option of reducing the 2% NSR royalty to 1% through an additional payment of $4 million.

NARRATIVE DESCRIPTION OF THE BUSINESS

The Company is a gold mining company engaged in exploration, mine development, and the mining and extraction of precious metals, primarily gold. The Company’s primary asset is the Mulatos Mine and its 28,773 hectares of concessions in the state of Sonora, Mexico, that were acquired on February 21, 2003, by way of amalgamation of National Gold and Alamos Minerals. In addition, in 2010 the Company acquired the development-stage Ağı Dağı and Kirazli Projects in the Biga district of northwestern Turkey. In 2011, the Company discovered the Çamyurt Project, located approximately 3 kilometers from the Ağı Dağı Project. The Company also owns the development stage Esperanza Gold Project in Morelos State, Mexico, and the Quartz Mountain Property in Oregon, USA.

Mulatos Mine

General

The mineral deposit that has been developed into the Mulatos Mine is located in the Salamandra group of mineral concessions covering an area of approximately 28,773 hectares in 43 concessions (the "Salamandra Concessions") located in the State of Sonora, Mexico. Mineral rights for the Salamandra Concessions are held and controlled by Minas de Oro Nacional, a Mexican wholly-owned subsidiary of Alamos.

Portions of the Salamandra Concessions originally acquired from Placer Dome Inc. ("Placer") are subject to the Royal Gold Inc. ("Royal Gold") Royalty which applies to the first two million ounces of gold mined, processed or sold from the Mulatos Mine. As at December 31, 2014, the royalty had been paid or accrued on approximately 1.3 million ounces of applicable gold production.

2004 Feasibility Study and M3 July 14, 2004 Report

On June 1, 2004, M3 Engineering and M3 Mexicana Hermosillo Sonora Mexico and Consultants ("M3 Consultants"), independent consultants to the Company, completed a feasibility study of the Estrella zone within the Mulatos deposit on the Salamandra Concessions entitled "Mulatos Feasibility Study Phase One - Estrella Pit" dated June 1, 2004, filed at www.sedar.com ("SEDAR") on July 22, 2004 (the "2004 Feasibility Study") recommending development of the Estrella Pit portion of the Mulatos deposit. Subsequently, the Company engaged M3 Engineering and M3 Consultants to prepare an independent technical report based on the 2004 Feasibility Study, entitled "Technical Report – the Estrella Pit Development Mulatos Sonora Mexico" dated June 17, 2004 (as revised July 14, 2004) which incorporated technical information from the 2004 Feasibility Study.

Technical Report (Update) – Mulatos Mine

On January 14, 2013, Alamos filed on SEDAR a technical report pursuant to NI 43-101 with respect to the Mulatos Mine entitled "Minas de Oro Nacional, S.A. de C.V. – Mulatos Project – Technical Report Update (2012)" dated December 21, 2012.

Mine Construction

The Company completed construction of the Mulatos Mine in January 2006 at a cost of approximately $74 million. Although the 2004 Feasibility Study plan called for a 10,000 tpd crushing operation, the Company sized the major components of the Mulatos Mine, including the crusher/conveyor and the gold recovery plant, to handle a mining and processing operation with a capacity of approximately 15,000 tpd. In 2005, an expansion budget of $20 million was approved to increase the scale of mining operations from the 2004 Feasibility Study level of 10,000 tpd.

Since 2005, the Mulatos Mine has undergone significant expansion, particularly with respect to crushing capacity. At the start of 2010, the Company commissioned a closed circuit crushing system designed to improve the size consistency of stacked ore. In October 2010, the Company added a scalping screen plant to the crushing circuit designed to increase throughput. Continued modifications to the crushing circuit aimed at increasing crusher throughput were implemented throughout 2011 and early 2012. Average total daily crusher throughput, including the high grade mill, was 17,200 tpd in 2014, down from 17,900 tpd in 2013. In 2015, the Company expects average daily crusher throughput to increase to approximately 17,850 tonnes per day.

In addition to the existing heap leach operations at the Mulatos Mine, between 2009 and 2012, the Company developed the Escondida high-grade zone at an approximate cost of $61 million and constructed a mill to process high-grade ore from Escondida at a cost of $20 million. The high grade Escondida deposit was depleted in the second quarter of 2014, and the Company commenced underground development of the San Carlos high grade deposit. In 2015, the Company expects to mine high grade ore (average grade 9.5 g/t Au) from the San Carlos underground deposit at a rate of approximately 550 tpd.

Pre-commercial Operations

The Mulatos Mine began operations in 2005 as a run-of-mine conventional open-pit heap-leach operation with a gold recovery plant consisting of a carbon-in-column circuit. Although not specified in the 2004 Feasibility Study, the Company operated temporarily on a run-of-mine basis to take advantage of gold prices at levels significantly above those considered in the 2004 Feasibility Study. Run-of-mine ore was stacked directly on the leach pad in the period from June 2005 to June 2006. No additional run-of-mine material was stacked on the leach pad effective July 1, 2006, as the crusher was operating near capacity and gold recoveries from crushed ore are significantly higher than recoveries from run-of-mine ore.

Commercial Operations

The Company announced commercial production at the Mulatos Mine on April 1, 2006. The Mine operates 365 days a year. Daily production may be affected to some extent by adverse weather, but it is unusual for adverse weather to cause complete mine stoppage for an extended period. The Company has acquired the surface rights necessary to carry on its current and planned operations, but may be required to secure additional rights should the Company decide to pursue mining activities outside of the currently permitted concessions. The Company complies with all applicable environmental laws.

Gold is produced on site as dore containing approximately 60-80% gold by weight. The dore is sent to a refinery for final processing prior to sale. Refined gold is sold to several counterparties at market prices. Processing chemicals and materials are generally readily available as is diesel fuel, however, the cost of these products delivered to the site has increased significantly from the feasibility levels.

Cost levels have increased significantly from the life-of-mine average cash operating cost of $174 per ounce indicated in the 2004 Feasibility Study which excluded the Royal Gold Royalty (see “Royalties” on page 25, below) and were based on a gold price of $350 per ounce. Unit operating costs are affected by mine operating efficiencies, the waste-to-ore ratio, the cost of mining and processing materials, labour costs, the grade of ore mined and recoveries achieved. Certain costs such as lime, cyanide and diesel fuel have increased in price substantially since the 2004 Feasibility Study was prepared.

In the year ended December 31, 2006, its first year of partial commercial production, the Mulatos Mine produced 101,170 ounces of gold at a cash operating cost of $294 per ounce of gold sold. Since then the Company has implemented a number of operational improvements contributing to higher levels of gold production. In the year-ended December 31, 2014, the Company produced 140,500 ounces of gold at a total cash cost of $703 per ounce of gold sold (including the 5% Royal Gold Royalty and 0.5% Extraordinary Mining tax in Mexico).

Total gold sales revenues for 2014 amounted to $169.9 million (2013 - $282.2 million). The Company’s product, gold and to a lesser extent, silver, is sold to several qualified counterparties for a price that is readily quoted and fluctuates daily. The Company can sell all of its refined metal at the quoted price or contract for a fixed price for future delivery. At December 31, 2014, the Company had no forward gold sales or other gold hedge positions outstanding.

Ağı Dağı and Kirazli Projects

The Ağı Dağı and Kirazli gold projects are located on the Biga Peninsula of northwestern Turkey. Ağı Dağı is located approximately 50 km southeast of Çanakkale and Kirazli is located approximately 25 km northwest of Ağı Dağı. Çanakkale is the largest centre on the Biga Peninsula with a population of approximately 87,000. Infrastructure in close proximity to the project is excellent and well-serviced with paved roads, transmission lines, and electricity generating facilities.

In June 2012, the Company published a preliminary feasibility study summary of the Ağı Dağı and Kirazli projects. The highlights are summarized below:

- Total life of mine production of 1.5 million ounces of gold and 4.9 million ounces of silver.

- Annual combined gold production is expected to peak in 2017 at 237,000 ounces, and will average 166,000 ounces per year over the nine year combined mine life.
- Mine life of seven years for Ağı Dağı and five years for Kirazli.
- Pre-production capital expenditures of $424.4 million.
- Average life of mine cash operating costs of $544 per ounce sold, total cash costs per ounce sold of $579.
- At a $1,239 per ounce gold price assumption, after-tax net present value ("NPV") at a 5% discount rate of $275.6 million and after-tax internal rate of return ("IRR") of 22.3%.
- At a gold price of $1,575 per ounce, after-tax NPV at a 5% discount rate increases to $604.6 million and after-tax IRR of 36.5%.

In addition, in 2012 the Company reported an initial Inferred mineral resource estimate of 640,000 ounces at Çamyurt. Inclusion of the Çamyurt resource in a development scenario represents a major opportunity to further enhance the economic potential of the Company's Turkish projects.

The preliminary feasibility study for Ağı Dağı and Kirazli incorporates significant capital spending on infrastructure that is expected to benefit the economics of the Çamyurt project. The average grade of the mineral resources at Çamyurt is substantially higher than at the Ağı Dağı and Kirazli projects. As a result, once Çamyurt is factored into the Company's development plan, it is expected to reduce cash costs per ounce on a combined project basis, as well as enhance combined project economics.

In 2014, total development expenditures in Turkey were $1.7 million which was capitalized. Given the delay in receipt of key permits, the Company reduced its headcount early in 2014 and curtailed spending in Turkey. The Company is awaiting a ruling from the Turkish High Administrative Court (the "High Court") on the Ministry of Environment and Urbanization (the "Ministry") and the Company's appeal of the Çanakkale Administrative Court's (the "Court") cancellation of the Ministry's EIA approval in relation to the Kirazli main project due to the lack of cumulative impact assessment ("CIA"). The appeal decision remains pending, but is expected to be finalized in the second quarter of 2015. In order to address the CIA requirements and concerns of the Court, the Company has prepared and submitted a CIA for the Kirazli project, which has been approved by the Ministry and submitted to the High Court.

In January 2015, the Court in Turkey granted an injunction order against the Ministry's approval of the EIA for the Company's Ağı Dağı project. Similar to Kirazli, the basis for the injunction related to a lack of a CIA. The Ministry is expected to defend any challenges against its approval of the EIA. In parallel, the Company has completed a CIA for Ağı Dağı which has been submitted to the Ministry. With development of Kirazli planned first, the Company does not expect the injunction to impact the development timeline for Ağı Dağı.

Obtaining forestry and operating permits are the next steps in the permitting process. The Company remains confident that these permits will be granted. However, legal challenges have increased uncertainty of the expected timing for receipt of these permits. A full development budget for Kirazli and Ağı Dağı will be re-initiated once the required permits are received. The capital spending budget for these projects is not expected to differ materially from the June 2012 preliminary feasibility study. The Company is however in the process of evaluating the impact of updated capital costs, the recently approved new mining law, forestry fee increases, tax incentive availability changes and the devaluation of the Turkish Lira on the operating costs and overall economics of its projects. The Company expects first gold production from Kirazli within 18 months of receipt of the outstanding permits.

Esperanza Gold Project

On August 30, 2013, the Company completed the acquisition of Esperanza Resources Corp. ("Esperanza"), and its wholly-owned Esperanza gold project (the "Esperanza Gold Project") (formerly referred to as the Cerro Jumil gold project) in Morelos State, Mexico. Based on the March 1, 2014 Technical Report entitled "Mineral Resource Estimation of the Esperanza Gold Project, Morelos State, Mexico" the project has a measured and indicated resource of 46,677,000 tonnes at a grade of 0.82 gpt gold and 7.10 gpt silver for approximately 1,237,000 ounces of gold and 10,644,000 ounces of silver, and an inferred resource of 3,974,000 tonnes at a grade of 0.85 gpt gold and 8.80 gpt silver for approximately 109,000 ounces of gold and 1,122,000 ounces of silver.

Technical Report – Esperanza Gold Project

On March 3, 2014, Alamos filed on SEDAR a technical report pursuant to NI 43-101 with respect to the Esperanza Gold Project entitled "Mineral Resource Estimation of the Esperanza Gold Project, Morelos State, Mexico" dated March 1, 2014.

Quartz Mountain Property

On September 13, 2013, the Company completed the acquisition of Orsa Ventures Corporation ("Orsa"), a junior exploration company focused on advancing its precious metal properties located in the Western United States. By acquiring Orsa, the Company obtained the right to earn a 100% interest in the Quartz Mountain Property in Oregon as well as other assets in Oregon and Nevada. The Quartz Mountain Property is located on the northern extension of the prolific Basin and Range Province of Nevada, and has an inferred resource of 110.4 million tonnes grading 0.80 g/t Au for approximately 2.85 million ounces of gold.

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 a third-party refinery. 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, 2014, the Company had 23 full-time employees, and 2 contract/temporary 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.

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. As of December 31, 2014, the Company's Mexican subsidiaries had 476 full-time employees. The Company has sourced most of its labour pool, including skilled mining personnel, from the state of Sonora in Mexico. In December 2013, the Company entered into a mining services agreement with Grupo Desarrollo Infraestructura S.A. de C.V. ("GDI"), expiring in December 2020, pursuant to which GDI will perform essentially all of the open-pit mining operations at Mulatos, at a cost of approximately $210 million over the term of the contract, based on current pricing. The contract includes a cost escalation formula every six months based on standard indices.

In addition, the Company has approximately 12 full-time administrative, engineering and exploration personnel in Turkey and approximately 7 full-time personnel at the Esperanza Gold Project in Morelos State, Mexico and approximately 5 employees at the Quartz Mountain Property in Oregon, U.S.A.

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 at each location to ensure consistency with the principles set forth in the Alamos Health and Safety Policy, which was adopted by the Alamos Board of Directors in 2012. The Company has invested heavily in this area, and the primary goal is to achieve zero accidents in the workplace.

Risk Factors

The following is a brief discussion of risk factors relevant to the Company's operations and future financial performance. Additional risks not currently known by the Company, or that the Company currently deems immaterial, may also impair the Company's operations.

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

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 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. In the past, Mexico and Turkey have experienced political and regulatory instability. Changes to existing governmental regulations may affect mineral exploration and mining activities, or the Company's ability to generate cash flow and profits from operations. Associated risks include, but are not limited to terrorism, corruption, extreme fluctuations in currency exchange rates and high rates of inflation.

Changing laws and regulations relating to the mining industry or shifts in political conditions may increase the costs related to the Company's activities including the cost of maintaining its properties. Operations may also be affected to varying degrees by changes in government regulations with respect to restrictions on production, price controls, export controls, income taxes, royalties, expropriation of property, environmental legislation 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. Turkey is seeking membership to the European Union ("EU") and is progressing to conform to EU standards through strengthening its political and economic framework, including through improved stability and transparency. However, Turkey to some degree continues to experience heightened levels of political and economic instability. These conditions may be exacerbated by current global economic conditions. This instability may have a material adverse effect on the Company's properties, business and results of operations. A broadly focused criminal corruption investigation implicating a number of Turkish Government officials that first came to light in December of 2013, along with the ensuing upheaval within the regulatory framework in Turkey, may impact the Company's development timeline for its Turkish projects.

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. Specifically, the Company's activities related to its Mulatos Mine and the Salamandra Concessions are subject to regulation by the *Mexican Department of Economy - Direccion General of Mines* ("DGM"), the environmental protection agency of Mexico ("SEMARNAT"), *Comisión Nacional del Aqua* ("CONAGUA"), which regulates water rights, and the Mexican Mining Law. Mexican regulators have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards. The Company's exploration and permitting activities in Turkey are subject to regulation by the General Directorate of Forestry of the Ministry of Environment and Forestry ("MIGEM"). The judiciary in Turkey has substantial discretion to impose injunctions and other legal sanctions on the Company and its properties.

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 and mine development. 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 Turkish 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.

The Company was informed in late January 2014, that the Court in Turkey had issued an injunction order to the Ministry regarding the EIA approval granted in relation to the Company's Kirazli gold project in Turkey (the "Kirazli Approval"). The Court granted the injunction in response to legal petitions by certain claimants in Turkey seeking annulment of the Ministry's recent approval of the EIA. The injunction order of the Court names the Ministry as the respondent and does not name Alamos Gold or its Turkish subsidiaries. The injunction results in suspension of the activities contemplated in the EIA. The Court's decision followed its December 2013 injunction ruling with respect to the EIA approval previously granted for the Company's pilot project at Kirazli (the "Pilot Project Approval"). In issuing the injunction on the Pilot Project Approval in December 2013, the Court referenced the "lack of consideration of cumulative impacts". The Court has not yet provided any information on how it believes cumulative impacts of all potential future mining projects can be assessed in a rational or meaningful way. The Court has now determined that its temporary revocation of the Pilot Project Approval constitutes a basis for an injunction order on the Kirazli Approval. The Ministry is challenging the injunction ruling. The Company has been formally granted legal standing as an intervenor in order to appear alongside the Ministry in contesting the injunction decision and the underlying legal claims. The Company is awaiting a ruling from the High Court on the Ministry and the Company's appeal of the Court's cancellation of the Ministry's EIA approval in relation to the Kirazli main project due to the lack of CIA assessment. The appeal decision remains pending, but this is expected to be finalized in the second quarter of 2015. In order to address the CIA requirements and concerns of the Court, the Company has prepared and submitted a CIA assessment for the Kirazli project, which has been approved by the Ministry and submitted to the High Court. In January 2015, the Court in Turkey granted an injunction order against the Ministry's approval of the EIA for the Company's Ağı Dağı project. Similar to Kirazli, the basis for the injunction related to a lack of a CIA. The Ministry is expected to defend any challenges against its approval of the EIA. In parallel, the Company has completed a CIA for Ağı Dağı which has been submitted to the Ministry. There is no guarantee that the Company will be able to obtain the requisite approvals and permits for its Turkish projects as planned. If the Company is unable to obtain these approvals and permits, this could have a material adverse impact on the Company and its ability to control and develop its Turkish projects.

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.

Estimates of mineral reserves and resources may not be realized

The mineral reserves and resources estimates contained in this AIF are only estimates and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. The Company relies on laboratory-based recovery models to project estimated ultimate recoveries by ore type at optimal crush sizes. Actual gold recoveries in a commercial heap leach operation may exceed or fall short of projected laboratory test results. In addition, the grade of mineralization ultimately mined may differ from the one indicated by the drilling results and the difference may be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geologic, metallurgical or engineering work, and work interruptions, among other things. Short-term factors, such as the need for an orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of those operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in proven and probable reserves or resources, grades, waste-to-ore ratios or recovery rates may affect the economic viability of projects. The estimated proven and probable reserves and resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations.

The Company has engaged expert independent technical consultants to advise it on, among other things, mineral reserves and resources and project engineering at each of its projects and operations in Mexico, Turkey and the US. The Company believes that these experts are qualified and that they have and will carry out their work in accordance with all internationally recognized industry standards. If, however, the work conducted and to be conducted by these experts is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays and increased costs.

Problems with title or access to mineral properties could have a negative impact on the Company's future operations

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

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

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

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 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 Company's mineral assets are located outside Canada and are held indirectly through foreign affiliates

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

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.

Finding or hiring qualified people or obtaining all necessary services for the Company's operations may be difficult

Finding or hiring qualified people or obtaining all necessary services for the Company's operations may be difficult. It may be difficult to hire qualified people, or to retain service providers, with the requisite expertise who are situated in or willing to work in the relevant local jurisdiction at reasonable rates. If qualified people and services cannot be obtained in the relevant local jurisdiction, the Company may need to obtain those services from people located outside such jurisdiction, which will require work permits and compliance with applicable laws and could result in delays and higher costs to the Company to conduct its operations.

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's activities are subject to environmental regulations

The operations of the Company are subject to environmental regulations promulgated by governmental agencies from time to time. A breach of such regulations may result in injunctions, fines and other sanctions. Environmental legislation is evolving, resulting in stricter standards. Enforcement resources are increasing, and fines and penalties for non-compliance are more stringent.

Environmental assessments of proposed projects carry a heightened degree of responsibility for companies, directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company has made, and will continue to make expenditures to comply with such laws and regulations.

Site closure and reclamation costs expected to be incurred in the future are estimated by the Company's management based on the information available to them. Actual site closure and reclamation costs could be materially different from the current estimates. Any change in cost estimates should additional information become available would be accounted for on a prospective basis. The fair value of the future liability for an asset retirement obligation is recognized in the period in which it is incurred with an offsetting amount being recognized as an increase in the carrying amount of the corresponding asset. This asset is amortized on a unit-of-production basis over the estimated life of the mine while the corresponding liability accretes to its future value by the end of the mine's life.

The success of the Company in developing its projects and conducting its operations is heavily dependent upon the Company's relationships with local communities and governments. The Company works diligently to engage in dialogue with local communities regarding planned activities and the potential for generation of social and economic benefits, however there can be no assurance that community support will be obtained or maintained. Failing to obtain or maintain such support could adversely affect the ability of the Company to develop its projects or operate the Mulatos Mine.

The volatility of the price of gold 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 affected by fluctuations in gold prices, over which the Company has no control. A reduction in the price of gold may prevent the Company's properties from being economically mined or result in the write-off of assets whose value is impaired as a result of low gold prices. The price of gold may also have a significant influence on the market price of the Company's common shares. The price of gold is affected by numerous factors beyond the Company's control, such as the level of inflation, fluctuation of the United States dollar and foreign currencies, global and regional demand, sale of gold by central banks and the political and economic conditions of major gold producing countries throughout the world. The price of gold has decreased significantly in the past several years. As at December 30, 2014, the London PM Gold fix price was US$1,206 per ounce. The following table sets forth the approximate average of the daily London PM Gold fix price during the calendar periods indicated:

Year ended December 31	2014	2013	2012
Gold (US$ per ounce)	$1,266	$1,411	$1,669

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

The Company is subject to currency risks. The Company's functional currency is the United States dollar, which is exposed to fluctuations against other currencies. The Company's primary operations are located in Mexico and Turkey and many of its expenditures and obligations are denominated in Mexican pesos, Turkish lira and Euros. The Company maintains its principal office in Canada, maintains cash accounts in U.S. dollars, Mexican pesos, Turkish lira, Euros and Canadian dollars and has monetary assets and liabilities in U.S. and Canadian dollars, Mexican pesos and Turkish lira. As such, the Company's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Company. The Company has not undertaken to mitigate transactional volatility in the Mexican peso, Turkish lira, Euro or the Canadian dollar at this time. The Company may, however, enter into foreign currency forward contracts in order to match or partially offset existing currency exposures.

The Company is dependent on a small number of key personnel and the absence of any of these individuals could have a significantly negative effect on the Company

The Company strongly depends on the business and technical expertise of its management and key operating personnel. There is little possibility that this dependence will decrease in the near term. If the services of the Company's executives, management or other key personnel were lost, it could have a material adverse effect on future operations and profitability.

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.

Production estimates

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 any or all of its future cash flows, results of operations and financial condition. These production estimates are dependent on, among other things, the accuracy of mineral reserve estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions and physical characteristics of ores and the accuracy of estimates 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 ore bodies 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.

Mine development

The Company's ability to sustain its present levels of gold production is dependent upon the identification and requisition of additional reserves. If the Company is unable to develop or acquire new ore bodies, it will not be able to sustain or increase present production levels. Reduced production could have a material and adverse impact on future cash flows, results of operations and financial conditions.

Risks relating to development, construction and mining operations

The Company's ability to meet development, production, schedule and cost estimates for its projects cannot be assured. 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.

Acquisition and integration risks

From time to time, the Company examines opportunities to acquire additional mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. In the event that the Company chooses to raise debt capital to finance any such acquisition, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, the Company may choose to finance any such acquisition with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Weather risks

The Company's producing assets are located in northwest Mexico. Extended periods of high rainfall or drought conditions are typical in this part of Mexico. 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.

Financial 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.

Interest Rate Risk

The Company's interest rate risk related to interest-bearing debt obligations is currently not material as the Company has no outstanding debt at December 31, 2014.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, derivative financial instruments (including forward gold sales contracts) and amounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial 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.

SALAMANDRA CONCESSIONS & MULATOS MINE IN MEXICO

The Company owns 100% of the Salamandra Concessions located in the state of Sonora in northwest Mexico. The Salamandra Concessions include the Mulatos Mine and several other prospective exploration targets throughout the district.

Project Description and Location

Location

The Mulatos Mine is located within the Salamandra Concessions in the Sierra Madre Occidental mountain range in the east-central portion of the state of Sonora, Mexico. The Company 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 the Company. The mineral concessions were awarded to the Company 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. The Company maintains an administration office in Hermosillo, Mexico which supports the activities and operations of the Mulatos Mine.

Ownership

The Salamandra 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 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 Salamandra Concessions are controlled by Minas de Oro Nacional.

Surface Rights

Surface rights in the exploitation area are held both privately and by the Mulatos Ejido. On May 27, 2004 the Mexican subsidiary of Alamos, Minas de Oro Nacional, entered into a surface rights agreement with the Ejido (the "2004 Surface Rights Agreement") regarding the lease (or temporary occupancy) of the surface rights required to perform different mining works and activities, as well as to set up infrastructure for MON's exploration and mining activities covered by the Salamandra Concessions, among other mining concessions of MON. The 2004 Surface Rights Agreement, which was approved on May 27, 2004 by the Agrarian Court for the State of Sonora, superseded a 1995 surface rights agreement between Minera San Augusto S.A. de C.V and the Ejido.

The 2004 Surface Rights Agreement provided, among other things, the lease of 1,238.6 hectares of land for an initial term of eight years with an option to extend the term on an annual basis, for up to ten additional years. The annual rent payment for any extension of the initial term for the temporary occupancy was 156,000 per year of extension. The 2004 Surface Rights Agreement also provided MON with the right to negotiate the purchase or lease of such land with the individual possessors in the event that the Ejido divided the 1,238 hectares of land into parcels and assigned its rights to individual possessors of the land. In accordance with the 2014 Amendment Agreement (defined below), of the 1,238 hectares covered by this agreement, approximately 904 hectares have now been acquired by MON, 183 hectares have been assigned in favor of certain ejidatarios (individual members of the Ejido) as established at a meeting of the Ejido held March 1, 2014, and 101 hectares continue to be held under the temporary occupancy agreement pursuant to the 2014 Amendment Agreement.

In 2007, MON successfully negotiated three new surface access agreements, allowing exploration into three high-priority targets for the first time since 1997, including the area identified as La Yaqui. MON successfully negotiated and entered into certain agreements with landowners in order to secure the surface rights over approximately 3,564 hectares, to commence development in certain areas of La Yaqui and Cerro Pelon, covered by the mining concessions Cerro Pelon, Cerro Pelon 2, Cerro Pelon 3, among others.

On April 12, 2008, MON entered into a temporary occupancy agreement with the Ejido (the "2008 Surface Rights Agreement") under which MON made a payment of approximately $1 million to secure temporary occupancy rights to a certain 1,398 hectares. The initial term of this agreement was for 10 years, with an option to extend on an annual basis, for up to 10 additional years. A second payment of approximately $1 million was to be paid once the land had been vacated and transferred to MON. However, the Ejido and its members continued in possession of most of the lands covered under the 2008 Surface Rights Agreement and therefore, the second payment was never made.

In 2010, the Ejido filed with the Unitary Agrarian Court an action to nullify the 2008 Surface Rights Agreement. On June 13, 2012, the Agrarian Court resolved the judicial claim in favor of MON by dismissing the action and discharging all of the defendants named in the lawsuit, including MON.

MON has been negotiating with the Ejido the acquisition of additional lands for its current and prospective mining operations. Additionally, MON has offered to the Ejido members certain amounts in order to conclude any outstanding issues of the 2004 and 2008 Surface Rights Agreements and to execute a new agreement to access and secure possession for additional lands needed to perform its mining operations. On March 1, 2014, MON entered into an amendment agreement with the Ejido (the "2014 Amendment Agreement") to formally resolve all the remaining disputes between the parties relating to the 2004 and the 2008 Surface Rights Agreements. The 2014 Amendment Agreement provides that the area referenced in the 2004 Surface Rights Agreement is reduced from 1,238 hectares to 101 hectares, and the annual rent payable therefore is reduced from $156,000.00 to $12,756.80. The 2008 Surface Rights Agreement was terminated as the lands of interest to MON under such agreement were allocated in favour of MON. As a result, MON now has certainty regarding its occupancy of the lands contemplated by the 2004 and 2008 Surface Rights Agreements. MON is still working on some further actions to acquire full domain over the properties related to the ejido land interests that were allocated in favor of MON, as per the 2014 Amendment Agreement.

Permits

The Company is permitted to mine its reserves at the Mulatos pits and has obtained the required surface rights to carry on mining, processing and exploration activities at these areas. In 2014, the Company 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 temporary surface rights to explore additional targets within the Salamandra Concessions.

Income Taxes and Mexican Tax Reform

In December 2013, the Mexican President approved a tax reform bill that enacted a new Income Tax Law ("MITL"), which increased the effective tax rate applicable to the Company's Mexican operations effective January 1, 2014. The MITL has increased the corporate income tax rate to 30%, creates a 10% withholding tax on dividends paid to non-resident shareholders (subject to any reduction by an Income Tax Treaty) and creates a new Extraordinary Mining Royalty equal to 0.5% of gross revenues from the sale of gold, silver, and platinum. In addition, the MITL requires taxpayers with mining concessions to pay a new 7.5% Special Mining Tax. The Special Mining Tax is generally applicable to earnings before income tax, depreciation, depletion, amortization, and interest. In calculating the Special Mining Tax there are no deductions related to development type costs but exploration and prospecting costs are deductible when incurred. The Extraordinary Mining Royalty and Special Mining Tax are tax deductible for income tax purposes.

Royalties

Pursuant to a royalty agreement between Minas de Oro Nacional and Minera San Augusto S.A. de C.V dated March 23, 2001 (the "RTE Agreement"), a 2% NSR royalty is payable beginning on the date of commencement of commercial production until such time as the first 2,000,000 ounces of gold have been mined, processed and sold (or deemed sold) from the Salamandra Concessions (the "Placer Kennecott Royalty" or the "Royal Gold Royalty"). On January 5, 2006, Royal Gold acquired a 30% interest in the Placer Kennecott Royalty from Kennecott Minerals Company ("Kennecott"). In 2008, Royal Gold acquired Barrick's 70% interest in the Placer Kennecott Royalty.

Under the terms of the RTE Agreement, royalties became payable on production from the date the Company declared commercial production, which was April 1, 2006. Accordingly, from April 1, 2006 to October 1, 2008, the 5% NSR royalty (5% NSR royalty in effect when gold price is US$400 or higher) was split between Barrick (3.5%) and Royal Gold (1.5%). Effective October 1, 2008, 100% of the royalty was paid or accrued to Royal Gold. As at December 31, 2014, the royalty had been paid or accrued on approximately 1.3 million ounces of applicable gold production.

Environmental Liabilities

The 2004 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 $22.3 million which it expects to settle during the course of mining and on closure.

Social Issues

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.

Geology

The Salamandra 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 Salamandra 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: Cerro Pelon, La Yaqui, El Carricito, El Halcon, Las Carboneras, El Jaspe, Puebla, Los Bajios, and La Dura.

Access, Climate, Communication, Power

Access

The Salamandra Concessions are accessible via a combination of a paved road (Highway 16) from the city of Hermosillo, Mexico and dirt roads direct to the Mulatos Mine. The driving time from Hermosillo to the Mine is approximately 6 hours. In 2010, the Company 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 approximately 200 people. Larger towns within 100 km of the area of interest include Yecora with a population of 10,000, located southwest of Mulatos, and Sahuaripa with a population of 7,000 located northwest of Mulatos.

Climate

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.

Communication

Satellite phones were used for both domestic and international calls. The satellite telephones had both North American and Mexican local numbers. Satellite internet communications were the main method for electronic communications. In December 2009, a dedicated point-to-point microwave system was installed between the mine and the town of Yecora and this has sufficient bandwidth to support VPN, phone calls, and all internet traffic requirements between the mine site, its regional office in Hermosillo, Mexico, and the corporate office in Toronto, Canada. Cell phone service is also available at the Mine and at the camp facilities. A back-up radio communication and a backup satellite system also connects the Mine with the Hermosillo office. Land radio communication is also used in the field for daily communication both by the Mine and exploration personnel.

Power

There are currently two power plants in operation at the 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. Power for the exploration camp located in Matarachi is provided via small diesel generators.

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 was 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 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 acquired an option on the property, and subsequently merged with National Gold to consolidate 100% ownership.

Mineralization

Gold deposits of the Mulatos district are considered as 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 kilometers of the paleo-surface. Past workers have referred to high sulphidation systems as acid-sulphate, enargite-gold, or alunite-kaolinite systems.

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

In contrast, low and intermediate sulphidation state systems are typically related to quartz and carbonate veins, near-neutral hydrothermal fluids, and lack proximal advanced argillic alteration and residual vuggy silica. Steam-heated alteration is present above some intermediate and low sulphidation state systems advanced argillic assemblages. However, they usually comprise low-temperature kaolinite, and fine grained alunite. Sulphides are of a low to

intermediate sulphidation state. Gold occurs in oxide, mixed oxide/sulphide, and sulphide ore types, with pyrite as the primary sulphide mineral. The deposits are amenable to cyanidation in all ore types, but gold extraction decreases with decreasing levels of oxidation.

Precious metal mineralization at Mulatos is associated with intense silicic alteration (mostly vuggy silica), advanced argillic alteration, and the presence of hydrothermal breccias. The original protolith (dacite porphyry flow/tuff, coarse grained volcaniclastic rocks, breccias), as indicated by surface mapping and core drilling, may have contained in the order of 2-3 percent sulphide as pyrite with various amounts of enargite and tetrahedrite. The principle gold bearing host rock is interpreted a 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. Staude (2001) describes 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.

Exploration

Following a five-year hiatus due to a low gold price and the acquisition of the Mulatos project by the Company, active exploration efforts led by the Company resumed in 2003. Incorporated in the 2004 Feasibility Study were the results of 325 reverse circulation (“RC”) drill holes and 112 core holes. Of this drilling, a total of 21 holes were drilled for metallurgical test work, while other holes were drilled for geotechnical purposes. Resources and reserves were estimated based on this drilling, followed by economic analysis. Exploration drilling also extended to the El Victor resource area while several other targets, including Escondida, Puerto del Aire, Gap, San Carlos, La Yaqui, Cerro Pelon and El Jaspe were also tested to varying degrees throughout the years. Exploration success included the drilling and discovery of the Escondida, Puerto del Aire, Gap, and San Carlos zones, which essentially define continuous mineralization from the Mulatos deposit through to San Carlos and the Puerto del Aire Extension, the easternmost gold occurrence discovered to date. Gold mineralization is now known to occur continuously for at least 2.7 km to the northeast from the Estrella pit.

Substantial drilling programs have been completed by the Company since the 2004 Feasibility Study. Including drilling completed in conjunction with the 2004 Feasibility Study, the property has now been subject to over 542,496 m of drilling in 3,351 holes. The majority of this drilling was completed in proximity to the Mulatos deposit, however, some drilling activities focused on delineating other deposits in the district such as Cerro Pelon and La Yaqui and testing other regional exploration targets such as El Carricito.

In 2014, the Company focused mainly on brownfields exploration at San Carlos, Puerto del Aire, East Estrella and the Escondida-Gap to El Victor corridor. A significant portion of the drilling was infill drilling undertaken at San Carlos to improve drill spacing ahead of modeling and re-classification.

Drilling statistics for 2014 and project-to-date are presented below:

2014 Core Drilling

Zone Drilled	Drill Holes Completed (# 2014)	Drill Holes Project (#)	Drilling 2014 (m)	Drilling Project (m)
PUERTO DEL AIRE	5	63	1,935	20,181
LOS BAJIOS	-	1	-	482
EL CARRICITO	-	1	-	1,064
LOS COMPADRES	-	6	-	1,001
ESCONDIDA	-	27	-	2,639
ESCONDIDA (UNDERGROUND)	63	193	5,027	15,539
EAST ESTRELLA	2	9	250	1,169
GAP	14	72	3,393	15,376
HALCON	-	22	-	3,697
EL JASPE	-	4	-	899
CERRO PELON	-	48	-	4,803
RESOURCE EXTENSION	-	43	-	7,373
EL SALTO	-	9	-	1,683
SAN CARLOS	70	101	17,818	26,412
SAN CARLOS (UNDERGROUND)	70	74	3,144	3,501
VICTOR	10	24	535	2,954
VICTOR (UNDERGROUND)	-	116	-	8,416
MINAVIEJA	-	12	-	1,703
LA YAQUI	-	8	-	1,059
TOTAL	**234**	**833**	**32,103**	**119,951**

2014 Reverse Circulation Drilling

Zone Drilled	Drill Holes Completed (# 2014)	Drill Holes Project (#)	Drilling 2014 (m)	Drilling Project (m)
PUERTO DEL AIRE	24	259	8,042	71,130
LOS BAJIOS	-	60	-	11,999
EL CARRICITO	-	136	-	25,456
ESCONDIDA	5	339	430	20,4780
EAST ESTRELLA	22	207	4,205	31,028
ESTRELLA	-	80	-	5,976
GAP	17	214	3,942	43,812
HALCON	-	51	-	7,866
EL JASPE	-	34	-	4,574
EL NARANJO	-	8	-	1,401
CERRO PELON	-	86	-	13,078
RESOURCE EXTENSION	-	73	-	8,924
POZOS RINCONES	-	8	-	1,390
EL SALTO	-	55	-	10,550
ESTRELLA NORTE	13	13	890	890
SAN CARLOS	124	314	28,987	79,458
EL VICTOR	8	288	712	41,815
MINAVIEJA	6	82	523	9,626
LA YAQUI	-	66	-	8,387
TOTAL	**219**	**2,373**	**47,730**	**225,239**

Exploration work programs in Mexico are being reviewed by Ms. Aoife McGrath, M.Sc., M. AIG., Director, Exploration & Corporate Development, for the Company, and Ms. Mehtap Ozcan, Exploration Manager Mexico, who is responsible for on-site activities. Ms. Aoife McGrath is a Qualified Person, as defined by National Instrument 43-101.

Escondida

Development drilling necessary for completion of the initial Escondida Main Zone ("EMZ") and Escondida Hanging Wall Zone ("EHWZ") resource estimate was completed in 2006. Additional drilling aimed at further defining the EMZ and delineating extensions of the EHWZ was completed in 2008 and 2009 (10,400 m in 56 holes).

The EHWZ is a stratiform zone of high-grade mineralization located directly on top of the large, low-grade EMZ deposit. A 392 m bulk sample drift was driven into the EHWZ in 2006, which confirmed previous geologic interpretations and revealed a coarse native gold occurrence much more significant than suggested from the surface drilling. Pockets of very high concentrations of native gold were routinely encountered.

A resource estimate for both the EHWZ and the EMZ was released in early 2007, resulting in a 252,000 ounce increase in total contained ounces compared to the 2004 Feasibility Study estimate.

Drilling at Escondida in 2009 resulted in the discovery of a new high-grade zone to the northeast of the EHWZ and of a small southwest extension to the EHWZ. This high-grade zone was located 100 m northeast of the faulted limit of the EHWZ and overlain by 125 to 150 m of cover.

The Company made a construction decision to build a gravity mill in the first half of 2009 to process high-grade ore from the Escondida zone. Development activities associated with waste removal at the Escondida portion of the Mulatos Pit commenced in 2009. The Company invested over $61 million to develop the Escondida high-grade zone and this was completed in the first quarter of 2012. Detailed engineering and construction of the mill to process high-grade ore was completed throughout 2010 and 2011 and resulted in high-grade production from the mill in the first quarter of 2012. The total cost of construction of the mill was approximately $20 million.

In the latter part of 2011, an underground mine plan was developed for the northeastern portion of the Escondida High grade zone.

From 2012 through 2014, 7,505 m of RC drilling and 5,927 m of core drilling were undertaken at Escondida high-grade zone to further define its limits ahead of underground mining that commenced in the later stages of 2013 and was completed in 2014.

Gap

The Gap zone is located midway between the Escondida and El Victor zones. Placer conducted limited exploration during 1998, completing only a few wide spaced holes to demonstrate mineralization continuity between the two resource areas. The Gap zone is a down-faulted, post-mineral covered, block in the main mineralized trend between the north end of the Estrella pit (El Salto/Mina Vieja) and San Carlos. The Gap zone has similar geologic characteristics to the Main Escondida Zones with a large, blind area of concealed silica alteration that hosts both localized high-grade and thick lower-grade gold intercepts. Surface exploration drilling completed in 2006 and 2007 delineated a mineralized zone approximately 500 m long by 150 m wide, and up to 110 m thick, located directly between the Escondida and El Victor areas. In addition, drilling at Gap has resulted in the discovery of high-grade ore intercepts, some in excess of 30 g/t Au.

Limited exploration has been conducted at Gap since 2012 with totals of 4,646 m of RC and 5,748 m completed in the last three years. Most recently, a number of holes were drilled to test the continuity of the high-grade mineralisation from Escondida into Gap. Initial results indicate the potential for these grades to continue into Gap but that post-mineralisation offsets likely exist in the area. Follow-up analysis and drill testing of this is planned for 2015-2016.

El Victor

El Victor surface and underground drilling was completed in 2006. The El Victor mineralized zone is approximately 50 to 150 m wide and has a 600 m strike length with a thickness up to 50 m and is now known to be connected to the Gap zone. In the fourth quarter of 2007, the Company reported a measured resource of 6,584,000 tonnes grading 1.04 g/t Au for 220,185 contained ounces and an indicated resource of 8,675,000 tonnes grading 1.00 g/t Au for 278,816 contained ounces (calculated at a 0.5 g/t Au cut-off). At December 31, 2008, a substantial portion of the El Victor resource area was upgraded to proven and probable reserves.

Since the drill out of the open-pit resource at El Victor very little exploration has been conducted. Limited amounts of geotechnical and metallurgical drilling were completed in 2014. Most recent exploration activities in this area have instead focused on the El Victor North section of the ore-body.

El Victor North

El Victor North area is contiguous with and north of the El Victor pit. The El Victor North area and the northern planned pit wall were not drilled during the definition drilling of the El Victor reserve area due to a surface access conflict. Access to El Victor North was obtained in July 2011 after a twelve-year hiatus.

A total of 16,200 m in 124 holes were drilled at El Victor and El Victor North in 2011. In 2012, an additional 120 RC drill holes were completed totaling 18,145 m and 13 core drill holes were completed for 2,280 m.

Mineralization at El Victor North is the northwestern extension of El Victor mineralization and is hosted by silica alteration identical to the El Victor deposit. The El Victor North area has over 550 m of strike length, is up to 100 m wide, remains open to the north, and has the potential to expand mineral reserves along the northern boundary of the Escondida to El Victor trend. The top of the zone is located approximately 36 m to 56 m below surface. Drilling at El Victor North was performed in 2012 with the aim of expanding reserves and resources. This campaign was very successful with over 82,000 ounces added to the reserves.

No further exploration was carried out in during 2013 or 2014 .

Puerto del Aire

The Puerto del Aire zone is a combination of structural and stratiform gold mineralization, 300 m south and parallel, to the North Estrella-San Carlos trend. It corresponds to a large concealed zone which is contiguous with mineralization in the Estrella Pit. In 2008, the Company completed an initial mineral resource estimate at Puerto del Aire. Indicated resources totaled 8,907,000 tonnes grading 1.09 g/t Au for a total of 311,000 contained ounces at a 0.5 g/t Au cut-off. Approximately 250 m of the zone was then drilled at sufficient density for classification as indicated resources, whereas another 300 m of drilling was only sufficient for classification as inferred resources. Inferred resources were 5,935,000 tonnes grading 1.03 g/t Au for a total of 197,000 contained ounces at a 0.5 g/t Au cut-off. These mineral resources are in close proximity to the existing mining operations, and resulted in a pit layback that extended the life of the existing Mulatos Mine operation.

As the zone remained open to the northeast in late 2008, a total of 21,860 m in 74 holes of step-out drilling was completed in 2009. The main purpose of the 2009 drilling at Puerto del Aire was to confirm its extension to as much as 1.7 km from the Estrella pit, while the zone remained open to the northeast.

At Puerto del Aire West, the area directly adjacent to the Estrella pit, definition drilling holes in 2009 returned grade and thicknesses similar to the Estrella pit. It was determined that the zone continued to the northeast, and drilling completed in 2009 revealed the presence of a very large system of intense silica alteration concealed by post-mineral volcanic cover that had characteristics similar to both the high-grade Escondida and Puerto del Aire West zones. Most intercepts reported in 2009 returned grade similar to the Puerto del Aire West zone with numerous intercepts consistently in the 2-3 g/t Au range over significant thicknesses.

Definition and exploration drilling continued in 2010 in the Puerto del Aire Extension zones with a total of 22,138 m completed in 89 holes. The Puerto del Aire mineralized zone was therefore extended to the northeast for a minimum of 2.5 km from the Estrella pit with the furthest 400 m located on the east side of the Mulatos River.

Drilling in 2009 and 2010 outlined the potential for a high-grade zone within the Puerto del Aire Extension and Puerto del Aire northeast zones. However, from 2011 to 2014 exploration focus was on delineating the high-grades at San Carlos. A full re-analysis and phased exploration program is planned for the high-grades at Puerto del Aire in 2015 and 2016.

San Carlos

The San Carlos resource area is located to the northeast of the proposed El Victor Pit, on the east side of the Mulatos River, along the continuous structural trend that controls gold occurrences from the Mulatos pit. San Carlos is the easternmost gold occurrence discovered to date along this trend.

In 2006, Alamos completed an RC drill program at San Carlos that consisted of 6,303 m in 33 holes. The drilling resulted in the delineation of an extensive area of blind mineralization extending a minimum of 400 m to the northeast from the Mulatos River. Significant gold-bearing intervals from the 2006 drill program were generally located at the edge of the drilled area, with intercepts open to the northeast.

In November 2009, the Company commenced a definition drilling program at San Carlos after completing geological mapping of the historic underground mine workings to ascertain gold controls. The objectives of the 2009 drill program were to upgrade the established inferred resources to the measured and indicated category through infill and step-out drilling, expand the known limits of the mineralized system, and further define the structurally controlled high-grade zone. In 2009, the Company drilled a total of 6,694 m in 27 holes, with the majority of the 2009 drill holes designed to test targets generated from the 2006 drill program.

Drilling continued in 2010 with an additional 13,983 m completed in 65 holes that continued to demonstrate the continuity and robustness of the San Carlos zone. Drilling in 2010 was specifically oriented towards evaluating the high-grade zones identified from 2009 drilling and the underground geologic work.

The results of the 2006 San Carlos exploration program were compiled in 2008 and resulted in an inferred resource estimate for San Carlos of 7,496,000 tonnes at an average grade of 1.29 g/t Au for a contained resource of 310,000 ounces at a 0.5 g/t Au cut-off. Drilling in 2009 and 2010 upgraded the inferred resource at San Carlos to the measured and indicated categories and increased the overall resource base substantially. Results of the mineral resource calculation update at San Carlos were disclosed as part of the 2010 global mineral resource and reserve update and mineral reserves at San Carlos were reported for the first time.

The results of the 2011 drilling confirmed the continuity of the high-grade mineralization towards the northeast discovered additional *en echelon* structural high-grade zones to the northeast of the main San Carlos mineral resource. The Company identified at least two additional sub-parallel structures, located up to 600 m from the mineral resource area, with surface mapping indicating the potential for additional zones to the northeast. These high-grade zones are located at the same elevation as the existing mineralization but are under significant overburden.

In addition, in 2011 the Company received positive results from metallurgical testing conducted on the high-grade ore previously identified at San Carlos. Two high-grade composite samples from the 2010 core drilling program at San Carlos were submitted for metallurgical testing. Testing was optimized to replicate the gravity plant construct to process the high-grade ore at Escondida. Initial test results revealed that the high-grade ore at San Carlos is amenable to gravity separation and can be processed economically through the gravity plant. Approximately 57% and 69% of the contained gold in the two composites were recovered through gravity separation, and ultimate recovery rates were 70% and 78% respectively, when the tailings were leached with cyanide. These levels of ultimate recovery are 15% to 20% higher than leaching the high-grade ore at San Carlos alone. The potential to improve these recovery rates exists and will be evaluated in the next phase of testing.

As at December 31, 2011 and using an anticipated cut-off grade of 3 g/t Au for the gravity plant, “in-pit” mineral reserves at San Carlos were 649,000 tonnes grading 7.67 g/t Au for 160,043 ounces.

In 2011, the Company initiated an open pit and underground mining trade-off study for San Carlos. Preliminary findings were published in the December 2012 NI 43-101 report “Mulatos Project Technical Report Update (2012)”. A copy of this report was filed on SEDAR and is available at www.sedar.com under the Company profile. This report found that underground mining at San Carlos could be done economically using a long-hole open stopping mining method with

delayed backfill, to be supplemented by a modified drift and fill mining method where gold mineralization thins. It was recommended that the Company assemble an underground mining team and work through the program and solicit proposals from qualified underground mining contractors with experience on similar projects in Mexico. Further work was also recommended on the geomechanical environment that would facilitate final design of the underground workings and facilities.

In 2012 the company planned an extensive drill program with the objective of defining high-grade reserves that would benefit the mine plan. This drilling was aimed at definitions of the higher-grade gold intercepts that were encountered up to 500 m from the existing open pit margins. The Company commenced this program in 2012 and successfully completed 9,386 m of RC drilling in 25 drill holes and 1,319 m of core drilling in 3 drill holes. This drill program to outline high-grade reserves continued into 2013 when a total of 35 core and RC drill holes totaling 11,965 m were completed.

In the second quarter of 2014, the Company commenced underground development of San Carlos and completed construction of a bridge across the Mulatos River enabling year round access to the deposit. Underground mining activities as San Carlos commenced in the third quarter of 2014 and improvements to the gravity mill circuit were constructed with the objective of achieving 75% metallurgical recoveries. To complement the underground mining, detailed infill drilling of the western zone (production area) was completed during 2014 with 70 core holes for 17,818 m and 124 RC holes totaling 28,987 m undertaken from surface. An underground drill program consisting of 3,144 m in 70 holes was also completed. With the opening up of underground development in 2014, the geology of the deposit is now well understood and additional definition drilling of the central and eastern zones can be achieved efficiently and cost-effectively from underground.

In 2015, the Company expects to mine the San Carlos underground deposit at a rate of approximately 550 tpd. Exploration activities will continue to focus on discovery and conversion of additional high grade reserves.

Cerro Pelon

During 2008, the Company 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 and was a high-priority regional target for the Company, given both its proximity to existing mining operations and its geologic similarity to the Mulatos deposit.

Gold at Cerro Pelon is hosted within oxidized vuggy silica, starting at the surface and extending to over 90 m at depth. Step-out drilling and detailed surface mapping has indicated that the zone has both structural and stratigraphic-controlled components, with gold appearing to be controlled primarily by late-stage structurally-controlled hydrothermal breccias of both northeast and northwest trends. Drill holes within the broad breccia zones contain strong gold concentrations whereas those outside the zones are generally barren. Post-mineral fault offset is also indicated, complicating the zone interpretation. The upper 70 to 100 m of the zone is completely oxidized, determined both visually and by very low sulphur concentrations from geochemical analyses. Preliminary cyanide-extractable analyses from the oxidized portion of the zone indicated 90-97% gold recovery, suggesting the zone is non-refractory in nature.

The Company announced significant drill intercepts from first phase drilling at Cerro Pelon in 2008, including 91.5 m of 1.43 g/t Au and 90 m of 1.97 g/t Au. Drilling in 2008 totaled 69 holes representing 10,900 m. Step-out and definition drilling was completed in 2009 with up to three drill rigs for a total of 7,170 m in 65 holes drilled. These drill holes returned some of the best open-pit intercepts in the district outside of the Mulatos deposit, including 129.6 m of 2.42 g/t Au, 158.5 m of 1.55 g/t Au, 21.65 m of 4.11 g/t Au, 50.3 m of 3.57 g/t Au, and 57.95 m of 2.00 g/t Au. The 2009 core drilling program was successful in establishing mineralization continuity with an oxidized zone of gold-bearing vuggy silica delineated that is roughly 250 m long, 30 to 80 m in width, and 70 to 150 m thick.

Geological modelling and 3D modelling was completed in September 2009, followed by a mineral resource estimate in November 2009. The results of the 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 resources to the reserve category.

In 2014, the Company executed an agreement to acquire the surface rights to the Cerro Pelon deposit. Closing of the agreement occurred in 2015 and the Company intends to drill approximately 12,000 m at Cerro Pelon in 2015, while commencing permitting activities for open pit production in 2017.

As at December 31, 2014, probable reserves at Cerro Pelon were 2,617,000 tonnes grading 1.67 g/t Au for 140,525 contained ounces of gold.

La Yaqui

During 2007, the Company successfully negotiated three new surface access agreements, allowing exploration into three high-priority targets for the first time since 1997. One of these was the La Yaqui area. Drilling at La Yaqui in the fourth quarter of 2007 produced immediate success outlining an oxide gold zone exposed at surface with numerous ore-grade intercepts including 44.2 m of 2.73 g/t Au and 30.0 m of 3.33 g/t Au. Definition drilling was completed in 2008 with an additional 7,200 m in 50 holes drilled.

The La Yaqui near-surface oxide gold zone is located approximately 9.5 km southwest of the Estrella Pit. The results of drilling at La Yaqui were incorporated into the Company's measured and indicated resource statement as of December 31, 2008. In 2009, the Company completed engineering work and an economic evaluation and reported probable reserves of 1.6 million tonnes at 1.58 g/t Au for a total of approximately 80,000 ounces as of December 31, 2009.

In 2014, the Company executed an agreement to acquire the surface rights at La Yaqui. On closing of this agreement the Company has commenced work of the EIA submission and intends to pursue approvals to commence mining in the fourth quarter of 2016.

As at December 31, 2014, probable reserves at La Yaqui were 1,574,000 tonnes grading 1.58 g/t Au for 79,826 contained ounces of gold.

Estrella Pit

As part of ongoing modelling and resource/reserve reconciliation, infill drilling programs comprising 3,700 m in 22 RC drill holes and 5,000 m in 46 RC holes were completed within the Estrella Pit in 2009 and 2010, respectively. The objectives of these programs were to infill parts of the block model where information was lacking and to assist in further delineating low-recovery sulphide zones within the pit.

Aside from confirming expected grade and thicknesses of the block model, the in-pit drilling encountered an exceptional intercept located at the northern edge of the actual pit. A 141.77 m interval grading 7.81 g/t Au, including 33.54 m of 23.18 g/t Au, was reported from vertical drill hole 09AM045; this intercept is believed to be the highest grade-thickness interval ever reported at Mulatos. The deeper portions of this interval contain high copper concentrations with up to 3.5% Cu within a 62.59 m intercept grading 2.55 g/t Au and 0.51% Cu, from 123.48 to 185.98 m down hole. Deep high-grade refractory mineralization in this area was known to exist from previous drilling but may be more extensive than modeled due to difficulty in drilling the northeast part of the deposit from surface at that time. The lower part of the interval did not form part of the optimized pit in 2008 but was integrated into the 2009 resource and reserve statement. The hole demonstrates that localized occurrence of high-grade mineralization within the deposit are not fully quantified in the resource model due to drill density, and may partially explain why current production head grade frequently exceeds the predicted block model grade.

In 2014, 13 RC holes totaling 890 m were drilled in the Estrella Pit.

East Estrella

Exploration on this target began in March 2012 after a review of a historical drill hole cored by Placer in 1996. This drill hole encountered interesting near-surface gold-silver-copper results that appeared to be controlled by north-south structures, which is different than the main Mulatos deposit. Surface mapping of the pit wall also identified a previously unrecognized stratiform hydrothermal breccia in the northern part of the project area, and it is believed that there is mineral potential for further resource expansion. However, further drilling was needed and there was at the time no guarantee of a mineral resource being estimated to NI 43-101 standards.

The initial 2012 budget covered 21 drill holes that would test the area on approximately 50 m centres. Diamond core holes from this planned program were also to provide metallurgical samples. Initial positive results significantly expanded the objectives to include the delineation of Measured, Indicated, and Inferred mineral resources. Throughout the year, the Company drilled 93 RC drill holes totaling 13,165 m and 7 core drill holes totaling 920 m.

In 2013 and 2014, the Company's drill program focused on an un-tested area at the most easterly edge of Estrella. Drilling intersected several zones of favourable mineralization within existing pit infrastructure.

El Carricito

El Carricito is the largest area of favourable silicic and advanced argillic alteration in the Mulatos District. The zone of alteration is approximately 5.5 km long, up to 2.7 km wide, and is up to 300 m thick in outcrop. Based on initial assessments, El Carricito appeared to be a better preserved high-sulphidation system than Mulatos. There is at least 300 m of vertical relief at the El Carricito system, twice that of Mulatos. At El Carricito, the top portion of the mineralized system has been preserved, whereas Mulatos is eroded deeper with the Estrella zone exposed at surface. Furthermore El Carricito is its own volcanic center, is at least the same size as Mulatos, and has similar types of alteration, structural control, and rock types as those present at Mulatos, but with deeper oxidation.

Reconnaissance geologic mapping, rock chip, and soil grid sampling was completed at El Carricito in 2009. The 2009 surface work identified significant gold geochemical anomalies, which at least partially overlap the silica altered zones. The objective of the 2009 program was to generate drill targets that could be drill-tested in 2010.

Exploration drilling at El Carricito began in late 2010 and continued throughout the majority of 2011. Drilling intersected broad zones of favourable alteration containing low-grade gold mineralization, with the best intercept at El Carricito being 85 m grading 0.53 g/t Au in hole 11CR77. An area of low-grade gold mineralization with local ore-grade intercepts has been delineated. RC drilling was completed on 50 m centers sufficient for resource estimation, and core twins of select intercepts were drilled.

A total of 20,642 meters in 113 reverse circulation holes were drilled at Carricito in 2011, both as a resource definition and as exploration target evaluation holes. In addition, 6 core holes (588 m) were completed.

In 2012, 2 RC drill holes were completed totaling 224 m and 3 core drill holes were also completed totaling 491 m.

No drilling has been undertaken at El Carricito since 2012.

El Realito

The Exploration staff completed a re-examination of the drill hole data from 2004 to 2006 in light of current gold prices, and worked to develop a new geological model that could be reassessed. El Realito is an area of oxide gold mineralization and artisanal gold mining. Gold mineralization identified in the past drill programs remains open for expansion.

In 2013, an extensive drill campaign was initiated, that saw a total 79 core and RC drill holes completed at El Realito. The successful program totaled 14,925 meters.

In March 2015 the El Realito property was sold.

2015 Exploration Outlook for Mulatos

The Company planned to continue its aggressive exploration program in 2015 with over 60,755 m of drilling budgeted on surface and underground. Exploration activities in 2015 will focus on San Carlos, Puerto del Aire, El Victor, Yaqui and Cerro Pelon. The San Carlos drill program will concentrate on resource upgrade, infill and underground drill programs. The Yaqui and Cerro Pelon drill programs will include geotechnical, metallurgical, condemnation, infill and exploration drilling. In addition, Alamos will also conduct earlier stage exploration on outlying prospects in 2015.

Logging, Sampling Methodology, Sample Preparation, Analysis, Sample Custody

The drilling methods utilized at Mulatos are 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, prior to the 2004 Feasibility Study, and are still being used today apart from refinements and adjustments necessary to comply with current Quality Assurance/Quality Control ("QA/QC") procedures and NI 43-101 requirements. Logging and sampling methodologies and procedures are documented, routinely updated, and maintained by the Company's exploration department.

Geologists log drill core holes onsite at Mulatos. Core is logged on a hole by hole basis with data entered into an AcQuire Database 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, ranging from 0.25 to 1.5 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, with 1.0 m intervals as standard sample lengths in rock types presenting similar geological characteristics. Where geological or mineralization differences are noted, drill core can be selectively sampled to a minimum length of 0.25 m. The samples are bagged, tagged, sealed and shipped in batches to the assaying laboratory. When applicable, core from metallurgical and geotechnical drill holes are cut in half with one half of the core sent for analysis, while the reject is used for metallurgical testing. Metallurgical and geotechnical drill holes are logged at site in a similar manner to other core drill holes. Geologic logging and sample interval definition are completed by geologists; geotechnical logging including Rock Quality Designation ("RQD"), core recovery and specific gravity measurements are usually done by geological technicians. In addition, specific sampling procedures were implemented for round and bulk samples obtained from the underground exploration audit completed in 2006 in the high grade zone. Results of the bulk sample tests were not used for resource estimation purposes but rather for internal comparative assessments. When applicable, underground channel sampling was supervised by a geologist, and consisted of 1.5 m channels approximately 12 centimetre ("cm") wide and 7.5 cm deep.

Laboratory sample preparation and analysis is in accordance with strict and industry recognized protocols and procedures. For RC samples, an approximate 10 kg sub-sample is sent to the lab. After drying, a 250-300 gram sub-set is crushed, riffle spilt, and pulverized. A one assay-ton (30 grams) sample is then collected for precious metal analysis (Au & silver – "Ag") 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 (3-5 grams) is also taken for multi-elements ICP analysis, when requested by the geologists. Samples with Au assay results above 0.3 g/t Au are assayed by the hot-cyanide method (Au and Cu) to help assess the Au recovery potential; the results of these tests are also used for the recovery model. For core samples, the entire half of the core sample received at the lab is crushed; a 250-300 gram spilt is collected, pulverized and assayed using the methodology described above. Samples are now sent to ACME labs in Hermosillo, Mexico for sample preparation and then sent to ACME's Vancouver lab for 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 at Mulatos. Blind, standard and blank samples are systematically inserted on a regular sample batch interval, generally every 25-30 samples, and are routinely evaluated when results are received. 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 0.5 g/t Au cut-off grade is used for calculation of composite intervals, with only a single 1.5 m interval of sub-0.5 g/t Au material allowed within a composite interval; assay results are generally presented uncut.

Modelling and Estimation

Resource estimates prior to 2009 were completed by an independent Qualified Person as defined by NI 43-101. Starting in 2009, resource estimation was managed under the supervision of the Company's Director of Mineral Resources, who is also a Qualified Person.

The following procedures are generally followed for modelling and estimation. Block gold grade estimation is constrained by geology envelopes that are constructed using alteration distribution, state of oxidation, known geologic controls, and anomalous gold mineralization. Geologic solids are constructed from observed data collected during the core and chip logging processes, and from data acquired through the use of an infrared reflectance spectrometer. Geologic solids comprise rock types, oxidation, silica alteration, and intensity of argillic alteration. Drill hole assays are composited to regular 3 m intervals, where higher-grade outliers are capped on a per alteration or redox basis. Exploratory data analysis is carried out on the composited and capped data as well as a variographic analysis for alteration or redox units by domain. Gold grades are estimated using ordinary kriging ("OK") interpolation with searches oriented along known mineral controls. For all areas of the Mulatos mine, the gold, silver, and copper grades are estimated as well as the ratio AuCN/Au. The main geologic controls on the gold and silver grades are the argillic alteration intensity and silica alteration, while for the copper and AuCN/Au ratio, the oxidation state is the main geologic control. The grades are estimated on a 6 m x 6 m x 9 m block grid for all open pit resources and reserves and on a 3 m x 3 m x3 m block grid for all underground resources and reserves. A minimum of 2 and maximum of 12 samples are utilized in general within a search oriented and dimensioned according to the variogram models for each alteration or redox unit on a per domain basis. Gold resource classification is based on proximity to drill hole data, and geostatistical variography. Measured resources are generally defined (note that this criteria may vary from zone to zone) as blocks within 6 m of the closest drill hole data. Indicated resources are generally defined (note that this criteria may vary from zone to zone) as blocks between 6 to 36 m from the closest drill hole data. Inferred resources are defined (note that this criteria may vary from zone to zone) as those blocks greater than 36 m from the closest drill hole data, and up to 74 m.

In 2014 new drilling occurred at East Estrella, along the Escondida-Gap-El Victor corridor, at Mina Vieja, at Puerto del Aire Main and Northeast, and at San Carlos. For such, the mineral resource estimates were updated for each area with separate block models which were then imported into the overall block model of the Mulatos mine area.

East Estrella

At East Estrella, a total of 22 new holes were drilled in 2014. New geologic models consisting of an alteration intensity and redox models were re-interpreted on east-west sections and wireframed into 3-D solids. The new alteration intensity interpretations have a more stratiform shape to them. Statistical and geostatistical analyses were re-examined with updated capping thresholds for high-grade outliers and new variogram models. Grades were re-calculated with a new set of estimation parameters.

Escondida – Gap – El Victor Corridor

A total of 82 new holes were drilled in this area in 2014, with 61 new holes in Escondida, 11 new holes in Gap, and 10 new holes in El Victor. The alteration intensity and redox interpretations for the December 31, 2013 mineral resource model were updated with the new drill hole information with similar resulting interpretations. The same set of variograms and estimation parameters as for last year's resource were utilized for the December 31, 2014 mineral resource estimation due to the similarity of the geologic model with last year's model.

Mina Vieja

At Mina Vieja, 7 new holes were drilled in 2014. The alteration intensity and redox interpretations were updated with these new holes resulting in very similar interpretations as for the December 31, 2013 geologic model. The same set of variograms and estimation parameters as for last year's resource model were utilized for the December 31, 2014 mineral resource estimation.

Puerto del Aire Main and Northeast

In this area, a total of 31 holes were drilled in 2014 with 22 new drill holes at Puerto del Aire Main and 9 new drill holes at Puerto del Aire Northeast. The alteration intensity and redox models were re-interpreted in 2014, as well as a new set of variograms and estimation parameters were developed.

San Carlos

There was a total of 240 new drill holes at San Carlos in 2014 with the focus on the definition of gold mineralization in the western part of the ore body where underground development is ongoing. This new short scale information allowed for some improvements in the geologic model with better defined high-grade zones and cross-cutting dykes. The geologic model has evolved from one high-grade mineralized envelope to two distinct high-grade mineralized zones; one in the silica-altered-breccia and one in the advanced-argillic zone hosted in high-grade structures. All previous alteration intensity and redox interpretations were re-visited in 2014 as well as a newly integrated structural interpretation. The post-mineral intermediate dykes, which are trending N15°W, were modeled from underground mapping information and surface and underground drilling. All statistical and geostatistical analyses were re-visited with new sets of variograms and estimation parameters.

The classification strategy was revised for the underground resources with tighter classification distances in the high-grade silica (HG-SIL) and high-grade advanced argillic (HG-AA) zones. The HG-SIL the classification distances are 0 m to 8 m for measured, 8 m to 20 m for indicated, and 20 m to 30 m for inferred, while the HG-AA classification distances are 0 m to 5 m for measured, 5 m to 10 m for indicated, and 10 m to 20 m for inferred. The classification distances for the other units and the open pit portion of the deposit remain as defined for the Mulatos mine area.

Reconciliation has shown the OK estimation method to be working, as no dilution or ore loss factors have been incorporated into the resource block models or to the mining reserve. The mining to date within the main pit (mining from 2004 has focused in the Estrella and Escondida areas of the pit) shows a positive reconciliation between the heap ore which has been processed through the crushing system and placed on the heap and the predicted tonnage and grade from the block model (on which the mineral reserve is based). Using the information provided by the mine staff from records which compare mined ore shipped to the crusher to the predicted ore from the block models (which have been updated with new information over the years), the ore tonnage shipped is 2 percent higher than predicted and the gold head grade is 7 percent higher, resulting in a 9.2 percent increase in ounces delivered to the heap. This is a comparison over almost eight years of mining during which there have been swings in the comparisons at different times of the mining history. It is recommended that these comparisons continue and additional detail by pit areas be included to determine if dilution or mine loss factors are needed in the future.

Metallurgy

The Mulatos deposit and surrounding deposits are amenable to cyanidation and heap leaching, as determined by lab scale testing in the 2004 Feasibility Study. The 2004 Feasibility Study 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 in the 2004 Feasibility Study was estimated to be between 72% and 74% for the Estrella Pit. Applying the modified recovery formulas to the block model has resulted in an estimated average recovery of 72.9%. Actual recoveries experienced since the commencement of operations have been below the 2004 Feasibility Study level of 72.9% as run-of-mine un-crushed material, coarse crushed material and an area of low-recovery material were stacked on the leach pad at various times since mine commissioning. The Company has completed a number of operational initiatives that have improved leach pad percolation and resulted in higher gold recoveries, including conveying and stacking ore on the leach pad, implementing a drum agglomeration process and closing the crushing circuit to reduce the crusher discharge size to as close to 100% passing 3/8 of an inch as possible. As a result, recoveries have improved significantly.

In 2013, the Company achieved a combined (heap leach and milling) recovery rate of 73%. For 2014, the Company has budgeted recovery of 73% based on the block model indicated recoveries for the ore-types to be mined. Not all mineral deposits in the vicinity of the Mulatos Mine are amenable to economic heap leaching. Recoveries from the high-grade mill are expected to be in excess of 80%.

Mineral Resources

The 2004 Feasibility Study identified that the exploration programs completed by Alamos, Placer Dome, Kennecott and Minera Real de Angeles had delineated measured and indicated resources of 62.2 million tonnes grading 1.51 g/t Au, totalling over 3 million ounces of gold. These resources were contained only in the Estrella, Mina Vieja and Escondida areas of the Mulatos deposit. The Gap, Puerto del Aire, El Victor and San Carlos portions were not included in this determination of mineral resources.

On March 20, 2007, the Company reported a revised global mineral resource for the Mulatos deposit as at December 31, 2006. The updated measured and indicated global resource inclusive of mineral reserves was 91.2 million tonnes grading 1.26 g/t Au (0.5 g/t cut-off), for 3.7 million contained ounces of gold. The Company also reported 14.5 million tonnes grading 0.99 g/t Au in the inferred category, for 0.5 million contained ounces of gold (0.5 g/t cut-off).

The mineral resource estimate as at December 31, 2007 included the El Victor area and measured and indicated resources (inclusive of mineral reserves) were reported at 96.3 million tonnes at a grade of 1.17 g/t Au at a 0.5 g/t cut-off, for 3.6 million contained ounces. The Company also reported 15.6 million tonnes grading 0.96 g/t Au in the inferred category, for 0.5 million contained ounces of gold at a 0.5 g/t cut-off.

The global mineral resource estimate for the Mulatos and El Victor deposits at December 31, 2008 (exclusive of mineral reserves) was 52.6 million tonnes grading 0.98 g/t Au for 1.7 million ounces of gold, representing a 14% decrease in measured and indicated ounces compared to 2007, due primarily to the conversion of previously reported measured and indicated resources at El Victor, and Puerto del Aire into reserves. Inferred mineral resources at December 31, 2008 comprised 32.6 million tonnes grading 1.00 g/t Au, for 1.0 million ounces of gold, at a 0.5 g/t Au cut-off.

In March 2010, the Company reported revised measured and indicated and inferred resources (exclusive of mineral reserves) as at December 31, 2009. At a 0.5 g/t Au cut-off, measured and indicated resource ounces increased 14% to 60.0 million tonnes grading 0.97 g/t Au, for 1.9 million contained ounces of gold. Inferred resource ounces decreased by 11% from the prior year end to 25.8 million tonnes at 1.12 g/t Au, for 0.9 million contained ounces.

In March 2011, the Company reported updated mineral resources (exclusive of mineral reserves) as at December 31, 2010. Measured and indicated resources (0.5 g/t Au cut-off) increased 47% to 85.5 million tonnes grading 1.00 g/t Au, for 2.75 million contained ounces of gold. Inferred resource ounces decreased by 44% from the prior year end to 16.9 million tonnes at 0.93 g/t Au, for 0.51 million contained ounces. The increase in overall resource ounces was attributable to the inclusion of additional resources at San Carlos, Puerto del Aire and Escondida and the use of a higher gold price assumption.

In March 2012, the Company's measured and indicated resources (exclusive of mineral reserves) as at December 31, 2011 consist of 81.8 million tonnes grading 1.01 g/t Au, for 2.64 million contained ounces of gold. The decrease of 123,000 ounces relative to the Company's 2011 year end resource statement is primarily attributable to the conversion of measured and indicated resources into the mineral reserve category. Inferred resources were essentially unchanged from 2011, at 17.5 million tonnes grading 0.89 g/t Au, for 502,000 ounces of gold. Resources are reported for the first time for the Cerro Carricito projects, and separate resources for the San Carlos underground are also reported for the first time. Resources at Cerro Carricito are presented at a 0.3 g/t Au cut-off grade, and underground mineral resources at San Carlos are presented at a 2.5 g/t Au cut-off. Resources at the Mulatos Mine are presented at a 0.5 g/t Au cut-off grade.

In March 2014, the Company's measured and indicated resources at Mulatos (inclusive of satellite deposits, and exclusive of mineral reserves) as at December 31, 2013 consist of 2.52 million ounces.

In March 2015, the Company's measured and indicated resources at Mulatos (inclusive of satellite deposits, and exclusive of mineral reserves) as at December 31, 2014 consist of 2.81 million ounces.

Measured, indicated and inferred mineral resources as at December 31, 2014 and exclusive of mineral reserves are summarized in the tables below:

Table 1
Mulatos Mine - Measured and Indicated Mineral Resources
as at December 31, 2014[1, 2, 3,4]

	Measured			Indicated			Measured + Indicated		
Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au
2.0	843	4.21	114,185	4,789	3.48	536,346	5,632	3.59	650,531
1.5	1,460	3.16	148,156	9,235	2.63	780,207	10,695	2.70	928,363
1.0	3,007	2.15	208,290	21,572	1.81	1,256,799	24,579	1.85	1,465,089
0.7	5,545	1.55	275,949	41,363	1.34	1,782,352	46,908	1.37	2,058,301
0.5	8,677	1.20	335,371	68,173	1.04	2,289,315	76,850	1.06	2,624,686
0.3	14,124	0.89	403,781	125,651	0.75	3,008,913	139,775	0.76	3,412,694

Table 2
Mulatos Mine – Inferred Mineral Resources [1, 3,4]
as at December 31, 2014

Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au
2.00	356	3.43	39,252
1.50	652	2.64	55,432
1.00	1,990	1.67	106,701
0.70	3,861	1.26	156,559
0.50	6,629	0.98	208,576
0.30	13,294	0.68	292,153

Notes for Tables 1 & 2:
(1) The updated mineral resource estimate incorporates the Estrella, Escondida, Puerto del Aire, El Salto, Mina Vieja, and El Victor areas.
(2) In-pit measured and indicated mineral resource blocks are exclusive of pit-contained reserves.
(3) Measured and indicated and inferred mineral resources outside of the Mulatos Mine have no economic restrictions and are tabulated by gold cut-off grade.
(4) Mineral resources are not mineral reserves and have not demonstrated economic viability.

Table 3
San Carlos Underground - Measured and Indicated Resources[1,3]
as at December 31, 2014

	Measured			Indicated			Measured + Indicated		
Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au
3.0	8	9.12	2,379	382	6.44	79,084	390	6.50	81,463
2.5	9	8.27	2,467	496	5.59	89,046	505	5.64	91,513
2.0	11	7.55	2,727	662	4.75	101,115	673	4.80	103,842

Table 4
San Carlos Underground – Inferred Mineral Resources [3]
as at December 31, 2014

Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au
3.0	313	5.07	50,952
2.5	403	4.53	58,743
2.0	544	3.94	69,030

Table 5
Carricito - Measured and Indicated Mineral Resources [1,2,3]
as at December 31, 2014

	Measured			Indicated			Measured + Indicated		
Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au
2.0	2	2.69	173	28	2.27	2,042	30	2.30	2,215
1.5	5	2.05	330	126	1.86	7,535	131	1.87	7,865
1.0	14	1.52	683	338	1.45	15,790	352	1.46	16,473
0.7	28	1.17	1,056	601	1.18	22,820	629	1.18	23,876
0.5	45	0.95	1,370	983	0.95	30,151	1,028	0.95	31,521
0.3	58	0.82	1,535	1,297	0.82	34,152	1,355	0.82	35,687

Table 6
Carricito – Inferred Mineral Resources [2,3]
as at December 31, 2014

Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au
2.0	1	2.02	65
1.5	80	1.76	4,517
1.0	183	1.43	8,396
0.7	359	1.13	13,089
0.5	600	0.92	17,651
0.3	900	0.74	21,528

Table 7
El Realito - Measured and Indicated Mineral Resources[1,2,3]
as at December 31, 2014

	Measured			Indicated			Measured + Indicated		
Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au
2.0	31	3.04	3,029	120	2.94	11,358	151	2.96	14,387
1.5	46	2.60	3,845	203	2.44	15,938	249	2.47	19,783
1.0	72	2.12	4,901	474	1.75	26,730	546	1.80	31,631
0.7	116	1.62	6,046	898	1.31	37,909	1,014	1.35	43,955
0.5	146	1.42	6,642	1,216	1.13	44,139	1,362	1.16	50,781
0.3	178	1.23	7,056	1,403	1.03	46,597	1,581	1.06	53,653

Table 8
El Realito – Inferred Mineral Resources [2,3]
as at December 31, 2014

Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au
2.0	0	-	0
1.5	2	1.63	105
1.0	6	1.38	267
0.7	51	0.89	1,451
0.5	76	0.79	1,938
0.3	91	0.73	2,139

Notes for Tables 3-8:
(1) Measured and indicated mineral resource blocks are exclusive of mineral reserves.
(2) Measured and indicated and inferred resources at Carricito and El Realito are pit-constrained, applying a $1,400/oz gold price, 55º pit slopes, and a $2.52/t mining cost, $9.11/t process + G&A cost.
(3) Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Mineral Reserves

Mining of the Mulatos deposit from the commencement of production to the end of 2008 was focused on the Estrella Pit. The 2004 Feasibility Study estimated mineral reserves in the Estrella Pit of 1.92 million contained ounces using a gold price assumption of $350 per ounce. At December 31, 2006, mineral reserves in the Estrella Pit were 31.9 million tonnes at a grade of 1.64 g/t Au for total contained ounces of 1.7 million contained ounces. At December 31, 2007, the Company reported proven and probable mineral reserves in the Estrella Pit of 1.3 million contained ounces (24.3 million tonnes at a grade of 1.68 g/t Au), calculated at a gold price of $600 per ounce of gold.

At December 31, 2008, the proven and probable mineral reserve estimate was 47.7 million tonnes at a grade of 1.35 grams per tonne gold for 2.1 million ounces of contained gold, representing a significant increase in mineral reserves compared to 2007. The 2008 updated mineral reserve estimate was calculated using a $700 per ounce gold price and incorporated not only the Estrella Pit, but also the Escondida, part of Puerto del Aire (“PdA”), El Salto and Mina Vieja areas which were consolidated and reported as part of the “Mulatos pit”, and El Victor which is reported separately as the “El Victor pit”. Reserves at PdA and El Victor were reported for the first time in 2008. The life-of-mine model for the Mulatos pit at December 31, 2008 had a waste-to-ore ratio of 1.60:1, and the El Victor pit had a 1.23:1 waste-to-ore ratio.

The Company reported proven and probable mineral reserves of 61.6 million tonnes grading 1.21 g/t Au for a total of 2.4 million contained ounces as at December 31, 2009. This represented an increase in mineral reserve ounces of 17% over mineral reserves reported as at December 31, 2008. The increase is attributable to a number of factors. Initial mineral reserves at La Yaqui and Cerro Pelon resulted in adding over 0.2 million contained ounces to mineral reserves. In addition, applying a higher gold price assumption in the calculation of mineral reserves resulted in reducing the planned mining cut-off grade, and converting material previously classified as waste to ore.

The Company reported proven and probable mineral reserves of 58.5 million tonnes grading 1.27 g/t Au for a total of 2.39 million contained ounces as at December 31, 2010, similar to the number of proven and probable reserve ounces in the previous year. The inclusion of mineral reserves at San Carlos, incorporating new zones at Escondida and the use of a higher gold price assumption resulted in increases to proven and probable reserves, which were offset by the number of contained ounces mined during 2010.

The Company reported proven and probable mineral reserves of 65.0 million tonnes grading 1.14 g/t Au for a total of 2.39 million contained ounces as at December 31, 2011, consistent with proven and probable mineral reserve ounces in the previous year. The inclusion of additional reserves at the El Victor pit and the use of a higher gold price assumption resulted in increases to proven and probable reserves, which were offset by the number of contained ounces mined during 2011.

The Company's proven and probable mineral reserves consist of 68.8 million tonnes grading 1.07 g/t Au for a total of 2.37 million contained ounces as at December 31, 2012, consistent with proven and probable mineral reserve ounces in the previous year. The inclusion of additional mineral reserves at El Salto and the El Victor areas, and the use of a higher gold price assumption resulted in increases to proven and probable reserves, which offset ounces mined during 2012. A change from open pit to an open pit and underground plan for San Carlos resulted in a 13,000 ounce decrease in attributable proven and probable mineral reserves.

On March 31, 2014, the Company reported proven and probable mineral reserves consisting of 54.77 million tonnes grading 1.15 g/t Au for a total of 2.03 million ounces at December 31, 2013. The use of a lower gold price contributed to a decrease of 14% over the previous year.

On March 30, 2015, the Company reported proven and probable mineral reserves consisting of 46.62 million tonnes grading 1.16 g/t Au for a total of 1.73 million ounces at December 31, 2014.

Proven and probable reserves as at December 31, 2014 are summarized in the table below:

PROVEN AND PROBABLE RESERVES [1,2,3,4,5,6,7,8]
As at December 31, 2014

RESERVE AREA	Proven [2]			Probable [2]			Proven + Probable [2]		
	Tonnes (000)	Grade (g/t Au)	Contained Ounces	Tonnes (000)	Grade (g/t Au)	Contained Ounces	Tonnes (000)	Grade (g/t Au)	Contained Ounces
Mulatos Mine [3,4,5]	6,046	1.05	204,549	29,979	0.92	883,429	36,025	0.94	1,087,978
UG Reserve [6]	59	5.13	9,680	620	6.87	136,746	679	6.72	146,426
Existing stockpiles	5,720	1.51	277,166	-	-	-	5,720	1.51	277,166
La Yaqui [7]	-	-	-	1,574	1.58	79,826	1,574	1.58	79,826
Cerro Pelon [8]	-	-	-	2,617	1.67	140,525	2,617	1.67	140,525
TOTAL	11,825	1.29	491,395	34,790	1.11	1,240,526	46,615	1.16	1,731,921

(1) The Company's mineral reserves as at December 31, 2014 are classified in accordance with the Canadian Institute of Mining Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves, Definition and Guidelines" as per Canadian Securities Administrator's NI 43-101 requirements.
(2) Tonnes are rounded to the closest "000s" and grades are rounded to the closest "0.00"s.
(3) The mineral reserve estimate for the Mulatos Mine incorporates the Estrella, Escondida, Puerto del Aire, El Salto, Mina Vieja, El Victor, and San Carlos areas.
(4) Mineral reserve cut-off grade for the Mulatos Mine is determined as a net of process value of $0.10 per tonne for each model block. The determination was based on a $1,250 per ounce gold price, a December 31, 2014 resource and recovery model, and the 2015 budget costs based on the actual cost figures from current mining operations.
(5) Pit-contained mineral reserves for the San Carlos include 740,000 tonnes grading 1.33 g/t Au for 31,566 ounces.

(6) Underground reserves are design-contained and reported at a 3.27 g/t Au cut-off grade, with a 5% mining loss and 10% dilution at a 0.0 g/t Au grade, a 75% mill recovery, and an incremental cut-off grade of 1.16 g/t Au.
(7) Mineral reserve gold cut-off grade for the La Yaqui Pit is a 0.30 g/t gold. The determination was based on a $1,250 per ounce gold price, a May 2009 resource model, gold recovery from mining operations, and the 2015 budget costs based on the actual cost figures from mining operations.
(8) Mineral reserve gold cut-off grade for the Cerro Pelon Pit is determined as a net of process value of $0.10 per tonne, for each model block. The determination was based on a $1,250 per ounce gold price, a November 2009 resource model, gold recovery from mining operations, and the 2015 budget costs based on the actual cost figures from mining operations.

Mulatos Project Area Life-of-Mine Waste-to-Ore Ratios as of December 31, 2014[1]	
Project	**Waste-to-Ore Ratio**
Mulatos Mine	1.03
Cerro Pelon Pit	2.22
La Yaqui Pit	0.22
San Carlos Pit	1.81

(1) The life-of-mine waste-to-ore ratio for the Mulatos Mine incorporates the Estrella, Escondida, Puerto del Aire, El Salto, Mina Vieja and El Victor. San Carlos open pit waste-to-ore ration is presented separately.

Qualified Person(s) Disclosure

The independent Qualified Person for the NI 43-101 compliant mineral reserve estimate is Herb Welhener, Vice President of Independent Mining Consultants Inc. of Tucson, Arizona, working in conjunction with the Company's exploration and operations staff. Marc Jutras, P. Eng., M.A.Sc., Director of Mineral Resources for Alamos, prepared the mineral resource estimation for the East Estrella, and Escondida / Gap / El Victor deposits. Kristen Simpson, Chief Resource Geologist, prepared the mineral resource estimation of the Mina Vieja, Puerto del Aire Main and Northeast, and San Carlos deposits. Mark Odell, Principal, Practical Mining LLC, was responsible for the estimation of the underground reserves of the San Carlos deposit. Exploration programs at Mulatos are overseen by Aoife McGrath, Alamos' Director of Exploration and Corporate Development. All are recognized as Qualified Persons according to the requirements of NI 43-101. Exploration programs during 2014 were carried out onsite by Mehtap Ozcan – Exploration Manager Mexico. Drilling, sampling, QA/QC protocols and analytical methods for individual resource areas are outlined in the respective news releases for these areas, and in the Mulatos December 2012 technical report available at www.sedar.com.

Mining Operations

The Company announced commercial production effective April 1, 2006. In 2014, the Company reported gold production from the Mulatos Mine of 140,500 ounces and expects production of between 150,000 and 170,000 ounces in 2015. Based on current proven and probable reserves and current throughput rates, the Company has an expected mine life of approximately seven years. Initial capital costs incurred to construct the project have been recovered, however, the Company is investing further in its current heap leach operations to improve recoveries and throughput, and in a planned mill expansion in order to increase global production.

Gold production of 140,500 ounces in 2014 decreased 26% compared to 190,000 ounces in 2013. The table below outlines key production indicators for each quarter of 2014 and for the full year 2013.

2014 Production Summary

Production summary	Q1 2014	Q2 2014	Q3 2014	Q4 2014	YTD 2014	YTD 2013
Ounces produced (1)	37,000	33,000	28,000	42,500	140,500	190,000
Crushed ore stacked on leach pad (tonnes) (2)	1,483,500	1,580,200	1,495,000	1,647,000	6,205,700	6,329,000
Grade (g/t Au)	1.03	0.93	1.08	0.90	0.98	1.07
Contained ounces stacked	49,100	47,300	51,900	47,700	196,000	218,500
Crushed ore milled (tonnes)	30,100	6,800	12,500	39,300	88,700	189,300
Grade (g/t Au)	3.28	8.65	8.47	8.02	6.52	6.84
Contained ounces milled	3,200	1,900	3,400	10,100	18,600	41,600
Ratio of total ounces produced to contained ounces stacked and milled	71%	67%	51%	74%	65%	73%
Total ore mined (tonnes) (3)	1,748,000	2,105,000	1,713,000	1,730,000	7,296,000	7,029,000
Waste mined (tonnes)	950,000	1,580,000	1,004,000	1,054,000	4,588,000	3,385,000
Total mined (tonnes)	2,698,000	3,685,000	2,717,000	2,784,000	11,884,000	10,414,000
Waste-to-ore ratio	0.54	0.75	0.59	0.61	0.63	0.48
Ore crushed per day (tonnes) – combined	16,800	17,400	16,400	18,300	17,200	17,900

(1) Reported gold production for Q4 2014 and YTD 2014 is subject to final refinery settlement and may be adjusted.
(2) Excludes mill tailings stacked on the heap leach pad during the period.
(3) SAS is included on ore mined tonnes.

Lower gold production in 2014 relative to 2013 was primarily attributable to lower grades mined and processed. In 2014, the grade of ore stacked on the heap leach pad of 0.98 g/t Au was 8.4% lower than in the prior year, and the grade of ore milled of 6.52 g/t Au was 5% lower than in 2013. Lower recoveries from the gravity plant also affected the ounce production due to the switch of processing ore from San Carlos underground from the Escondida underground in the gravity plant. These lower grades, were partially offset by higher throughput.

The following table compares costs per tonne for each quarter of 2014 and the full 2013 year:

Costs per tonne summary(2)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	YTD 2013	YTD 2012
Mining cost per tonne of material (ore and waste)	$2.75	$3.29	$3.70	$4.35	$3.51	$2.37
Waste-to-ore ratio	0.54	0.75	0.59	0.61	0.63	0.48
Mining cost per tonne of ore	$4.25	$5.75	$5.87	$7.00	$5.72	$3.51
Crushing/conveying cost per tonne of ore	$2.55	$2.46	$2.67	$2.14	$2.45	$2.30
Processing cost per tonne of ore	$4.93	$4.39	$5.54	$5.90	$5.20	$4.55
Mine administration cost per tonne of ore	$2.40	$2.46	$3.11	$2.95	$2.73	$2.33
Total cost per tonne of ore (1)	$14.13	$15.06	$17.19	$17.99	$16.10	$12.69

(1) Mining operation realized by MON equipment and personnel, not included SAS adjustment cost.
(2) Mining operation realized by contractor GDI equipment and personnel and include depreciation cost and other G&A cost for personnel, not included SAS adjustment cost.
(3) Mining cost include open pit and underground cost.

Note : ore tonnes: LG tonnes, HG tonnes and SAS tonnes.

Total cost per tonne of ore in 2014 of $15.18 increased 19% compared to 2013, due to higher processing, mining and administrative costs.

Mining cost per tonne of material was $3.51 in 2014, 48% higher than $2.37 in 2013, as a result of longer haul distances in the pits and higher underground mining costs. The mining cost per tonne of ore was $5.71 in 2014, 63% higher than $3.51 per tonne in 2013, mainly attributable increased haulage distances and a higher percentage of underground mining.

Crushing and conveying cost per tonne of ore was $2.11 in 2014, in line with 2013. Higher diesel costs were offset by higher throughput in 2014.

Processing costs per tonne of ore in 2014 were $4.68 compared to $4.50 in 2013, a 4% increase. Higher processing costs in 2014 relative to the same period of 2013 were the result of higher input costs, including cyanide, lime and diesel, as well as lower silver by-product credits in 2014.

Mine administration costs per tonne of ore in 2014 increased 4% relative to 2013, as a result of payroll, legal, and other administrative cost increases.

Cash operating costs of $777 per ounce of gold sold in 2014 was in line with the Company's full year guidance, and 82% higher than $426 per ounce reported in 2013. This increase is primarily attributable to lower grades mined and milled in 2014 compared to 2013 and higher mining costs.

Outlook

The Company anticipates producing between 150,000 and 170,000 ounces of gold in 2015 at cash operating costs of approximately $800 per ounce of gold sold, excluding royalties. Including royalties, and assuming a $1,200 gold price, total cash costs and all-in sustaining costs are expected to be approximately $865 and $1,100 per ounce of gold sold, respectively.

AĞI DAGI AND KIRAZLI PROJECTS IN TURKEY

On January 6, 2010, Alamos announced the acquisition of 100% of the Ağı Dağı and Kirazli Projects from Teck Resources Limited ("Teck") and Fronteer Development Group ("Fronteer") pursuant to the terms of the Fronteer Teck Agreement, and paid US$40 million cash and issued 4,000,000 common shares to Teck (as to 60%) and Fronteer (as to 40%). The common shares were issued on a private placement basis and were subject to a four-month hold expiring May 6, 2010. In addition to statutory compensation that may apply to the projects, a third party has a 2% Net Smelter Return Royalty on production from the Ağı Dağı Project.

The projects are legally owned and managed by Kuzey Biga Madencilik San. Tic. A.Ş. ("Kuzey Biga") and Doğu Biga Madencilik San. Tic. A.Ş. ("Doğu Biga"), both 100%-owned Turkish subsidiaries of the Company. The company completed a Technical Report for the projects on March 12, 2010. The report was prepared by KD Engineering from Tucson, Arizona an independent Qualified Person as defined in NI 43-1010. The report can be reviewed on SEDAR at www.sedar.com under the Company's profile.

Project Description and Location

Location

The Turkish projects include the Ağı Dağı and Kirazli development projects in Turkey and the exploration stage Çamyurt Project, located approximately 3 kilometers from Ağı Dağı. Kirazli is situated 25 km to the northwest of Ağı Dağı, with both projects located in the Çanakkale Province in the Biga Peninsula of northwestern Turkey, some 250 km by air southwest of Istanbul or 800 km west of Ankara, Turkey's capital. The Company maintains an administrative office in Ankara, Turkey, and exploration offices in Etili and Sogutalan, both small towns located in the Biga District of Turkey. These offices support all activities for the Ağı Dağı and Kirazli Projects.

Ownership

Mineral rights for all concessions comprising the Turkish assets are controlled by Kuzey Biga and Doğu Biga, Turkish subsidiaries of the Company. As all projects are located in a forestry reserve, surface rights are controlled by the State government of Çanakkale.

Mining Concessions

The Ağı Dağı property currently consists of a total of 10,514 hectares of mineral tenure in fifteen contiguous operation and exploration licenses covering a prominent ridge with 900 m of relief and includes the Çamyurt Project. Subsequent to December 31, 2011, the Company acquired an additional 5,171 hectares in three concessions at Ağı Dağı through auction.

The Kirazli property consists of 1,541 hectares of mineral tenure in two contiguous licenses covering a prominent northwest trending ridge with 500 m of relief. One concession is classified as an operating license, and the other is an exploration license.

Permits

The Company is permitted to explore and operate the properties and has obtained the required surface rights to carry on its activities. From time to time, the Company acquires additional temporary surface rights and work permits (forestry permits and others) to continue its work over the targets.

Status of Forestry Permits required for Drilling Activities

In order to conduct drilling or somewhat disruptive exploration activities on concessions within State Forest land in Turkey, valid permits are required from the General Directorate of Forestry of the Ministry of Environment and Forestry.

From time to time, and depending on its activities, the Company will need to apply for new forestry permits. The Company does not have any forestry permits awaiting approval.

New Mining Law

In addition to changes in the forest permitting regulations, a new Mining Law was enacted in Turkey in 2015 which imposed a new sliding scale royalty.

Royalties

A 2% Net Smelter Return Royalty in favour of Franco Nevada Corporation is registered against the Ağı Dağı property (which includes a portion of the Çamyurt Project). In addition, there is a sliding scale royalty payable to the Turkish government introduced through approval of the new mining law. The sliding scale royalty is linked to the price of gold, the royalty is 4% at a gold price below $1,000/ounce, 6% between $1,001-$1,250/ounce, 8% between $1,251-$1,500/ounce, 10% between $1,501-$1,750/ounce, 12% between $1,751-$2,000/ounce and 17% over $2,001/ounce. Processing dore in country allows for a 50% reduction in the royalty and additional allowable deductions will reduce the royalty by approximately an additional 0.5%. At gold prices in effect on March 30, 2015, the effective state royalty rate would be approx. 2.5%.

Environmental Liabilities

The Company abides by all Turkish environmental regulations and laws, and follows all recognized environmental preventive procedures associated with normal operation of exploration projects, and operates within environmental standards typical of Canadian mining companies. The Company is not aware of any environmental liabilities currently outstanding related to the properties.

Social Issues

The Company has a comprehensive Sustainability Policy which includes routine communications with all levels of stakeholders, including our host and neighbouring communities as well as various levels of government. The Company provides significant socio-economic benefits to local residents including employment opportunities, economic diversification initiatives, potential infrastructure development, and planned purchasing of goods and hiring of local contractors.

Access, Climate, Communication, Power

The Kirazli Project is accessible by a 3 km dirt road from the village of Kirazli which is in turn located 40 km south of the regional capital of Çanakkale. The Ağı Dağı Project is accessible by forestry roads from the village of Sogutalan from the north, Karakoy from the west, and Kizilelma from the south. Ağı Dağı is approximately 65 km from the regional capital of Çanakkale, and 25 km to the southeast of the Kirazli. Kirazli is located approximately 1.5 km south of the Kirazli Village, Çanakkale Province, northwestern Turkey. Access from Çanakkale, the nearest large population centre (population 78,000) and provincial capital, to the Kirazli Village is via 40 km of a paved two lane road. Access from the Kirazli Village to the project area is along a 3 km well maintained dirt road which provides access to some of the smaller villages.

Kirazli forms one of the most prominent hills in the region with a maximum elevation of 811 m. Relief in the area is approximately 250 m with slopes generally not exceeding 25-30 percent. Vegetation consists of mostly scrub oak and various shrubs up to 3 m in height with isolated stands of 20 to 30 year old pines also present. Large areas along the western side of the property have been stripped of the vegetation and replanted with pine seedlings. Kirazli is generally windy, particularly from fall through spring. Ağı Dağı is a prominent topographic high trending in a northeast direction for a distance of 5 km. The elevation of the ridge line varies from greater than 900 m at the southwest end to about 700 m at the northeast end. The property can be reached by village and forestry roads from the town of Çan.

The region is well-serviced with electricity, transmission lines and generating facilities, the most significant being a large coal-fired power plant outside the town of Çan. Population and agricultural activity is concentrated in the valleys, while most areas of active exploration are located in highlands which are predominantly forested and owned by the state. This region has fertile soils and a Mediterranean climate with mild, wet winters and hot, dry summers. Temperatures range from 15 to 35 degrees Celsius in the summer season and 5 to minus 10 degrees Celsius in the winter months. The annual rainfall is approximately 30 cm, generally falling as mixed rain and snow in late fall and winter.

History

This section is intended to provide a brief history of project activities since the Company acquired the projects in early 2010. A complete detailed outline of historical project activities is provided in the Scoping Study, filed on SEDAR on March 29, 2010 and available at www.sedar.com under the Company's profile.

Following acquisition on January 6, 2010, the Company initiated comprehensive exploration and engineering programs on the projects with the objective of completing the preliminary feasibility study in June, 2012. Total exploration expenditures at Ağı Dağı and Kirazli in 2010 and 2011 amounted to $14.5 million. A total of 51,200 m of drilling in 303 holes was completed in 2010 and 2011, in addition to metallurgical and geotechnical engineering studies that were conducted in the same period. No drilling activities have been undertaken since 2013.

Geological Setting

The Ağı Dağı and Kirazli deposits are epithermal, high-sulfidation, disseminated gold systems, hosted within Miocene undifferentiated heterogeneous volcanic assemblage of dacitic to andesitic composition. They are associated with a large hydrothermal alteration zone that covers more than 10 square km. Intermediate andesitic tuffs and coherent porphyry volcanics overlie Paleozoic basement schists. Dacite is overlying at the top of the Andesitic units and phreatic breccias intrude these volcanic pile.

Gold mineralization is closely associated with silicic and advanced argillic alteration occurring near the upper contact of the volcanic sequence. Breccias also constitute a major lithology and are important controls on gold mineralization. Two main breccia types are present: phreatic breccias and hydrothermal breccias. Phreatic breccias are predominantly heterolithic and are being important for providing pathways for later hydrothermal fluids. Hydrothermal breccias are cemented by minerals that are derived from hydrothermal fluids (quartz-alunite-pyrophyllite-pyrite etc) and are often directly related to mineralization, with higher grades coinciding with more iron rich (pyrite/iron oxide) matrix. It represents the main lithological control to the gold mineralization.

Both the regional and local geology for Ağı Dağı and Kirazli are detailed in the technical report, available at www.sedar.com under the Company's profile.

Engineering and Development Work

Engineering and development activities since acquisition in early 2010 have focused on assembling the team of consultants required to assist in the studies and testing required to support both the Scoping Study and preliminary feasibility study.

Early in 2010, the Company established an administrative office in Ankara, the capital of Turkey, and developed a team of community relations, permitting, development and administration personnel. A number of studies were initiated and/or undertaken in 2010-2012 to support technical reports and the preliminary feasibility study. These projects are listed below:

- Metallurgical testing
- Geo-technical analysis and seismic studies
- Leach pad and waste dump design
- Pit slope stability analysis and design
- Mine planning and design
- Environmental impact assessment studies and testing

Further, in 2010 the Company's engineering and development team implemented a planned organization structure, established a government liaison and stakeholder engagement plan, joined the Turkish Gold Mining Association and developed a new office complex in Etili.

In 2011, due to the significant increase in measured and indicated resources, the Company resized the scale and scope of the projects, requiring additional geotechnical drilling and engineering which extended the completion deadline of the preliminary feasibility study to the second quarter of 2012.

Alamos filed with the Canadian securities regulatory authorities a technical report pursuant to NI 43-101F1 with respect to the Kirazli Project and the Ağı Dağı Project entitled "NI 43-101 Technical Report Kirazli & Ağı Dağı Gold Project" with an effective date of June 30, 2012. The highlights of this report are summarized under "*Ağı Dağı and Kirazli Projects*", above. At the same time, the Company reported an initial inferred mineral resource estimate of 640,000 ounces at Çamyurt. Inclusion of the Çamyurt resource in a development scenario represents a major opportunity to further enhance the economic potential of the Company's Turkish projects.

In addition to completing a preliminary feasibility study, the Company completed final EIAs for each of the Ağı Dağı, Kirazli and Çamyurt Projects. The Company submitted the final EIA for Kirazli in Q4 2012, and in August 2013, the Company received an EIA Positive Decision Certificate for Kirazli from the Ministry. In January 2014, the Court issued an injunction order to the Ministry regarding its approval of the EIA for the Company's Kirazli project, on the basis that it failed to assess the "cumulative impacts" of the Kirazli project in conjunction with other potential mining projects in the region. Given that there had not previously been any requirement to include such an assessment in such an EIA report, the Ministry formally challenged the Court's decision on this basis. In April 2014, the Court officially cancelled the Kirazli EIA. The Court's basis for the injunction does not relate to concerns with any technical aspect of the Kirazli project. The Ministry and the Company has appealed the Court decision before the High Court. In the interim, the Company has amended its EIA for the Kirazli project to include a CIA. The Ministry has reviewed the Kirazli CIA and has accepted it. The ministry has subsequently filed the CIA with the High Court in the appeal.

The Company submitted the final EIA for Ağı Dağı in March 2013, and in August 2014, the Company received an EIA Positive Decision Certificate for Ağı Dağı from the Ministry. In October 2014, the Court received a petition against the Ministry regarding its approval of the EIA for the Company's Ağı Dağı project. The 30 day period to file a petition against a positive EIA decision had lapsed at the time of the submission. The Ministry and the Company are defending the Ağı Dağı EIA certificate.

The Company continues to monitor the progress of the court cases and is prepared to submit the forestry and operating permit applications once the positive rulings are received.

In 2014, total development expenditures in Turkey were $1.7 million, all of which was capitalized. Spending in 2014 was focused primarily on legal, permitting and community relations activities.

Mineralization

The principal model for gold mineralization at the Ağı Dağı and Kirazli Gold Properties is a high sulphidation, epithermal gold deposit. Premier examples of this kind of deposit in the world are Yanacocha, Pierina and Alto Chicama in Peru. Most high-sulfidation deposits are large, low grade bulk-tonnage systems (Yanacocha), though vein-hosted high sulphidation deposits also occur (El Indio).

At Kirazli, gold mineralization is hosted within heterolithic phreatomagmatic/phreatic breccia bodies cutting through Miocene-age andesitic tuffs. Mineralization can generally be subdivided into two main types: A low-grade gold zone underlies much of Kirazli Dağı, broadly enveloping the high-grade gold zones. This low grade mineralization occurs both above and below the zone of supergene oxidation (redox boundary). The wide spread, low grade mineralization is interpreted to be early and may be associated with the broad epithermal alteration that resulted in the chalcedonic silica (the second silica event). Four elongate bodies of high-grade gold mineralization occur in the advanced argillic zone overlapping slightly the bottom of the 1 km-long silica cap and the silica roots. High-grade gold mineralization also shows a strong spatial relationship with the margins of heterolithic breccia bodies. These bodies transect the redox boundaries.

At Ağı Dağı deposit, gold mineralization is associated with felsic volcanic rocks of Miocene age and a northeast trending silica cap rock about four km by two km in extent which forms a topographic high 700 to 900 meters in relief. The gold mineralization is disseminated and associated with intensely silicic alteration comprised of oxidized vuggy silica overprinting brecciated rocks hosted in volcanic felsic to intermediate tuffs and occasionally phreatic breccia bodies. Hydrothermal breccias (crackle, jigsaw, hydrothermal) are most common. Pyrite is the most abundant primary sulfide mineral associated with gold in the sulphide rocks. Trace to minor amounts of enargite, covellite, galena, and molybdenum are present locally. Five main zones of gold mineralization are present at Ağı Dağı: the Baba, Ayi Tepe, Fire Tower, Ihlamur and Deli Zones.

Minable resources have been generated for the Baba and Deli zones of the Ağı Dağı deposit, and have also been developed for the Fire Tower zone and Ayi Tepe zone. The Baba, Fire Tower and Deli zones occur along the east side of the NE-SW trending mountain ridge, corresponding to silicified dacite and phreatic breccia that may fill a paleo-basin in dacite and feldspar poropyritic andesite. Gold mineralization is continuous between Baba and Deli through Fire Tower, a strike distance of over 4 km.

The Ayi Tepe and Ihlamur zones are on a sub-parallel trend to the north. Mineralization along the Ayi Tepe – Ihlamur trend has only been sporadically drilled. The north part of Baba hill is composed of phreatic breccia and dacite flows and tuffs cutting andesites within a northeast trending, 500 meter wide paleo-basin filled with dacite flow and tuff. Most of the gold mineralization at Baba Dagi either occurs within, or is spatially associated with, a large, upward-flaring, matrix-supported phreatic breccia body. Ayi Tepe hill is underlain by the same geological units in the same relation as Baba. These two basins are elongated towards the northeast along the length of Ağı Mountain. As the andesites are principally advanced argillic altered and weather recessively compared to dacites, they generally occur in topographic lows between the silicified ridges.

Gold mineralization in the main part of the Baba zone is spatially associated with the matrix-supported heterolithic phreatic breccia body cutting low dipping dacite tuffs overlying andesite flows. Silicic alteration (often vuggy and/or crackle-brecciated) overprints breccia and the dacite. Gold mineralization largely occurs within the breccia body, extending into the dacite tuffs. Some lower-grade mineralization also occurs in oxidized porphyritic andesite adjacent to the phreatic breccia. The bulk of gold mineralization occurs within the oxide zone. The Deli hill is composed of a phreatic breccia pipe cutting through andesites forming a kilometer wide paleo-basin composed. Ihlamur occurs to the north of the Deli zone on Deli hill, where gold mineralization is hosted in the second NE-SW trending paleo-basin along Ağı Dağı mountain dacite is present.

Exploration Work Summary

During 2010, the Company completed 22,611 m of drilling in 148 drill holes, completed geological re-modelling and initiated preliminary feasibility stage engineering studies. Subsequent to year end, the Company provided an updated resource estimate for these projects. In 2011, the Company completed an infill and resource extension program of 28,600 m of drilling in 155 holes. An updated mineral resource estimate was released in September 2011 based on drilling completed to the end of March 2011. An additional resource estimate was reported in March 2012 based on drilling completed to September 2011.

The principal objectives of 2010 and 2011 exploration programs in Turkey was to further assess the geological controls on gold mineralization while confirming the mineral resources that were previously disclosed, in addition to improving core recovery compared to historic drilling. The results of the exploration program in Turkey have been successful with respect to substantially improving drill recoveries, in addition to corroborating and/or improving historical drill results.

In 2012, the Company expended $9.1 million on exploration activities in Turkey and successfully completed 165 core drill holes totaling 30,478 m. This drilling included 22 drill holes that were for engineering purposes, focused on geotechnical and hydrological studies.

The work program for 2013 included 22,629 m of core and reverse circulation drilling focused primarily on the Çamyurt deposit (definition drilling) to bring the resources into the measured and indicated resource categories. The reduction in the work program meant the Company could not complete the conversion of mineral resource ounces into mineral reserves. However, the company was successful in converting 510,000 ounces from Inferred mineral resources into the Measured and Indicated categories at Camyurt. As well, Greenfields exploration work occurred on the Company's Iri, Kale, and Catalkaya targets.

No exploration was undertaken on these projects in 2014 but plans are in place to continue exploration once permits are in place.

Project-to-date drilling statistics are presented below:

Core Drilling

Zone Drilled	Drill Holes Completed (Project)	Drilling Project (m)
Babadag	149	27,152.18
Delidag	148	27,131.30
Ağı Dağı infrastructure	54	1,087.50
Ayi Tepe	60	15,944.28
Fire Tower	102	29,418.64
Çamyurt	153	27,938.00
Ilhamur	24	3,761.00
Tavsan Tepe	6	700.80
TOTAL Ağı Dağı	696	132,132.70
Kirazli	235	39,210.10
Kirazli infrastructure	19	384.05
Polimetal	4	533.00
Rockpile	14	2,781.90
TOTAL	**968**	**175,041.75**

Reverse Circulation Drilling

Zone Drilled	Drill Holes Completed (Project)	Drilling Project (m)
Babadag	69	8,361
Delidag	62	5,339
Ayi Tepe	5	515
Fire Tower	21	2,521
Çamyurt	29	15,791.01
Ilhamur	3	422
Tavsan Tepe	9	554
TOTAL Aği Dağı	169	17,711
Kirazli	24	3,275
TOTAL	**193**	**20,985**

Exploration work programs in Turkey are being reviewed by Director Exploration and Corporate Development for the Company, Ms. Aoife McGrath, M.Sc., M.AIG. Ms. McGrath is a Qualified Person within the meaning of NI 43-101.

Aği Dağı Results (Baba and Deli Zones)

The Ağı Dağı deposit is comprised of two principle zones, Deli and Baba. These two key areas of gold mineralization are connected by a significant exploration target known as the Fire Tower area where there is wide-spread advanced argillic and silicic alteration facies. This trend is known to have a strike length of at least 4,300 m in a northwest-southeast direction. Hydrothermal alteration is presented as two parallel trends of advanced argillic and silicic alteration facies.

Metallurgical, geotechnical, and infill core holes completed at the Baba and Deli zones have generally confirmed both expected grades and thicknesses. Additionally, a number of the later holes drilled exceeded expectations relative to the March 2010 block model. Of particular interest is infill hole 10-AD-387, drilled at the northern limit of the main proposed pit at the Baba target in an area previously recognized as “barren”. This drill hole appears to link mineralization between two of the Baba preliminary pits.

Twin holes drilled to date have indicated an increase in grade correlating with an increase in core recovery. For example, 10-AD-366, a core hole with much better recoveries than its historic twin AD-152, shows a significant increase in gold content. The composite in 10-AD-366, with 83% core recovery, is 5.0 g/t Au over 14.8 m, while the equivalent composite in the previous operator’s hole with core recovery of 33% returned 0.3 g/t Au over 15.8 m.

In 2011, the Company began drilling at Ağı Dağı deposit in March. A total of 17,106 m of drilling was completed in 88 core holes. The results at Ağı Dağı deposit have continued to improve relative to historical drilling results.

In 2012, drilling results continued to be positive with the successful coring of 18 drill holes at Deli zone totaling 3,155 m, and 2 drill holes at the Baba zone totaling 528 m.

In 2013, 2 core drill holes were completed on the Ağı Dağı property. No drilling was undertaken in 2014. Once permitting has been re-established, exploration and definition drilling will continue.

Fire Tower

The Fire Tower target is an area of favorable geology that is contiguous with the Baba zone. At the Fire Tower target, 24 core drill holes were successfully completed totaling 7,834 m with a portion of this area included in the year-end, 2011 mineral resource and reserve statement. However, it is important to note the Fire Tower target was not included in the June 2012 Pre-Feasibility Study, as it only contained Inferred mineral resources. The upgrading of the mineral resources in this area will benefit the overall economics of the Ağı Dağı deposit.

Çamyurt Results

The early stage development Çamyurt Project is located three km southwest of the Baba deposit (within the Ağı Dağı Project) and is a separate zone of economic interest. Preliminary exploratory drilling was completed in the fourth quarter of 2010.

In late 2007, previous operators drilled five wide-spaced core holes at Çamyurt over a strike distance of approximately 700 m. Although all holes had poor core recovery, it was apparent that a new discovery had been made. At the time, the Çamyurt zone remained open to the southwest, with at least 800 m of untested strike length in favourable rock types coincident with gold mineralization in soil and rock chip samples at surface.

In 2010, the Company completed 6 core holes on the property. Holes 10-CYD-09 and 10-CYD-11 were twins of historic holes CYD-01 and CYD-05, respectively. CYD-01 returned 0.65 g/t Au over 73.3 m with an average core recovery of 43%; core recovery for 10-CYD-09 was 82% with a composite of 1.33 g/t Au over 58.9 m, demonstrating the positive effect of improved drilling techniques and better core recovery. New hole 10-CYD-11 with a composite grading 0.75 g/t Au over 158.3 m and a core recovery of 87% was substantially improved from historic hole CYD-05 which returned two shorter and lower grade composites, 0.43 g/t Au over 4.7 m and 0.23 g/t Au over 11.3 m, recovered at 56% and 68%, respectively.

Holes 10-CYD-06 and 10-CYD-07 were testing possible extensions of the historic gold-bearing zone to the south, 500 m and 50 m respectively from historic holes. Both holes intersected short intervals of gold bearing alteration but interpretation suggests that the holes may have been too far away from the zone and may have undershot it. Holes 10-CYD-08 and 10-CYD-10 were drilled in-between or adjacent to historic holes and basically confirmed the continuity of the zones between the historic holes with similar thicknesses and grade reported.

The 2011 drill program was primarily intended to drill-test continuity and strike extensions of known areas of gold mineralization, aimed at bringing the zone to preliminary resource evaluation. In 2011, the Company drilled 9,600 m in 47 holes.

Drilling at Çamyurt has delineated a mineralized zone that is continuous for at least 1,200 m along strike with additional potential to extend mineralization to the northeast. The steeply dipping oxidized body starts at surface, has been vertically drilled up to 150 m, remains open at depth, and can reach up to 150 m in thickness. An initial mineral resource estimate for the Çamyurt Project was planned to be reported in the second quarter of 2012. Preliminary column test metallurgical samples have been submitted for Çamyurt and are in process.

In the second quarter of 2012, the Company published an initial, pit-constrained, Inferred mineral resource estimate to NI 43-101 standards of 640,000 ounces of gold and 3,800,000 ounces of silver; applying a 0.2 gpt Au cut-off grade. The deposit has an average drill spacing of 55 m along strike with a total of 59 core drill holes included in the resource estimation. This mineral resource is a significant addition to the Company's resource base in Turkey, and highlights the opportunities that can be identified through continued exploration. The Company is planning for more drilling in 2015 to further test the mineral potential of the deposit and surrounding area due to the average grade of Çamyurt deposit being higher than that of Ağı Dağı and Kirazli deposits.

The 2012 drill program was primarily intended to drill-test continuity and strike extensions of known areas of gold mineralization, as defined in the March 2012 mineral resource estimate to NI 43-101 standards. In 2012, the Company drilled 8,303 m in 47 holes.

In 2013, the Company drilled 29 reverse circulation holes for a total of 15,791 meters as well as 5 core drill holes for a total of 8,303 meters. Exploration in 2013 was primarily focused on infill and step-out drilling at the Çamyurt deposit. No drilling was undertaken in 2014.

Kirazli Results

Drilling at the Kirazli Project commenced in late August 2010. The program initially focused on metallurgical and geotechnical data acquisition and then moved to infill drilling, with two core rigs still active on the project in early 2011.

Holes 10-KD-120, 10-KD-121 and 10-KD-126 were holes drilled to obtain metallurgical samples. Hole 10-KD-120 was a twin hole of historic KD-63. The new hole returned 101.90 m grading 1.81 g/t Au, comparing well to its historic counterpart that didn't return an intercept over the same interval due to lower core recoveries. As was the case at Ağı Dağı, better core recovery appeared to have a positive effect on grade. Holes 10-KD-122 and 10-KD-133 were geotechnical holes drilled on the edge of the initially proposed pits which indicated the potential to increase the size of the pits in that area.

The 2012 drill program was primarily intended to drill-test the continuity and strike extensions of known areas of gold mineralization. In 2012, the Company drilled 1,920 m in 20 exploration holes, which does not include an additional 8 core drill holes focused on Kirazli deposit infrastructure assessment that totaled 164 m.

In 2013, the Company drilled 15 core drill holes were drilled for a total of 2,587 meters. No drilling was undertaken in 2014.

Rock Pile

The Rock Pile target is located immediately west of the planned open-pit design over the Kirazli deposit. Historical work on this target included former operators collecting 71 surface grab samples that possess an average grade of 3.8 g/t Au in an area 400 m in length by 100 m in width. These samples also coincided with an inverse polarization ("IP") survey that identified numerous areas of silicification alteration. Although the Company's drilling activities have yielded wide intercepts of gold mineralization, they have not reproduced the surface grab samples from former operators.

The 2012 drill program was primarily intended to drill-test continuity and strike extensions of known areas of gold mineralization. In 2012, the Company drilled 2,782 m in 14 core drill holes.

No drilling was conducted in 2013 or 2014.

Logging, Sampling Methodology, Sample Preparation, Analysis, Sample Custody

Historical methodologies are described in the technical report available at www.sedar.com under the Company's name.

Exploration in 2011 was completed with the drill contractor, Spectra Jeotek Drilling, for the Ağı Dağı, Kirazli and Çamyurt Projects. All drilling was supervised by the Company's technical staff and general industry standards were followed. All proposed drill collars were surveyed using proper surveying techniques with established control survey points across the property. Drills were set up under the direct supervision of Company staff. Drill holes were collared in PQ diameter core. The holes were reduced to HQ diameter when problems were encountered due to bad ground conditions. Core was placed in plastic boxes with depth markers every drill run (up to 3 m). Core recovery during these programs was generally adequate. Down-hole survey tests were taken generally at 50-75 m intervals downhole to provide downhole survey control. The casing was attempted to be removed after drilling was completed, with minor casing left stuck in the ground. Holes with poor core recovery throughout the ore intersection were either re-collared and drilled again with core or re-drilled with a reverse circulation drill, where the actual weight of each 1.5 m sample occasionally recorded to check for consistent recovery.

Logging, sampling, and analysis procedures were established by Company staff with improvements and adjustments necessary to comply with current QA/QC procedures and NI 43-101 requirements done from time to time. Logging and sampling methodologies and procedures are documented routinely, updated, and maintained by the Company's exploration department.

Geologists log drill core holes on site at the Company's exploration camp in Etili. Core is logged on a hole by hole basis with data entered on paper then transfer to digital files for future analysis and processing. 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, ranging from 0.25 to 1.5 m, depending on geological characteristics.

Selected drill core for assaying is cut and sampled at site 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 sent for analysis. For core drill holes, half-core samples are prepared using a diamond core saw, with 1.0 m intervals as standard sample lengths in rock types presenting similar geological characteristics. The samples are bagged, tagged, sealed and shipped in batches to the assaying laboratory. When applicable, core from metallurgical and geotechnical drill holes are cut in half with one half of the core sent for analysis, while the reject is used for metallurgical testing. 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 and/or engineers. All samples collected by the Company during drill programs were subjected to quality control procedures that ensure best practice in the handling, sampling, analysis and storage of the drill core.

Laboratory sample preparation and analysis are in accordance with strict and industry recognized protocols and procedures. For RC samples, an approximate 10 kg sub-sample is sent to the lab. After drying, a 250-300 gram sub-set is crushed, riffle spilt, and pulverized. A one assay-ton (30 grams) sample is then collected for precious metal analysis (Au & silver – "Ag") by FA-AA. For sample assaying above 5 g/t Au under FA-AA, a FA-GR is also performed. A smaller pulverized sub-sample (3-5 grams) is also taken for multi-elements ICP analysis. In 2010, all samples were also assayed by the hot-cyanide method (Au and Cu) to help assess the Au recovery potential; the results of these tests are also used for the recovery model. For core samples, the entire half of the core sample received at the lab is crushed; a 250-300 gram spilt is collected, pulverized and assayed using the methodology described above. Samples are sent to the Acme Lab. in Ankara, Turkey for sample preparation and then sent to Acme Lab. Vancouver, Canada or Santiago, Chili laboratory for analysis. Other labs are used for check assay work.

QA/QC procedures are performed systematically. Blind, standard and blank samples are systematically inserted on a regular sample batch interval, generally every 25-30 samples, and are routinely evaluated when results are received. 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 0.2 g/t Au cut-off grade is used for calculation of composite intervals, with only a single 1.5 m interval of sub-0.2 g/t Au material allowed within a composite interval; assay results are generally presented uncut.

Modelling and Estimation

Starting in 2009, resource estimation was managed under the supervision of the Company's Director of Mineral Resources, Marc Jutras, who is also a Qualified Person. In previous years part or all of the mineral resource estimates were either reviewed or completed by an Independent Qualified Person as defined by NI 43-101.

The following procedures are generally followed for modelling and estimation. Block gold grade estimation is constrained by geology envelopes that are constructed using alteration distribution, oxidation state, known geologic controls, and anomalous gold mineralization. Gold grades are estimated using the ordinary kriging (OK) interpolation technique with searches oriented along known mineral controls. Gold resource classification is based on proximity to drill hole data, with classification distances selected from the geostatistical variographic analysis. Measured resources are generally defined (note that this criteria may vary depending on varioraphy) as blocks within an average distance of 10 m from drill hole data. Indicated resources are generally defined (note that this criteria may vary depending on varioraphy) as blocks between an average distance of 10 to 50 m from drill hole data. Inferred resources are defined (note that this criteria may vary depending on varioraphy) as those blocks greater than an average distance greater than 50 m from drill hole data.

Geologic solids are constructed from observed data collected during the core and chip logging processes, and from data acquired through the use of an infrared reflectance spectrometer. Geologic solids comprise rock types, oxidation, silica alteration, and intensity of argillic alteration. Mineralized shapes within which gold estimation was performed were constructed from the occurrence of silica alteration, and argillic alteration intensity from infrared spectrometry. In addition, the occurrences of logged breccia units were sometimes used to construct the mineralization envelope. Hard boundaries to gold estimation were also assigned to air, post mineral rocks and alluvial/colluvial material, and in some cases, faults.

Metallurgy

In 2010 and 2011 the Company drilled PQ size core holes to obtain samples for metallurgical test purposes to support a pre-feasibility study. The metallurgical test hole locations were targeted based on the available geology and mine planning information to ensure they were in the area of interest and intersected the rock and alteration types of interest. The holes were on widely spaced intervals and the program was designed to obtain representative samples from each area, based on the information available at the time. Seven holes for metallurgical test purposes were drilled in Baba, eight holes for metallurgical test purposes were drilled in Deli and six holes for metallurgical test purposes were drilled in Kirazli. The test holes provided a total of 425 meters of mineralized oxide material from Baba, 296.3 meters of mineralized oxide material from Deli and 93.5 meters of mineralized oxide material from Kirazli. At Kirazli an additional 364.7 meters of mineralized transition material was available for the metallurgical test program.

In addition to the drill hole sampling program, bulk samples from surface trenches and outcrops were obtained from each area. Two trenches were completed in both Baba and Deli and one outcrop was sampled at Kirazli.

All of the Company's metallurgical samples were collected under the supervision of site geologists and were sent to Kappes, Cassiday and Associates ("KCA") in Reno Nevada for testing. The KCA laboratory was toured on December 4, 2009 and test methods and equipment to be used for the Company's samples were discussed. Standard KCA test methods were used to determine the Company's sample characteristics. These methods are considered to be standard and accepted in the industry. Tests conducted at KCA to characterize the material and evaluate heap leach potential included: fire assays, screen analysis, multi-element ICP analysis, sulfur speciation, mercury analysis, cyanide soluble gold, silver and copper analysis, whole rock analysis, Bond work index, bottle roll tests at minus 1.7 and 0.106 mm, agglomeration tests, compacted permeability tests, and column leach tests.

Composites for each area were made based on the sample alteration as logged by geology. In addition to the alteration composites, twenty two column tests to evaluate deposit variability were conducted on samples from Ağı Dağı.

The pre-feasibility test programs conducted by the Company at KCA indicate the material from Ağı Dağı and Kirazli are suitable for heap leaching with a dilute alkaline cyanide solution. Excellent gold recovery from oxide material for all three areas was demonstrated in the bottle roll and laboratory column tests. Results are relatively consistent with the tests conducted in the past. Close agreement of heads estimated from the drill hole assays, composite assayed heads and calculated test heads for the various bottle roll and column tests provide confidence in the test results. Gold recovery from the oxide was not strongly dependent on crush size. Reagent consumption was low to moderate.

Bond work index and abrasion index results indicate the material is typical of gold ores. Based on the agglomeration and compacted permeability test results, agglomeration of the ore with barren solution and 2.5 kilograms per tonne of cement is recommended to facilitate heap stability and leach operations. Tests on the column test tailings indicate the WAD cyanide can be reduce to less than 0.2 ppm WAD CN by rinsing with water or with column eluate treated with hydrogen peroxide.

Variable concentrations of sulfide sulfur and cyanide soluble copper minerals occur in some zones in the deposits and these can affect metal recovery and processing costs. In Ağı Dağı and Kirazli both sulphide sulfur and cyanide soluble copper can be managed by ore control and reagent addition so these factors are not expected to cause a risk to the operation if properly controlled. Analysis of the available data indicates that the AA to Fire gold ratio, the cyanide soluble copper assay and the sulfur analysis available in the mine model and on future blast holes will provide the information required to facilitate efficient ore control. Mercury was recovered with the precious metals at both Ağı Dağı and Kirazli and appropriate plant design will be required to protect human health and the environment.

Laboratory assay QA/QC results for the laboratory and assay methods used by KCA during the period that the Company's test samples were analyzed were reviewed. The review indicated that the laboratory fire assay results for solutions and solids were reliable with a relative standard deviation averaging one percent on samples that averaged 1.29 grams per tonne solid and 1.00 grams per tonne of solution. Scoping level studies to determine the optimum crush size for Ağı Dağı and Kirazli were conducted. Incremental recovery at finer crush size was compared to incremental crusher capital and operating costs estimates. For Ağı Dağı, results indicate that the incremental revenue for finer crushing approaches zero at crush sizes below 20—25 mm. For Kirazli, a target crush P80 of 25 to 30 mm is suggested.

Mineral Resource

The grade estimates were not updated in 2014 as no new drilling occurred on the property during this period. However the economic parameters utilized to optimize the constraining pit shell for resource reporting were updated in 2014 with changes in metal prices, costs and slope angles. Detailed summaries of the mineral resources for Ağı Dağı, Kirazli and Çamyurt as of December 31, 2014 are presented in the tables below.

Ağı Dağı Project – Measured & Indicated Mineral Resources[1,4,5]
December 31, 2014

Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Grade (g/t Ag)	Contained Ounces Au	Contained Ounces Ag
1.00	8,755	2.05	14.29	577,924	4,021,884
0.80	13,455	1.65	10.80	712,247	4,671,066
0.60	23,312	1.24	7.72	930,652	5,786,579
0.40	44,865	0.88	5.61	1,268,540	8,096,565
0.30	63,765	0.72	4.82	1,481,673	9,873,237
0.20	90,052	0.59	4.09	1,694,736	11,849,336
0.10	129,705	0.45	3.37	1,873,829	14,047,449

Kirazli Project – Measured & Indicated Mineral Resources [2,4,5] December 31, 2014					
Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Grade (g/t Ag)	Contained Ounces Au	Contained Ounces Ag
1.00	5,238	2.30	19.49	387,699	3,282,716
0.80	6,258	2.07	17.46	416,641	3,512,674
0.60	9,209	1.63	15.26	481,727	4,516,813
0.40	17,901	1.07	11.05	616,114	6,359,923
0.30	24,962	0.87	9.56	698,600	7,673,819
0.20	32,734	0.72	8.74	757,877	9,201,790
0.10	40,349	0.61	8.62	797,734	11,184,016

Çamyurt Project – Measured & Indicated Mineral Resources [3,4,5] December 31, 2014					
Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Grade (g/t Ag)	Contained Ounces Au	Contained Ounces Ag
1.00	5,653	1.58	9.44	287,306	1,715,618
0.80	7,952	1.38	8.61	353,578	2,201,963
0.60	11,024	1.19	7.76	422,406	2,751,478
0.40	14,431	1.03	6.92	477,278	3,209,103
0.30	16,014	0.96	6.53	494,847	3,360,483
0.20	17,721	0.89	6.14	508,641	3,496,404
0.10	19,439	0.83	5.73	516,859	3,584,254

Ağı Dağı Project – Inferred Mineral Resources [1,4,5] December 31, 2014					
Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Grade (g/t Ag)	Contained Ounces Au	Contained Ounces Ag
1.00	1,041	1.37	5.26	45,898	176,075
0.80	1,597	1.20	4.73	61,742	242,854
0.60	2,975	0.96	4.03	92,135	385,866
0.40	7,004	0.69	3.57	155,287	804,904
0.30	10,891	0.57	3.30	197,972	1,154,341
0.20	16,760	0.46	2.85	245,214	1,533,608
0.10	25,409	0.35	2.35	284,552	1,920,344

Kirazli Project – Inferred Mineral Resources [2,4,5] December 31, 2014					
Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Grade (g/t Ag)	Contained Ounces Au	Contained Ounces Ag
1.00	678	1.56	16.60	34,009	361,844
0.80	1,048	1.32	13.36	44,478	450,311
0.60	1,958	1.02	11.97	64,138	753,229
0.40	3,287	0.80	10.66	84,889	1,127,037
0.30	4,509	0.68	9.60	98,374	1,391,333
0.20	5,689	0.59	8.96	107,635	1,638,365
0.10	7,250	0.49	9.22	115,365	2,148,365

Çamyurt – Inferred Mineral Resources [3,4,5] December 31, 2014					
Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Grade (g/t Ag)	Contained Ounces Au	Contained Ounces Ag
1.00	974	1.70	9.70	53,193	303,784
0.80	1,315	1.49	9.03	63,079	381,667
0.60	1,672	1.32	8.02	71,045	431,123
0.40	2,137	1.14	7.02	78,362	482,125
0.30	2,544	1.02	6.19	83,044	506,053
0.20	2,791	0.95	5.77	84,982	518,058
0.10	3,328	0.82	5.02	87,543	537,258

(1) Measured and indicated and inferred resources for the Ağı Dağı project, which includes the Baba, Ayitepe, Deli, and Fire Tower zones, are pit constrained with cut-off determined as a net of process value of $0.10 per tonne, for each model block. The determination was based on a US$1,400 per ounce gold price and a US$22.00 per ounce silver price, a December 31, 2013 resource model, average pit slope angles ranging from 35° to 48° and estimated costs of $2.11/t to $2.39/t mining, $3.20/t processing, and $1.59/t G&A, and recoveries based on metallurgical test work and linked to redox and alteration for both gold and silver. The resources were then tabulated by gold cut-off grade.

(2) Measured and indicated, and inferred resources for the Kirazli project, including Rockpile, are pit constrained with cut-off determined as a net of process value of $0.10 per tonne, for each model block. The determination was based on a US$1,400 per ounce gold price and a US$22.00 per ounce silver price, a December 31, 2013 resource model, average pit slope angles ranging from 40° to 48° and estimated costs of $2.06/t mining, $4.45/t processing, and $1.73/t G&A, and recoveries based on metallurgical test work and linked to redox and alteration for both gold and silver. The resources were then tabulated by gold cut-off grade.

(3) Measured and indicated, and inferred resources for the Çamyurt project are pit-constrained with cut-off determined as a net of process value of $0.10 per tonne. The determination was based on a US$1,400 per ounce gold price and a US$22.00 per ounce silver price, a December 31, 2013 resource model, average pit slope angle of 45° and estimated costs of $2.58/t mining, $3.20/t processing, and $1.59/t G&A, and recoveries based on metallurgical test work and linked to redox and alteration for both gold and silver. The resources were then tabulated by gold cut-off grade.

(4) Only oxide and transition material were considered in the pit run.

(5) Mineral resources are not mineral reserves and have not demonstrated economic viability.

Qualified Person(s) Disclosure

The Qualified Persons for the NI 43-101 compliant mineral resource are Marc Jutras, P.Eng., M.A. Sc., Director of Mineral Resources for Alamos, in conjunction with Herb Welhener, Vice President of Independent Mining Consultants Inc. of Tucson, Arizona, an independent Qualified Person and Kristen Simpson, Chief Resource Geologist for Alamos. Mr. Jutras prepared the mineral resource estimation for the Ağı Dağı, and Kirazli projects, and Mrs. Simpson, prepared the mineral resource estimation for the Çamyurt deposit. Drilling, sampling, QA/QC protocols and analytical methods for individual resource areas are as outlined in the respective news releases for these areas, and in the July 2012 Ağı Dağı and Kirazli technical report which are available at www.sedar.com.

Outlook

Obtaining forestry and operating permits are the next steps in the permitting process. The Company remains confident that these permits will be granted. However, legal challenges have increased uncertainty of the expected timing for receipt of these permits. A full development budget for Kirazli and Ağı Dağı will be re-initiated once the required permits are received. The capital spending budget for these projects is not expected to differ materially from the June 2012 preliminary feasibility study. The Company is however in the process of evaluating the impact of updated capital costs, the recently approved new mining law, forestry fee increases, tax incentive availability changes and the devaluation of the Turkish Lira on the operating costs and overall economics of its projects. The Company expects first gold production from Kirazli within 18 months of receipt of the outstanding permits.

ESPERANZA GOLD PROJECT IN MEXICO

On August 30, 2013, the Company completed the acquisition of Esperanza Resources Corp. ("Esperanza"), and its wholly-owned Esperanza Gold Project (formerly referred to as the Cerro Jumil gold project) located in Morelos State, Mexico. In June 2013, Esperanza (prior to its acquisition by Alamos) received notification from the Mexican federal permitting authority ("SEMARNAT") that the initial environmental permit application (known as the MIA) had not received approval.

Project Description and Location

Location

The Esperanza Gold Project, centered at 18°46' N, 99°16' W, is located 80 km south of Mexico City and 12 km from Cuernavaca in the State of Morelos. The property is 3 km from a paved road and is easily accessible year round.

Ownership

According to the Mexican General Constitution, the Mexican State owns all mineral, oil, hydrocarbons and other underground resources. A Mexican landowner is entitled exclusively to surface or superficial rights. In order to extract mineral resources, a mining concession must be secured. The General Direction of Mines, which is part of the Ministry of Economy (Secretaría de Economía), oversees mining activities, administers mining concessions and enforces the Mining law. Only a Mexican individual or entity may acquire a mining concession. Foreign (non-Mexican) individuals and entities can acquire mining concessions through Mexican entities, which can be wholly-owned by such foreign based entities.

Mining Concessions

The Esperanza Gold Project discussed in this report consists of the La Esperanza (437 hectares), Esperanza II (1,270 hectares), Esperanza III (1,359 hectares), Esperanza IV (1,338 hectares), Esperanza V (278 hectares), Esperanza VI (9,704 hectares), and Esperanza VII (639 hectares) mining concessions.

The mining concessions are subject to the payment of taxes, nominal work requirements, and are effective so long as the necessary payments are made on an annual basis until the anniversary dates of issuance of the concessions in 2052, 2053, 2056, 2058, and 2059, respectively. According to existing mining law, these mining concessions can be renewed for an additional 50 years. The taxes are due and payable in January and July of each year.

Permits

Permitting for exploration and mining activities in Mexico are subject to control by SEMARNAT. Permitting for mine construction and operation requires the preparation and submission of a Manifesto de Impacto Ambiental (MIA). Permitting for exploration and mining activities for the Esperanza Gold Project have expired.

In September 2011, Esperanza completed a Preliminary Economic Assessment ("PEA") on the Esperanza Gold Project. In June 2013, Esperanza received notification from the Mexican federal permitting authority, SEMARNAT, that the initial environmental permit application (known as the MIA) had not received approval. As a result of this, Alamos is now working toward re-submission of a new Environmental Impact Assessment (or "MIA") for the Esperanza Gold Project in order to address the noted deficiencies.

Royalties

The Esperanza Gold Project is subject to a 3% royalty payable to a third party. This is in addition to government imposed royalties or taxes.

Environmental Liabilities

The community of Tetlama owns the surface rights as both individual ownership lots and common lots. There are no residences on either concession in the area where project work is being conducted A small area of the land, just west of the project area, is used for agricultural purposes to grow peanuts, tomatoes, corn, and agave. Local grassy areas are also used as grazing areas for cattle, horses, and goats.

All exploration has been conducted in an area with moderate to rugged terrain with small trees and locally dense vegetation. Consultores Ambientales Asociados (CAA) compiled environmental impact data that is being used to change the land use status to mining. The United Nations (UN) conducted a site inventory of possible archaeological artifacts in the 1960s and identified ruins on the top of Cerro Jumil. The Instituto Nacional de Antropología e Historia (INAH) has currently applied road construction restrictions to this small area. These restrictions do not affect exploration work in the concession area because the mining concessions are located east of the Xochicalco archaeological site.

Within the mining concessions are three historic sanitary landfill sites that were used by the city of Cuernavaca and surrounding communities. Two landfill sites have been reclaimed, capped, and closed for several years. The other site is currently inactive. CAA noted several environmental problems regarding contamination from these landfill areas, including oil seepage. Local municipalities are responsible for reclamation and subsequent environmental remediation of the landfill. There are no other known potential environmental liabilities

Social Issues

The Company has a comprehensive Sustainability Policy that includes a community relations component. As development work moves ahead, further communications with various stakeholder groups will be undertaken, including local communities, local government representatives, State (Morelos) and Federal government agencies. The Company intends to provide significant socio-economic benefits to the region, including through employment of local residents in Morelos, potential infrastructure investment and support, purchasing of goods from local businesses and hiring of local contractors.

Surface Rights

The Company acquired the surface rights of the common use lands owned by the agrarian community called San Agustin Tetlama located in the Municipality of Temixco, State of Morelos, rights which were granted under certain temporary occupation agreement entered by the agrarian community of San Agustin Tetlama and Esperanza Silver de Mexico, S.A. de C.V. (now owned by Alamos Gold Inc.) on October 17, 2012.

Access, Climate, Communication, Power

The Esperanza Gold Project is located 80 km south of Mexico City and 12 km from Cuernavaca in the State of Morelos. The property is accessed by a paved road to 7 km north of Alpuyeca along Morelos Highway 95 to where a dirt road turns off to the landfill, and then continues 2.75 km onto the property. The road is passable year round by two-wheel-drive vehicles.

Climatic conditions are temperate and conducive to working on the project throughout the year. There is a rainy season that extends from June to September which can create difficult access on unpaved roads. Vegetation in the form of small shrubs and trees can become dense during the rainy season although they are greatly diminished during the remainder of the year as the area dries out.

Infrastructure including major highways, communication services, transportation and electricity are easily accessible. Cuernavaca has a large airport and Mexico City, the major hub for international flights in Mexico, is within a two-hour drive. Agriculture, tourism and numerous industrial enterprises support the local economy. Workers are available at the village of Tetlama, with a population of approximately 1,000, and in Cuernavaca, a city of over 1 million people, which can provide most supplies and services that might be required.

Topography is moderately rugged, varying from 1,100 m to 1,450 m elevation.

Cuernavaca has a tropical savannah climate (Köppen climate classification Aw) with temperatures that are moderated by its altitude. The warmest month is May with an average temperature of 24.4 °C (75.9 °F) and the coolest month is January with an average of 19.6 °C (67.3 °F).The municipality has two distinct climates. In the north, it is a temperate climate that is somewhat moist with rain predominantly in the summer. That area is covered in forests of pine and holm oak. In the south, the climate is warmer with the same moisture pattern. The southern area is primarily grassland with some rainforest. Average annual temperature is 21.1°C (70°F) with the warmest months being April and May and the coldest December. Temperatures rarely exceed 28°C, nor fall below 15°C.

History

There are several inaccessible shafts, adits, and prospect pits on the property of unknown age. A small operation is believed to have operated in the 1970s in several adits developed on narrow, high-grade, silver-bearing quartz veins hosted within the intrusive. Several older exploration pits and shafts were developed in the skarn zone along the western contact of the intrusive, which may have been related to the 1970s operation. Total mining production was insignificant.

Recursos Cruz del Sur S.A. de C.V. (RCS) carried out reconnaissance geology in 1993 and acquired an exploration concession over the area in 1994. Rock chip sampling and geological mapping were carried out in 1994, and, in late 1995, the property was optioned to Teck Resources Ltd. (“Teck”).

Teck continued exploration work with additional surface mapping, rock chip sampling, trenching, airborne magnetic and radiometric surveys, and a limited induced polarization survey in 1996.

Terraquest Ltd. carried out the airborne survey for Teck in 1996 using a helicopter-borne, high-sensitivity magnetometer and gamma-ray spectrometer survey at a nominal 100 m terrain clearance and 100 m line spacing. The authors have not reviewed the results, but it is reported (Kearvell, 1996) that the magnetic signature is relatively flat. The radiometric survey was useful in outlining the various lithological units.

Teck cleaned and sampled pre-existing trenches in addition to excavating four new trenches in an area of skarn alteration related to the western contact of the intrusive. Teck took 184 grab and channel samples. Teck also contracted a gradient time-domain induced polarization (IP) and resistivity survey that was completed by Quantec Geoscience in 1997; it covered the southern intrusive contact zone with five lines spaced 150 m apart. Readings were taken at 25 m intervals. Transmitter dipole spacing was 850 m to 1,700 m with later detail completed at 200 m to 1,300 m. Results were plotted on plan maps and stacked gradient cross sections. The work is considered reliable and indicates several geophysical anomalies.

In 1998, Teck completed four diamond drill holes (822 m) that were directed at several of the geophysical targets. Teck returned the property to RCS in 1998.

RCS applied for an exploitation concession before the 2000 expiration date of the exploration concession; it was granted on March 5, 2002. Since then, the mining laws have changed and all concessions are now considered “mining concessions” with an expiration date of 50 years.

In 2002, RCS continued to advance the property with another surface geochemical sampling program. RCS collected 118 samples from outcrop and float material during the 1994 and 2002 campaigns in conjunction with geological mapping.

In 2002, Geo Asociados S.A. de C.V. completed 20 km of gradient time-domain IP and resistivity for RCS. The survey extended the previous Quantec survey to the north and south. The 1997 survey indicated that the interpreted anomalies are at a depth of 200 m to 300 m, and the 2002 survey was designed to look at similar depths.

ESM signed an agreement with the owner of the property, RCS, on October 25, 2003, whereby it could acquire a 100% ownership interest subject to a 3% Net Smelter Royalty (“NSR”). During 2004 through to April 2006, ESM completed additional geological mapping and sampling programs that identified two primary gold skarn targets: the West and Southeast Zones. Subsequently, ESM completed core and RC drilling directed at evaluating the western and eastern contacts of the intrusive where skarn development and gold mineralization occurs.

Geological Setting

Mineralization at the Esperanza Gold Project is associated with the intrusion of a stock of Granodiorite composition into the carbonate rocks of Guerrero-Morelos Platform, specifically the rocks of Xochicalco Formation (Fries, 1960). Spatially related to the intrusive contact with the carbonate rocks are varying degrees of skarn and marble development.

Engineering and Development Work

There have been two Preliminary Economic Assessment ("PEA") reports done on the Esperanza Gold Project. The first was completed in 2008 and a subsequent update was published in 2011. The results of the 2011 updated PEA report are excerpted and presented here for information purposes only and are not considered current and, therefore, should not be relied upon.

Activities in 2015 will continue to be focused on required work for the re-submission of the Environmental Impact Assessment for the project, which includes 7,000 m of confirmatory and condemnation drilling around the Esperanza Gold Project deposit.

Mineralization

Primary mineralization consists of gold and, to a lesser extent, silver associated with the skarn zones spatially related to the intrusive.

As noted in the paragenetic mineral sequence, the sulphides, iron oxides (FeO), and gold are directly associated with retrograde activity. Although sulphides are not commonly observed, the abundance of iron oxide indicates that their presence was considerable before becoming oxidized. Gold values are often associated with jasperoid that appears to have been post-retrograde. Jasperoid can occur along fractures, in veins, and in narrow lenses within the limestone or marble. Jasperoid outcrops from 1 m to greater than 30 m in thickness have been mapped, although core intercepts generally show that much narrower zones, less than 5 m, usually exist. Gold assays in jasperoid have produced grades greater than 12 grams per tonne, but not all jasperoid contains appreciable gold values, although they are generally strongly anomalous (> 100 ppb). The greater thicknesses of jasperoid observed at the surface, compared to what is found in drill core, may indicate that the more pervasive silica flooding represents the top of the hydrothermal system during jasperoid development.

Intense argillic and/or potassic alteration (clays) and epidote development is common within the intrusive near the skarn contact. Although locally anomalous gold may be associated with this zone, the values are generally less than 0.5 g/t Au and, therefore, appear to be of little economic importance.

The Esperanza Gold Project is referred to, in general terms, as an oxidized, gold-enriched skarn deposit that developed in contact aureoles between the granodioritic (feldspar porphyry) intrusive and limestone host rocks. Hydrothermal and metasomatic activity developed both endoskarn and exoskarn mineral assemblages. Both prograde and retrograde alteration is recognized, and gold appears to be temporally related to the onset of retrograde alteration and possibly a second post retrograde event.

The prograde phase is characterized by the presence of garnet, pyroxenes, wollastonite, and vesuvianite minerals. The spatial relative abundance of each mineral varies depending on the proximity to the heat source (intrusive).

Minerals associated with retrograde alteration are characterized by the presence of hydrated calcsilicate minerals: predominantly tremolite-actinolite, green clays, epidote, chlorite, calcite veinlets, thick calcite, quartz microveinlets, and silicification. Microcrystalline opaline quartz of low temperature and iron oxides are usually associated with zones of silicification and sulphides (before oxidation).

Logging, Sampling Methodology, Sample Preparation, Analysis, Sample Custody

Prior to 2003, Sampling has been mostly restricted to the central portion of the project area within and adjacent to the intrusive identified near the Esperanza Gold Project. Most samples have been taken along or near the intrusive contact where the gold skarn zone is intermittently exposed at the surface. Numerous sampling methods have also been used including selective rock chip, channel, soil, core, and RC chip sampling.

Both RCS and Teck collected numerous outcrop and float samples using both selective rock chip and channel samples in order to partially evaluate the rock geochemistry in the immediate Esperanza Gold Project region. Teck also initiated a limited core-drilling program that was designed to test several identified geophysical anomalies.

Samples taken by RCS in 1993 and 1994 were analyzed by Bondar-Clegg and in 2002 samples were analyzed by Chemex, using the following standard industry methods: fire assay for gold, and acid digestion/ICP for silver, base metals and other elements. Both laboratories had sample preparation facilities in Mexico and sent pulps to their respective laboratories in Vancouver, BC, Canada for analysis. Samples consisted of select and random grab samples of outcrop and float (surface rock fragments randomly scattered or cemented in caliche). Most of the 118 samples collected were selectively taken from rocks exhibiting a potential for gold or silver mineralization based on visual alteration and, therefore, are not necessarily representative of the gold skarn zone.

Approximately 184 samples were taken by Teck, including continuous outcrop chips and numerous random, selective, dump, and float samples. An additional 291 core samples were also analyzed. Continuous chip samples and drill core, usually 1 m to 2 m long depending on geological contacts, are assumed to be unbiased and representative of the intervals sampled. Most of the remaining samples are selective in nature and, therefore, although geologically important, are biased towards rocks with a perceived higher chance of having gold and silver mineralization. Drill core was split and half of the core was sent to Chemex for analysis. These intervals were generally 1.5 m or 3.0 m long, although several longer intervals were also analyzed. The remaining core is stored in the village of Tetlama. All Teck samples were prepared by Chemex in Mexico and analyzed at its laboratory in Vancouver, using standard industry methods similar to those described above. The core was analyzed using procedures identical to those described above.

ESM had collected over 27,600 samples, including 84 soil samples, more than 700 selective outcrop, float, or channel samples, and 26,859 core and RC samples.

In general, soil, outcrop, and channel samples were collected while detailed geological mapping programs were conducted in order to identify specific targets that would merit exploration drilling. Subsequently, both core and RC drill programs were implemented to partially evaluate a few of the areas characterized by anomalous gold geochemistry.

All sampling has been conducted under the supervision of experienced geologists in accordance with standard industry practice. For outcrop, soil, and other types of field samples, the following information was recorded:

- Type of sample (rock, soil, dump, etc.).
- Collection method, including channel, grab (representative or selective), chip (representative or selective), panel, etc.
- Location, including (x,y,z) coordinates.
- Brief description, including lithology, alteration, or other pertinent information.
- Date of sample collection.
- Person responsible for collecting sample (geologist, supervisor, manager, etc.).

The sampling method and approach for each of the sample types is discussed in the following sections.

Soil Sampling

A small area along the northwestern flank of the Esperanza Gold Project contained scattered jasperoid float material with strong gold and silver geochemical values although no rock outcrops were present in the immediate area. In order to determine if the source of the mineralized float was a subsurface skarn zone, a soil sample grid covering an area 500 m by 300 m was designed to analyze soil geochemistry. Four lines spaced at 100 m intervals, each 500 m in length, were sampled on 25 m centres along each line. The lines were laid out perpendicular (N55°W) to the local trend (N35-40°E) of identified gold skarn zones. Soil was extracted at approximately a 0.25 m depth and sieved through a 20-mesh screen

to obtain a 1-kg to 2-kg sample that was sent for geochemical analysis. Values for the respective elements show a weak anomaly in the southeast portion of the grid. The significance of the apparent anomalies is not known at this time and either additional soil sampling or drilling may be required to determine if a gold skarn target exists.

Selective Outcrop or Float Sampling

During geological mapping, small outcrops and areas containing scattered rock fragments were sampled in order to identify geochemical trends for gold and/or silver. These 62 samples were generally selective chip samples of jasperoids and skarn and may not be representative of the underlying mineralized skarn zone. Each sample site is considered as point data and, therefore, no width is assigned to the sample. Nevertheless, identifying mineralized gold/silver trends based on this type of sampling has proven to be worthwhile in establishing drill targets where continuous outcrops are not exposed because they are covered by alluvium, caliche, or other material. All sample locations were recorded using handheld GPS units with ± 5 m accuracy.

Channel Sampling

The gold skarn zone is locally exposed at the surface; this is due to either excavated trenches or naturally occurring outcrops. Gold skarn outcrops represented by jasperoids and/or weakly to moderately silicified skarn are generally more resistant than other types of mineralization. Approximately 285 continuous channel samples were collected. Representative chip samples, normally 1 m to 2 m long, were collected perpendicular to the strike of the gold skarn strike. Sample widths are not corrected to true width but are instead based on geological breaks or taken on pre-established intervals. The samples are assumed to be unbiased and geochemical results are, therefore, representative of the rocks exposed. Visual observations of gold grades in channel samples relative to nearby core samples appear to have good correlation. Channel samples are located by handheld GPS units with ± 5 m accuracy.

Core Sampling

ESM has completed 22,822 m of diamond drilling which was completed between February 2005 and June 2012. A total of 121 holes were drilled and sampled. Samples were initially based on geological contacts and sampled lengths ranged from less than 1 m up to 2 m. It became apparent that the gold mineralization extended across some geological boundaries and, therefore, the sampling protocol was changed to an interval length of 1.5 m that was coincident with the sample length for RC drilling.

Sample protocol for drill core is as follows:

- Each hole is photographed before it is disturbed.
- A detailed geological log is completed that includes graphic columns depicting rock types, alteration, and mineralization, followed by detailed descriptions for each geological interval.
- Percent recovery and RQD is calculated and recorded.
- Specific gravity is calculated and recorded for representative rock types at approximately 2 m intervals.
- Sample intervals are selected and clearly marked in the core box.
- All core intervals are cut in half using a masonry saw and one-half is sent for geochemical analysis and the other half is saved for future reference.
- All sampling is supervised by on-site geologists in order to insure sample integrity.

Specific gravity (SG) is estimated according to standard industry procedures using one of two methods: volumetric or water submersion. SG comparisons between these methods show good correlation for average SG-values within different rock types. Over 3,600 SG measurements were taken and were included in the Esperanza Gold Project sample database.

RC Sampling

ESM completed 42,124 m of RC drilling between January 2007 and June 2012. A total of 245 holes were drilled and sampled.

Two different RC sample collection methods were employed depending on whether the drilling was completed dry or wet. All holes were collared dry and adequate sample recovery was generally good to depths of around 60 m during the phase 3 drill program. In general, for phase 3 drilling, water was injected into the hole in order to improve or maintain sample recovery because the drilling conditions became more difficult as a result of varying mineralogical alteration products and rock fracturing that is commonly associated with the gold skarn zones. The use of a compressor booster for phases 4 and 5 drill programs allowed for all holes to be drilled dry with very good recoveries. All RC holes were sampled continuously at 1.5 m intervals. Each interval was split in half using an adjustable riffle splitter resulting in duplicate samples for each interval. One sample was sent to the primary laboratory for analysis and the other was transferred to a secure storage building. After each run, the riffle splitter and trays were cleaned with water and / or compressed air to prevent any contamination of samples. Chips were taken from the storage duplicate and placed in a chip tray for drill hole logging purposes.

Sample protocol for RC drill holes is as follows:

- Representative chips collected for each 1.5 m interval are placed in trays and photographed after each hole is completed.
- A detailed geological log is completed that includes graphic columns depicting rock types, alteration, and mineralization, followed by detailed descriptions for each geological interval.
- Sample intervals are based on 1.5 m intervals.
- All intervals are split in half resulting in two samples: one is put into storage and the other is sent for geochemical analysis.
- All sampling is supervised by on-site geologists in order to insure sample integrity.

There is no information available regarding security of the samples handled by Teck and RCS. However, based on similar geochemical results from re-sampling of numerous trenches and outcrops by ESM that were previously sampled by Teck and RCS, there is no reason to believe that the assays are not representative of the mineralization found on the property. Both companies have a reputation for quality work and producing reliable results.

All sample preparation for geochemical analyses was done by ALS Chemex, a global mining and analytical services company. ALS Chemex maintains a stringent Quality Assurance and Quality Control (QA/QC) program that reports internal analysis of blanks, duplicates, secondary, and standard reference material data to ensure the accuracy of its results.

Samples collected by ESM are taken under the direct supervision of experienced geologists and transported to a secured storage facility until shipped to the analytical laboratory. Up until January 2006, samples were delivered by ESM personnel to Cuernavaca and shipped via freight (bus) directly to ALS Chemex's preparation facility in Guadalajara where ALS Chemex assumed custody of the samples. In January 2006, the procedure was changed and arrangements were made for ALS Chemex or RGM to take custody of the samples at the ESM secure storage facility and transport them directly to the ALS Chemex Guadalajara preparation laboratory.

Samples collected by ESM, including channel, trench, float, soil and other types of outcrop samples, are secured in polyethylene bags with zip ties and shipped directly to ALS Chemex. Samples taken from diamond drill core follow a similar procedure except that the core is sawn in half and one half is put in a secure storage facility while the other half is shipped to ALS Chemex for analysis. Sample bags are clearly marked with the sample number on the outside of the bag and on a waterproof tag inside the bag. Assay pulps and sample reject material are temporarily stored by ALS Chemex at its preparation facilities in Guadalajara until returned to the secure storage facility at the project site.

ALS Chemex is the designated laboratory for all geochemical analysis. All samples prepared and assayed by ALS Chemex use the following procedures:

Samples are received at ALS Chemex Guadalajara sample preparation facility.

- Samples are logged into a tracking system and a bar code label is attached.
- Samples are fine crushed to better than 70% of the sample passing 2 mm.

- Samples are split using a riffle splitter.
- The split is pulverized to better than 85% of the sample passing 75 microns creating two sample pulps.
- One sample pulp is shipped to ALS Chemex, North Vancouver analytical laboratory for analysis and the second sample pulp put in storage for future reference.

All samples were analyzed for 34 or 35 elements using conventional induced coupled plasma (ICP) and atomic emission spectrometry (AES) analysis. In addition to the standard 34/35-element suite, gold was assayed by fire assay with an atomic absorption spectrometry (AAS) finish. Over limit values for silver, copper, lead, and zinc were analyzed by ICP-AAS and for gold by fire assay with a gravimetric finish. Internal quality control measures incorporated by ALS Chemex include the insertion of standards, duplicates, and blanks (about 10% of the total samples) in each analytical run. The QC data is analyzed to make sure the reference materials and duplicate analyses are within precision and accuracy requirements.

Several secondary laboratories were used as a check for analytical results produced by ALS Chemex, including the following:

- SGS de Mexico S.A. de C.V.
- BSI Inspectorate de Mexico, S.A. de C.V.
- ACME Analytical Laboratories
- International Plasma Labs Ltd.

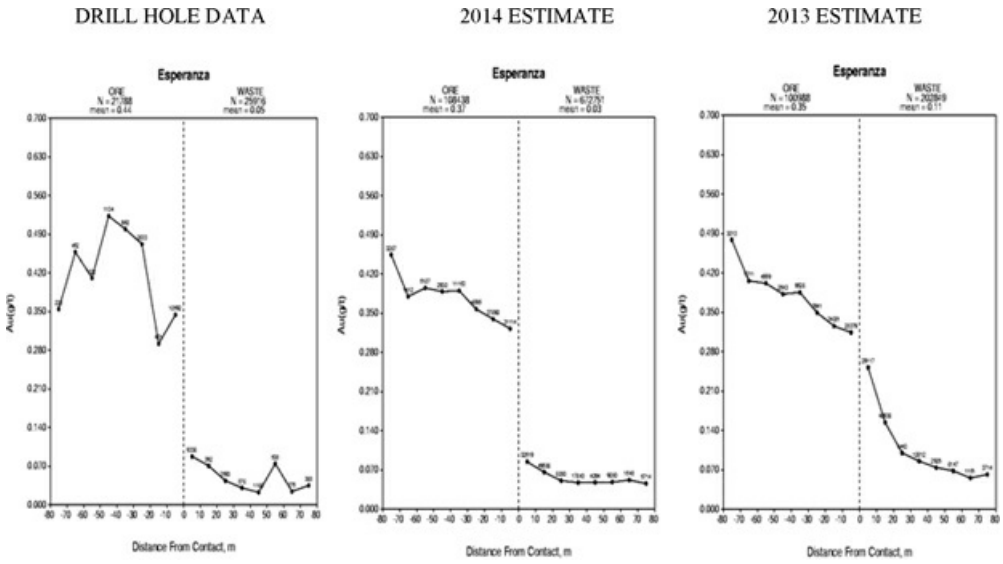
Modelling and Estimation

Although no new drilling occurred in 2014, efforts to improve the estimation of the mineral resources were implemented during this period. The lithology units, which control the gold mineralization, were re-interpreted on NW-SE sections. This exercise aimed at providing lithological shapes amenable to building 3-D solids by wireframing. Last year for the December 31, 2013 estimate, the geologic solids were built by projecting the lithologic interpretations halfway before and after sections, displaying abrupt changes in the solids' shapes. This year for the December 31, 2014 geologic model, all lithologic units were wireframed into 3-D solids. The Leapfrog software was utilized for the skarn and jasperoid units as they are the most geometrically complex lithologies, while the Vulcan software was utilized for the remaining units.

Improvements were also brought to the estimation of gold and silver grades this year with a change in the grade interpolation strategy. Due to the antiform shape of the lithological units controlling the distribution of gold grades, an unfolding approach was selected to better represent geometrically the mineralization's configuration. With this technique, variable angles of azimuth, dip, and plunge representing the flexure of the antiform shape are stored on a block by block basis. These angles are determined by the curvature of an upper and lower surface within which the anisotropic angles are calculated. Thus for each lithologic unit, the search ellipsoid is oriented along these set of angles in the calculation of block grades. A single search orientation was utilized in last year's estimation.

Ordinary kriging was utilized to estimate Au, Ag, Pb, and Zn grades into blocks of 10 m x 10 m x 5 m. Drill hole data utilized for grade estimation was composited to 1.5 m regular intervals and capped at 30.0 g/t Au for the mineralized units (skarn, jasperoid, and quartz) and capped at 5.0 g/t Au for the lower-grade units (quartz porphyry, limestone/marble, and andesite). A first estimation run utilized a minimum of 2 and maximum of 12 samples with a search ellipsoid dimensioned to the second range of the variograms: 66 m x 50 m x 61 m for the Au mineralized units and 95 m x 65 m x 59 m for the Au lower-grade units. A second grade estimation run utilized similar estimation parameters except for an enlarged search ellipsoid of 1.5 X the search ellipsoid from the first run.

The current estimation utilizes hard boundaries between the mineralized units and the lower-grade units as an analysis of their boundary condition displayed a sharp break in gold grades. A soft boundary was utilized for the December 31, 2013 resource model. Although several changes were brought to the current estimate of the mineral resources, the implementation of a hard boundary between the mineralized and lower-grade units is the factor that has the strongest effect on the resulting tonnage and average gold grade. From the analysis of the gold grade behaviour at the contact between the mineralized and lower-grade units, it can be seen in the Figure below that the December 31, 2014 model better reflects the grade distribution.



The grade estimates for gold, silver, lead, and zinc, were verified from visual and statistical validation tests. It was classified into measured, indicated, and inferred categories based on distances of estimates away from drill hole data. These distances were derived from the variographic analysis and set as follows: an average distance of 0.0 to 19.0 m for measured, from 19.0 m to 66.0 m for indicated and greater than 66.0 m for inferred.

For the tonnage calculation, the average density was utilized for each lithologies. For skarn: 2.656, for quartz porphyry: 2.454, for quartz: 2.350, for limestone/marble: 2.600, for andesite: 2.366, and for jasperoid: 2.586.

The mineral resource was constrained with an optimistic pit shell derived from the following parameters:

- Metal prices: gold = $1,400/oz, silver = $22/oz
- Costs: mining = $2.40/t, processing = $4.20/t, G&A = $0.64/t
- Recoveries: gold = variable by grade (from 60.4% at 0.2 g/t Au to 71.9% at 1.60 g/t Au), silver = 25%
- Slope angles: between 38° and 45°
- 50 m offset restriction around INAH boundary

Mineral Resource

The December 31, 2014 pit constrained mineral resource is presented in the following tables:

Esperanza Gold Project – Measured & Indicated Mineral, Resources [1,2] December 31, 2014					
Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Grade (g/t Ag)	Contained Ounces Au	Contained Ounces Ag
0.40	34,352	0.98	8.09	1,083,366	8,936,201
0.30	41,052	0.88	7.76	1,157,826	10,242,998
020	51,425	0.75	7.34	1,240,098	12,140,578

Esperanza Gold Project – Inferred Mineral Resources [1,2] December 31, 2014					
Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Grade (g/t Ag)	Contained Ounces Au	Contained Ounces Ag
0.40	718	0.80	15.04	18,375	347,192
0.30	862	0.72	13.71	19,982	379,964
0.20	1,199	0.59	11.41	22,667	439,848

(1) Measured and indicated and inferred resources for the Esperanza Gold Project are pit constrained with cut-off determined as a net of process value of $0.10 per tonne, for each model block. The determination in the December 31, 2014 resource model was based on a US$1,400 per ounce gold price and a US$22.00 per ounce silver price, pit slope angles between 38° and 45°, estimated costs of $2.40/t mining, $4.20/t process, $0.64/t G&A and recoveries for gold varying from 60.4% at 0.20g/t Au to 71.9% at 1.60g/t Au, and 25% for silver. The resources were then tabulated by gold cut-off grade.

(2) Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Qualified Person(s) Disclosure

The Qualified Persons for the NI 43-101 compliant mineral resource estimate are Marc Jutras, P. Eng., M.A.Sc., Director of Mineral Resources for Alamos, in conjunction with Herb Welhener, Vice President of Independent Mining Consultants Inc. of Tucson, Arizona, an independent Qualified Person. Mr. Jutras prepared the mineral resource estimation for the Esperanza project.

Outlook

Exploration activities in 2015 will be focused on work required for resubmission of the Environmental Impact Assessment for the project, which includes 7,000 meters of confirmatory and condemnation drilling around the Esperanza Gold Project deposit.

QUARTZ MOUNTAIN PROPERTY IN OREGON, U.S.A

Project Description and Location

Location

The Quartz Mountain Property is located in the Fremont-Winema national Forest, Bly Ranger District in Lake County in south-central Oregon, approximately 50 km west of Lakeview, Oregon.

Ownership

On September 13, 2013, the Company completed the acquisition of Orsa Ventures Corporation ("Orsa"), a junior exploration company focused on advancing its precious metal properties located in the Western United States. By acquiring Orsa, the Company obtained the right to earn 100% interest in the Quartz Mountain Property in Oregon as well as the other assets in Oregon and Nevada.

Mining Concessions

The Quartz Mountain Property is located in Township 38 South, Range 16 East; Township 38 South Range 17 East; Township 37 South Range 16 East and Township 37 South Range 17 East. The total area of the Quartz Mountain Property is approximately 1,739 acres (704 ha).

Permits

Exploration permitting was conducted in 2014 and is expected to continue in 2015.

Royalties

The Company paid $3.5 million to acquire Orsa and as part of the acquisition inherited an option agreement with Seabridge Gold Inc. ("Seabridge") whereby the Company has the exclusive option to earn a 100% interest in the Quartz Mountain Property and the undivided 50% beneficial joint venture interest in the adjacent Angel's Camp Gold Property ("Angel's Camp"). Both properties are located in Lake County, southern Oregon on the northern extension of the Basin Range Province of Nevada. Both properties are subject to underlying royalties.

Under the terms of the agreements, the Company made a payment of CAD$2 million to Seabridge on October 23, 2013 and is required to pay an additional CAD$3 million on completion of a compliant feasibility study and a positive production decision. A final payment of CAD$15 million or a 2% net smelter return royalty is payable on successful permitting of the project.

Environmental Liabilities

The Company is setting up for exploration work programs that will occur in 2014, and it will abide by all Federal and Oregon State environmental regulations and laws, and follows all recognized environmental preventive procedures associated with normal operation of exploration projects, and operates within environmental standards typical of Canadian mining companies. The Company is not aware of any environmental liabilities currently outstanding related to the properties.

Social Issues

The Company has a comprehensive Sustainability Policy that includes a community relations component. As exploration work commences, routine communications with various stakeholder groups will be established, including local communities, local government representatives, State (Oregon) and Federal government agencies. Discussions at the Federal level are also normal practice as the projects progress through exploration toward development and eventual production. The Company intends to provide significant socio-economic benefits to the region, including through employment of local residents in Oregon, potential infrastructure investment and support, purchasing of goods from local businesses and hiring of local contractors.

Access, Climate, Communication, Power

Access is gained by turning off the Lakeview - Klamath Falls Highway (US Highway 140) at the Quartz Mountain summit onto Forest Service Development Road ("FSDR") 366. This point is approximately 50 km from Lakeview. Access to the Quartz Butte zone on the QM Property is just southeast of the FSDR 366 about 1.5 km from the turnoff. Access to the Crone Butte zone is slightly further northeast along FSDR 366 on an undeveloped forest road.

The annual precipitation averages 50 cm, most of which falls as snow between the months of October and April. The average annual temperature is about 8ºC, with a historic range from minus 34 ºC to 43 ºC. Typically, up to 2 m of winter snow pack accumulates between December and February.

The area around the Properties contains ample water sources and adequate room for all site facilities. Development studies completed by previous owners have identified potential locations for site operating facilities on both federal lands and adjacent fee lands. Local labour is available in Lakeview, Oregon (50 km) and Klamath Falls, Oregon (100 km). A low-voltage power line that parallels Highway 140 may provide sufficient power for production. The area is used by local ranchers for seasonal cattle grazing. Logging operations are active in the area.

History

Quartz Mountains was known to contain gold dating back to the 1890's, with sporadic artisanal mining occurring over the years, especially in the area of Crone Hill and Quartz Butte. Small amounts of gold were reportedly recovered from two 24 meter shafts, which have since caved in. Starting in the mid-1900's, several companies began to show interest in the claim areas with a renewed interest in mercury. In 1985, Wavecrest Resources Ltd. secured the property and began an aggressive exploration campaign.

From 1986 to 2001, the Quartz Mountain Property entered into joint ventures with various companies including Galactic Resources Ltd, Pegasus Gold Corporation and Newmont Exploration Ltd. In 2001 Seabridge Gold Inc. acquired the Quartz Mountain Property.

On September 13, 2013, the Company completed the acquisition of Orsa, which owns the right to earn a 100% interest in the Quartz Mountain Property as well as other assets in Oregon and Nevada. The Company paid $3.5 million to acquire Orsa. As a result of the acquisition Alamos inherited a 2011 option agreement between Orsa and Seabridge whereby the Company has the exclusive option to earn a 100% interest in the Quartz Mountain Property and the undivided 50% beneficial joint venture interest in the adjacent Angel's Camp Gold Property. Under the terms of the agreements, the Company made a payment of CAD$2 million to Seabridge on October 23, 2013 and is required to pay an additional CAD$3 million on completion of a compliant feasibility study and a positive production decision. A final payment of CAD$15 million or a 2% net smelter return royalty is payable on successful permitting of the project.

Geological Setting

Rhyolitic domes make up the central features of the volcanic stratigraphy (Figures 7-2, 7-3) and are characterized by glassy tops. These dome complexes typically have contacts that taper downward into circular intrusive vents. The vents are usually less than 300 m in diameter and are thought to have locally controlled the emplacement of several eruptive units. Textures of the rhyolite domes are variable, recording both intrusive and extrusive events, no doubt related to their shallow depth of emplacement in the crust.

Volcanic country rocks generally have flat-lying to moderate dips and form flow units that are typically 15 to 60 m in thickness and up to 900 m in strike length. The generally well-ordered volcanic stratigraphy contains primarily heterolithic tuff and various breccia units. Units mapped as heterolithic tuff or breccia may include proximal ejecta derived from eruptions of the silicic dome rocks, poorly sorted detritus from other sources or a combination of both. These aprons of heterolithic tuff beds around the dome complexes thin outward to interfinger with the regional basalt flows.

The basalt units are fine to medium-grained, high-alumina basalts. These rock units are generally older than both the heterolithic tuff and breccia or the rhyolite dome complexes; however, as part of the bimodal volcanic suite, basalt eruptions are co-magmatic with these rocks and are locally intercalated and postdate the dome complexes. Basalt units can be vesicular, scoriaceous or dense porphyritic rocks. Distinct flow units have been recognized in the basalts marked by brecciated and vesicular flow tops and bases with a densely welded central portion of porphyritic basalt.

Engineering and Development Work

Mineralization

Hydrothermal alteration in the district is characterized by acid leaching of the host rocks and subsequent precipitation of quartz in the gold zones. Acid alteration as manifested by advanced argillic alteration is more typical of the upper mercury-bearing part of the dome complexes. The remaining alteration consists of an overprint of silica alteration on argillized rhyolite and propylitically altered basaltic country rock. Fault zones and veins within the system are numerous and contain textural evidence of episodic boiling within fractures.

Gold mineralization occurs with silicification and quartz veining in:

- hot springs sinters and vent breccias;
- stockworks and hydrothermal breccias within volcanic vents and along intrusive;
- stratigraphic contacts;
- stratabound zones of replacement mineralization occupying select lapilli tuffs and basaltic; and
- agglomerate horizons.

Structural ground preparation along with primary porosity and permeability are the ore controls evident in all three cases.

The gold mineralization on the Properties is generally concealed by overburden or barren rock. Both areas display conspicuous surface geochemical anomalies that are characteristic of a volcanic-hosted gold system. These geochemical anomalies include arsenic, antimony, mercury, gold, and silver.

The Quartz Butte and Crone Hill deposits host both mercury and gold concentrations. The gold and mercury occurrences are believed to be genetically related, but they are spatially separate. The roots of the mercury zones are separated from zones of significant gold content by 25 to 45 m of essentially barren rock. The mercury occurrences are vapour-phase deposits formed in the upper portions of fossil hot spring systems. Significant concentrations of mercury are found only within this acid-leached portion of the mineral system and not within the gold-bearing portion of the system.

Exploration Work Summary

During the fall of 2014 Quartz Mountain Gold initiated a 52 hole, twenty-four thousand foot (7,417 meter) diamond drilling campaign at the Crone Hill and Quartz Butte gold deposits near Lakeview, Oregon. The purpose of the campaign was to: 1) infill gaps not tested during historical drilling; 2) confirm the geology, structure, deposit geometry and gold grades interpreted from previous geologic block models; 3) confirm the oxide/sulfide boundary and 4) ensure greater confidence in grade interpolation for block modeling. Drilling to date has confirmed the geologic model and is confirming the lithologic and structural interpretations of prior modeling. Limited assays received to date also confirm historical drill hole intercepts.

In 2014, the Company invested $1.1 million on exploration activities in Oregon and Nevada. The first phase of drilling currently being undertaken at the Quartz Mountain project consists of approximately 8,000 m of core on the Crone Hill and Quartz Butte deposits. The aims of the program are to confirm the new geological model and to commence validation of the resource model.

Historical Drilling completed on the property is tabulated below:

Crone Hill Drilling

Drilling Within Area			
Drill Type	**Number**	**Footage**	**% of Footage**
Reverse Circulation	418	141,030	89%
Diamond Core	33	12,583	8%
Rotary	40	5,150	3%
Total	491	158,763	100%

Quartz Butte Drilling

Drilling Within Area			
Drill Type	**Number**	**Footage**	**% of Footage**
Reverse Circulation	141	74,710	82%
Diamond Core	19	12,141	13%
Unknown	8	2,345	3%
Rotary	7	1,802	2%
Total	175	90,998	100%

Alamos drilling to date and planned for 2015 at both Quartz Butte and Crone Hill Deposits:

	DRILLED	**PLANNED**
2014	7841	-
2015	9908	5827
TOTAL(ft)	17749	5827
TOTAL(m)	5410	1776

Logging, Sampling Methodology, Sample Preparation, Analysis, Sample Custody

The 2004 drill samples were submitted to ALS Chemex Labs (“ALS”) in Reno, Nevada where they were analyzed for gold and silver using ALS’s Au-AA26 fire assay and AAS method with 50 g nominal sample weight. Samples were also analyzed for trace elements using the ME-ICP41, 34 element aqua regia acid digestion and ICP-AES. Sample preparation and gold and silver analyses were carried out in the ALS laboratory in Reno. All other analyses were performed by ALS in Vancouver, BC. ALS is an ISO certified laboratory and is independent from Seabridge and Orsa.

None of ALS's QC/QA results were reported to Quincy. All drill holes were surveyed by digital camera approximately every 100 feet of advance by Quincy staff.

Adequate sample preparation, security and analytical procedures were used during the 2004 exploration program. However, the failure to insert blank, duplicate and standard core samples during the core sampling process was inconsistent with a suitable quality assurance and quality control (QA/QC) process.

The 2009/2010 samples were also submitted to ALS of Reno, Nevada, where they were analyzed for gold and silver using the ALS Au-AA23 fire assay and AAS method with 30 g nominal sample weight. Silver was analysed by aqua regia digestion with ICP-AES or AAS finish (Ag-OG46). None of ALS's QC/QA results were reported to Predator. Duplicate field samples were inserted, comprising RC cuttings or sawn ¼ core. Blanks and at least five different standards were also inserted into the sample stream. The quality control program shows no evidence of significant contamination or analytical error. The analytical results of the drill program are acceptable for use in the inferred resource calculation.

In 2013, upon acquiring Orsa Minerals, the Company initiated its own QAQC data verification process of the existing Orsa data. JDS Energy & Mining Inc. was tasked with validating the electronic assay certificates with the hard-copy assay certificates. Errors and discrepancies were identified within the assay certificates and the appropriate modifications are presently being applied to the Quartz Mountain Property drillhole database.

For the 2014/2015 QMG drilling program, core is typically received every morning and evening from the drillers who bring it to the QMG logging facility in Lakeview, or from the drill rig. The core is quick logged every morning to record pertinent geologic/mineralogic/structural data, which is then entered into Acquire (ACQ) software. Once the core has been quick logged, it is palletized and stored on racks in the secure QMG logging facility to await detailed logging.

Prior to geologic logging, the core is geoteched, RQD, RMR, specific gravity and point load testing to capture pertinent structural data. The core is typically oriented by the drillers utilizing the ACT III core orientation tool to aid in the structural interpretation of fractures, veins and faults and lithologic contacts. The attitude of the hole is also captured every 100 feet utilizing a Reflex Single-Shot tool. All this data is entered into ACQ on a daily basis.

Detailed logging of the core is conducted by a geologist directly into a computer utilizing Acquire software. Data captured includes oxidation, lithology, alteration, veining, structure and mineralization. Upon completion of the detailed logging, the geologist marks out sample intervals to be sent to the lab and records the intervals on a sample sheet. In addition, the geologist will staple a sample tag with a unique sample number at the end of each sample interval. This number is also recorded on the sample sheet next to the appropriate sample interval. To ensure proper QA/QC, a blank, standard and duplicate (1/4 core) are inserted into each 20 sample batch. Standards are rotated through each sample batch and include two lower grade standards and one higher grade standard where higher grade gold mineralization is anticipated. Once all the tags for the samples and duplicates have been stapled to the core boxes, each box is photographed, both wet and dry. Once this process is complete, the core samples are sawn in half by QMG geotechs and one half put into sample bags with the appropriate sample tag and the other half put back in the core box for future reference. The cut samples are stored in bins at the QMG facility. When enough samples have been processed, ACME/Inspectorate labs in Reno are notified and the lab picks the samples up at the QMG

The 2014 samples were submitted to Acme of Reno, Nevada, where they were prepared. The pulps were then sent to Vancouver's Acme lab and analyzed for gold using the Acme FA430 fire assay method with 30 g nominal sample weight, and a 15 g one hour cyanide leach with AA finish using CN400, and ICP-AQ300+U. Duplicate field samples were inserted, including one lab duplicate and one sawn ¼ core. Blanks and at least three different standards were also inserted into the sample stream. Upon receipt of the analyses, they are subject to a rigorous QA/QC protocol by the Corporate QA/QC Officer to determine if any irregularities in the analyses exist. If significant irregularities are found, the analyses are rejected and re-run. If little or no irregularities exist, the analyses are accepted and loaded into the ACQ database for future statistical analyses and use in geologic block modeling and interpolation. The quality control program shows no evidence of significant contamination or analytical error. The analytical results of the drill program are acceptable for use in the indicated resource calculation.

Modelling and Estimation

A total of 491 drill holes at Crone Hill and 175 drill holes at Quartz Butte were utilized in the modelling and estimation of mineral resources at the Quartz Mountain Property. The drill hole assay data was examined for high-grade gold outliers and then capped at 0.70 oz/t and 0.50 oz/t for the oxide and sulphide zones at Crone Hill, and at 0.50 oz/t for the oxide and sulphide zones at Quartz Butte. Original samples were then composited to 20 feet regular intervals.

Variograms were modelled with a nugget effect of 40% of the sill and range of continuity of 375 ft in Crone Hill and with a nugget effect of 30% of the sill and range of continuity of 240 ft in Quartz Butte. Gold and silver grades were estimated into 25ft x 25ft x 20ft blocks using a multiple-pass inverse distance cubed estimator. High-grade outlier assays were capped prior to compositing and outlier restriction of higher grades was implemented for the grade estimation runs. Gold domains with unique search ellipsoid orientations were used to constrain the estimate of block grades. Search distances varying from 75 ft to 250 ft and oriented to the northwest were utilized for the grade interpolation process.

Visual and statistical validation of the grade estimates was carried out on the resulting block model. The mineral resource was then classified based on the continuity ranges from the variogram models. At Crone Hill, blocks were classified as inferred if the estimates were within 175 ft of drilling data, and within 125 ft at Quartz Butte. Thus all mineral resources are of the inferred category as no material is available to verify the assay reproducibility.

A default specific gravity value of 2.56 was used to tabulate the inferred resource tonnage. A constraining pit shell was finally utilized to report the mineral resources.

Metallurgy

Metallurgical testing will be using core from the 2014 drill program.

Mineral Resource

The mineral resources at the Quartz Mountain Property have not been updated since the March 21, 2012 technical report, as no new drilling has been completed prior to the 2014 year-end resource and reserve reporting period. The mineral resources for the Crone Hill and Quartz Butte areas are reported in the Tables below for oxide and sulphide material.

	Crone Hill Project – Inferred Mineral Resources [1,2] December 31, 2014			
	Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au
oxide	0.21	42,044	0.62	834,000
sulphide	0.58	37,486	1.03	1,240,000
total	-	79,530	0.81	2,074,000

	Quartz Butte Project – Inferred Mineral Resources [1,2] December 31, 2014			
	Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au
oxide	0.21	22,104	0.65	463,000
sulphide	0.58	8,814	1.10	311,000
total	-	30,918	0.78	774,000

	Crone Hill+Quartz Butte Projects – Inferred Mineral Resources [1,2] December 31, 2014			
	Cut-off (g/t Au)	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au
oxide	0.21	64,148	0.63	1,297,000
sulphide	0.58	46,300	1.04	1.551,000
total	-	110,448	0.80	2,848,000

(1) Inferred resources for the Quartz Mountain Property are pit-constrained, using a $1,500 per ounce gold price and a $30 per ounce silver price, an average pit slope angle of 45°, estimated costs of $2.50/t mining, $3.00/t processing in oxide and $17.50/t processing in sulphide, and oxide recoveries of 65% for gold and 10% for silver, and sulphide recoveries of 80% for gold and 30% for silver.
(2) Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Qualified Person(s) Disclosure

The independent Qualified Person for the NI 43-101 compliant mineral resource estimate is Michael Lechner, P.Geo., from Resource Modeling Inc. Exploration programs at the Quartz Mountain Property are directed by Bruno Barde, P.Geo., B.Sc., M.Sc. Geology, Alamos' Regional Chief Geologist, U.S.A., a Qualified Person as defined by NI 43-101.

Outlook

The focus in 2015 for the Quartz Mountain Property will be to complete the first phase of drilling and continue work on permitting of future phases of drilling. This program will largely focus on infill and confirmatory drilling of the existing mineral resource in addition to a small regional reconnaissance program on the relatively unexplored land package around the Quartz Mountain Property deposit and adjacent properties. In 2015, the Company plans to complete a minimum of 4,800 meters of drilling.

In February 2015 Alamos Gold and the Weyerhauser Company entered into an Agreement regarding an Exploration Area in southeastern Oregon. Weyerhauser holds the mineral rights to this 11,819 hectare land package. The Agreement comprises two parts; a Mineral Lease Agreement and an Option to Lease Agreement. Over the first three years the total exploration costs for Alamos will be $1,125,000. Total costs over the same period will be $1,370,000.

DIVIDENDS

In the fiscal year ended December 31, 2014, the Company paid a total of $25.5 million in dividends to its shareholders. The Company has returned a total of $102 million in dividends and share buybacks to shareholders since initiating its dividend program in 2010.

Dividends	Year ended Dec 31, 2014	Year ended Dec 31, 2013	Year ended Dec 31, 2012
Declared and Paid	$25,471,000	$25,519,000	$24,023,000
Weighted Average number of common shares outstanding	127,388,000	127,340,000	119,861,000
Dividend per share	$0.20	$0.20	$0.20

Payment of any future dividends will be at the discretion of the Company's Board of Directors, after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs. Subject to the provisions of the BCBCA, the Board of Directors of the Company may declare dividends payable to the Company's shareholders according to their respective rights and interest in the Company. Dividends may be paid in money or property or by issuing fully paid common shares of the Company.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Company's authorized capital consists of one class of 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, 2014 and March 30, 2015, a total of 127,357,486 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 BCBCA. Provisions as to creation, modification, amendment or variation of such rights or such provisions are contained in the BCBCA.

Share Purchase Warrants

On August 30, 2013, the Company completed the acquisition of Esperanza. In conjunction with the acquisition, the Company issued an aggregate of 7.2 million share purchase warrants in total consideration for acquiring Esperanza. The share purchase warrants have a strike price of CAD$29.48 and a term of five years, expiring August 30, 2018.

MARKET FOR SECURITIES

The Company's common shares are listed on the TSX under the ticker symbol "AGI". On February 13, 2013, the Company common shares began trading on the NYSE also under the ticker symbol "AGI". In addition, the Company has 7.2 million share purchase warrants outstanding and traded on the TSX under the ticker symbol "AGI.WT".

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 the financial year ended December 31, 2014:

2014	Low ($CAD)	High ($CAD)	Volume
January	9.84	13.92	16,176,222
February	9.86	11.76	11,195,270
March	9.91	12.44	16,515,060
April	9.89	10.96	9,558,379
May	8.70	10.34	7,808,703
June	8.84	11.17	7,762,459
July	9.64	11.26	6,540,606
August	9.62	11.07	5,075,555
September	8.65	10.30	8,562,567
October	8.01	10.24	10,295,010
November	7.74	9.19	11,301,362
December	7.39	8.98	13,805,110

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 the financial year ended December 31, 2014:

2014	Low	High	Volume
January	8.87	12.78	9,018,671
February	8.91	10.71	7,290,741
March	8.98	11.23	9,790,368
April	8.97	10.02	6,115,448
May	8.00	9.42	5,111,584
June	8.10	10.35	6,298,973
July	8.85	10.55	5,727,812
August	8.81	10.14	5,213,782
September	7.79	9.51	8,417,171
October	7.10	9.07	10,243,462
November	6.82	8.14	12,644,605
December	6.34	7.85	36,510,438

The following table sets out the monthly low and high trading prices and the monthly volume of trading of the common share purchase warrants of the Company on the TSX for the financial year ended December 31, 2014:

2014	Low ($CAD)	High ($CAD)	Volume
January	0.95	1.75	985,060
February	0.91	1.20	332,220
March	0.96	1.32	130,380
April	0.83	1.04	87,810
May	0.68	0.95	90,120
June	0.72	1.06	87,810
July	0.68	1.02	201,840
August	0.67	0.80	139,180
September	0.46	0.76	175,080
October	0.44	0.75	212,860
November	0.38	0.55	141,320
December	0.27	0.54	407,470

PRIOR SALES

The following table summarizes the number and price at which stock options and common share purchase warrants were issued during the most recently completed financial year ending December 31, 2014. A total of 835,000 stock options were issued in 2014 at an average exercise price of CAD$ 9.17; 423,798 restricted share units at an average price of CAD$ 9.22, and 61,727 deferred share units at an average price of CAD$ 9.40:

Date	Type of Security	Price per Security (CAD$)	Number of Securities
20-Mar-14	Deferred Share Units	11.00	8,700
30-Apr-14	Restricted Share Units	10.25	3,684
30-Apr-14	Deferred Share Units	10.25	543
13-May-14	Restricted Share Units	9.60	5,200
28-May-14	Options	9.17	835,000
28-May-14	Restricted Share Units	9.17	405,723
28-May-14	Deferred Share Units	9.17	51,254
31-Oct-14	Restricted Share Units	8.41	9,191
31-Oct-14	Deferred Share Units	8.41	1,230

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
JOHN A. McCLUSKEY President, Chief Executive Officer and Director Ontario, Canada	Chief Executive Officer, President and Director of the Company.	Since February 21, 2003
PAUL MURPHY (2) (4) Chairman, Director Ontario, Canada	Chief Financial Officer and Executive Vice-President, Guyana Goldfields since April 2010 and Chief Financial Officer of GPM Metals Inc. since May 2012. Director of Continental Gold Ltd. Prior thereto, Partner and National Mining Leader, PricewaterhouseCoopers LLP from 2004 to April 2010 and Partner, PricewaterhouseCoopers LLP since 1981. Formerly a Director of Century Iron Mines Corporation.	Since February 19, 2009
KENNETH STOWE(3) (4) (5) Director Ontario, Canada	Director of HudBay Minerals since 2010 and Director of Zenyatta Ventures since August 2014. President, Chief Executive Officer and Director of Northgate Minerals from September 1999 to July 2011. Formerly a Director of Klondex Mines and Fire River Gold.	Since September 26, 2011
ANTHONY GARSON(2) (3) (5) Director Ontario, Canada	Consultant of several mining companies. Formerly a Director of Argex Titanium Inc., St. George's Platinum and Base Metals Inc. and Excalibur Resources Ltd.	Since June 7, 2010
DAVID GOWER (3) (5) Director Ontario, Canada	Principal, Gower Exploration Consulting Inc. President of Brazil Potash Corporation, which is a private company since 2009. Previously President and CEO of Castillian Resources Corporation from 2006-2010 and CEO of Apogee Silver 2007-2012. Director of Coastal Gold, Apogee Silver, Aguia Resources and Emerita Resources.	Since June 8, 2009
DAVID FLECK(2) (4) Director Ontario, Canada	Senior Vice President, Partner of Delaney Capital Management. President and Chief Executive Officer of Macquarie Capital Markets Canada from 2011-2013. President of Mapleridge Capital Corp from 2009-2011.	Since February 25, 2014
JAMES R. PORTER Chief Financial Officer Ontario, Canada	Chief Financial Officer ("CFO") of the Company from June 2011 to present. Vice-President of Finance of the Company from July 2008 to June 2011. Controller of the Company from October 2005 to July 2008.	N/A
MANLEY R. GUARDUCCI Chief Operating Officer British Columbia, Canada	Vice-President and Chief Operating Officer of the Company from May 2008 to present; Mine Manager of the Company from April 2007 to May 2008.	N/A
GREGORY FISHER Vice-President, Finance Ontario, Canada	Vice-President of Finance of the Company from June 2011 to present; Controller of the Company from April 2010 to June 2011. Prior thereto, Senior Manager, KPMG from September 2002 to March 2010.	N/A

NAME, POSITION PROVINCE OR STATE AND COUNTRY OF RESIDENCE(1)	PRINCIPAL OCCUPATIONS DURING THE PAST 5 YEARS(1)	TERM AS A DIRECTOR
CHARLES TARNOCAI Vice-President, Corporate Development British Columbia, Canada	Vice-President of Corporate Development of the Company from February 2013 to present. Prior thereto, Vice-President of Corporate Development and Exploration of the Company.	N/A
CHRISTINE BARWELL Vice-President, Human Resources Ontario, Canada	Vice-President of Human Resources of the Company from April 2010 to present. Prior thereto, Manager, International Assignments, Kinross Gold from September 2009 to April 2010, Senior Manager, Global Mobility, PricewaterhouseCoopers LLP from January 1999 to August 2009.	N/A
ANDREW CORMIER Vice-President, Development and Construction Ontario, Canada	Vice-President of Development and Construction of the Company since February 2013. Prior thereto, Project Manager of Aurico Gold Inc. and, prior to its acquisition by Aurico Gold Inc., Northgate Minerals Corporation.	N/A

(1) The information as to province or state of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors and executive officers individually.
(2) Denotes member of Audit Committee. Mr. Fleck is the chairman of this Committee.
(3) Denotes member of Compensation Committee. Mr. Gower is the chairman of this Committee.
(4) Denotes member of Corporate Governance Committee. Mr. Murphy is the chairman of this Committee.
(5) Denotes member of the Technical and Sustainability Committee. Mr. Stowe is the chairman 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 589,059 common shares, directly or indirectly, representing approximately 0.5% 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 entered into a compromise with its creditors after defaulting on its lending facility. Mr. Ken Stowe had ceased to be a director of that company in March of 2013.

Penalties or Sanctions

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

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

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

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

Conflicts of Interest

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

AUDIT COMMITTEE

Pursuant to the provisions of section 224 of the Business Corporations Act (British Columbia), 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 David Fleck (Chair), Paul Murphy, and Anthony Garson. Each member is financially literate and all members of the Audit Committee are independent directors.

Relevant Education and Experience

Mr. Fleck has more than 25 years of capital markets experience, including as former President and Chief Executive Officer of Macquarie Capital Markets Canada. Mr. Murphy is a Chartered Accountant and former Partner at a national accounting firm, PricewaterhouseCoopers LLP. Mr. Garson is a former equities analyst. In these positions, each member has been responsible for reviewing financial information and obtaining an understanding of the balance sheet, income statement and statement of cash flows and how these statements are integral in assessing the financial position of the company and its operating results. 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.

Reliance on Certain Exemptions

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

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

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

Reliance on Section 3.8

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

Audit Committee Oversight

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

Pre-approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services that require the auditors to submit to the committee a proposal for services to be provided and cost estimate for approval.

External Auditor Service Fees (By Category)

Fiscal Year End	Audit Fees	Audit Related Fees(1)	Tax Fees(2)	All Other Fees(3)
2014	$460,000	$-	$69,500	$22,300
2013	$545,750	$274,050	$82,000	$-

(1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
(2) Fees charged for tax compliance, tax advice and tax planning services.
(3) 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, 2011 (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 510 Burrard Street, Vancouver, British Columbia, V6C 3B9 and its Toronto affiliate is located at 66 Wellington Street West, Suite 5210, PO Box 240, TD Centre, Toronto, Ontario M5K 1J3.

LEGAL PROCEEDINGS

The Company submitted the final EIA for Kirazli in Q4 2012, and in August 2013, the Company received an EIA Positive Decision Certificate for Kirazli from the Ministry. In January 2014, the Court issued an injunction order to the Ministry regarding its approval of the EIA for the Company's Kirazli project, on the basis that it failed to assess the "cumulative impacts" of the Kirazli project in conjunction with other potential mining projects in the region. Given that there had not previously been any requirement to include such an assessment in such an EIA report, the Ministry formally challenged the Court's decision on this basis. In April 2014, the Court officially cancelled the Kirazli EIA. The Court's basis for the injunction does not relate to concerns with any technical aspect of the Kirazli project. The Ministry and the Company has appealed the Court decision before the High Court. In the interim, the Company has amended its EIA for the Kirazli project to include a CIA. The Ministry has reviewed the Kirazli CIA and has accepted it. The ministry has subsequently filed the CIA with the High Court in the appeal.

The Company submitted the final EIA for Ağı Dağı in March 2013, and in August 2014, the Company received an EIA Positive Decision Certificate for Ağı Dağı from the Ministry. In October 2014, the Court received a petition against the Ministry regarding its approval of the EIA for the Company's Ağı Dağı project. The 30 day period to file a petition against a positive EIA decision had lapsed at the time of the submission. The Ministry and the Company are defending the Ağı Dağı EIA certificate.

The Company continues to monitor the progress of the court cases and is prepared to submit the forestry and operating permit applications once the positive rulings are received.

As at March 30, 2015, there are no material legal proceedings to which the Company is a party.

MATERIAL CONTRACTS

In December 2013, the Company entered into a mining services agreement with Grupo Desarrollo Infraestructura S.A de C.V ("GDI"), expiring in December 2020, pursuant to which GDI will perform essentially all of the open-pit mining operations at the Mulatos Mine, at a cost of approximately $210 million over the term of the contract (based on current pricing). The contract includes a cost escalation formula every six months based on standard indices. Otherwise, except for contracts entered into in the ordinary course of business or as described in this AIF, the Company has not entered into any other material contracts during the most recently completed financial year.

INTERESTS OF EXPERTS

The Company's independent auditor, Ernst & Young LLP, prepared an audit report with respect to the Company's financial statements for the years ended December 31, 2014 and 2013. Ernst & Young LLP also prepared an audit report with respect to the Company's internal control over financial reporting as at December 31, 2014. Ernst & Young LLP, has advised the Company that it is independent of the Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario and has complied with the SEC's rules on auditor independence.

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 information circular dated April 25, 2014 for its Annual and General meeting of shareholders which was held on May 28, 2014.

SCHEDULE "A"

ALAMOS GOLD INC.

AUDIT COMMITTEE CHARTER

Organization

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.

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) risk management;

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

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

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

Composition

The Committee shall be composed of at least three directors of the Company (the "Members"), each of whom is (i) "independent" as defined in National Instrument 52-110 *Audit Committees* or any successor policy; (ii) "independent" as defined in Rule 10A-3 under the U.S. Securities Exchange Act of 1934, as amended; and (iii) "independent" in accordance with applicable provisions of the New York Stock Exchange Listed Company Manual.

All Members shall be "financially literate" as defined in National Instrument 52-110 *Audit Committees* or any successor policy.

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.

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

The Members shall appoint, from among their number, a secretary of the Committee (the "Secretary").

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.

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:

1. 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.

2. 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.

3. At least annually, obtain and review a report by the independent auditors describing:

    (a) The firm's internal quality control procedures.

    (b) Any material issues raised by the most recent internal quality 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.

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

4. 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.

5. 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.

6. 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).

7. 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. 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.

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

1. 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.

2. 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.

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

4. 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. The chair of the Committee may represent the entire Committee for the purposes of this review.

5. 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.

6. 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:

   (a) the contents of their report;

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

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

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

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

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

7. Establish procedures for the review of the public disclosure of financial information extracted from the financial statements of the Company.

8. 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

9. 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.

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

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

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.

Unless waived by all Members, a notice of each meeting of the Committee confirming the date, time, place, and agenda of the meeting, together with any supporting materials, shall be forwarded to each Member and the independent auditors of the Company at least three days before the date of the meeting.

The independent auditors of the Company are entitled to attend and be heard at every meeting of the Committee at the expense of the Company.

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 alone to facilitate full communication.

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.

Responsibilities of Chair

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

The Chair of the Committee is responsible for managing the Committee, including:

(a) chairing all meetings of the Committee in a manner that promotes meaningful discussion;

(b) preparing or providing direction to management to prepare an appropriate agenda for Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;

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

(d) ensuring meetings are appropriate in terms of frequency, length and content.

This Charter amends, restates, replaces and supersedes the Audit Committee Charter of the Company adopted by the Board on April 28, 2003.

Adopted by the Board of the Company effective December 9, 2008 as amended on January 9, 2013.



ALAMOS GOLD INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(All amounts are expressed in United States dollars, unless otherwise stated)

This management's discussion and analysis ("MD&A") of the operating results and financial position of Alamos Gold Inc. and its subsidiaries (the "Company") is for the year ended December 31, 2014 compared to the year ended December 31, 2013. Together with the consolidated financial statements and related notes, the MD&A provides a detailed account and analysis of the Company's financial and operating performance for the period. The Company's functional and presentation currency is the United States dollar. This MD&A is current to February 17, 2015 and should be read in conjunction with the Company's Annual Information Form and other public filings available at the System for Electronic Document Analysis and Retrieval—www.sedar.com ("SEDAR") and at the Electronic Data Gathering, Analysis, and Retrieval—www.sec.gov ("EDGAR"). Management is responsible for the condensed interim consolidated financial statements referred to in this MD&A, and provides officers disclosure certifications filed with the U.S. Securities and Exchange Commission ("SEC") and Canadian provincial securities commissions. The Audit Committee reviews the condensed interim consolidated financial statements and MD&A, and recommends approval to the Company's Board of Directors.

The MD&A should be read in conjunction with the condensed interim consolidated financial statements of the Company and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Refer to Note 3 of the December 31, 2014 consolidated financial statements for disclosure of the Company's significant accounting policies, which outlines matters we consider important for an understanding of our financial condition and results of operations as at, and for the year ending December 31, 2014.

Note to U.S. Investors

All references to mineral reserves and resources contained in this MD&A are determined in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101") of the Canadian Securities Administrators ("CSA") and Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") standards. While the terms "mineral resource," "measured mineral resource," "indicated mineral resource," and "inferred mineral resource" are recognized and required by Canadian regulations, they are not defined terms under SEC standards. As such, information contained in this MD&A concerning descriptions of mineralization and resources under Canadian standards may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC. "Indicated mineral resource" and "inferred mineral resource" have a great amount of uncertainty as to their existence and economic and legal feasibility. It cannot be assumed that all or any 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 the mineral deposits in these categories will ever be converted into proven and probable reserves.

Overview

Alamos Gold Inc. is a publicly-traded company on the Toronto Stock Exchange (TSX: AGI) and New York Stock Exchange (NYSE: AGI). The Company owns and operates the Mulatos mine ("Mulatos" or the "Mine") located in the state of Sonora in northwest Mexico, as well as the Ağı Dağı, Kirazlı and Çamyurt gold development projects, located in the Biga Peninsula of northwestern Turkey. In 2013, the Company acquired the Esperanza Gold Project in Mexico, and the Quartz Mountain Property in Oregon, U.S.A.

Mulatos (Mexico – producing)

The Mulatos mine is located within the 30,536 hectare Salamandra group of concessions in the state of Sonora in northwest Mexico. The Mulatos mine achieved commercial production in 2006 as an open pit, heap leach mining operation and has produced approximately 1.3 million ounces of gold to-date.

Based on December 31, 2013 proven and probable mineral reserves of 54.8 million tonnes grading 1.15 grams of gold per tonne of ore ("g/t Au") for 2.0 million contained ounces of gold, the Mulatos mine had a remaining life of approximately eight years. In 2014, the Mulatos mine transitioned from open pit to both open pit and underground mining in order to access higher grade mineral reserves.

Esperanza (Mexico – development stage)

In 2013, the Company acquired the Esperanza Gold Project located in Morelos State, Mexico. The Esperanza Gold Project has measured and indicated mineral resources (reported at a 0.4 g/t Au cut-off) at December 31, 2013 of 46.7 million tonnes grading 0.82 g/t Au and 7.1 g/t Ag for approximately 1.2 million ounces of gold and 10.6 million ounces of silver.

In September 2011, the previous owners completed a Preliminary Economic Assessment ("PEA") on the Esperanza Gold Project outlining an initial six-year mine life with expected total production of 0.6 million ounces of gold at an average rate of 103,000 ounces per year at total cash operating costs of $499 per ounce (net of by-product credits). Applying a gold price assumption of $1,150 per ounce, the September 2011 PEA indicated that the Esperanza Gold Project has an after-tax internal rate of return of 26% and an after-tax 5% net present value of $122 million.

Ağı Dağı, Kirazlı and Çamyurt (Turkey – development stage)

In early 2010, the Company acquired the 8,317 hectare Ağ ı Dağı and Kirazlı gold development projects in Turkey, which contain established mineral resources and several highly prospective exploration targets. In June 2012, the Company published a positive preliminary feasibility study for the Ağı Dağı and Kirazlı projects, showing total life of mine production of 1.5 million ounces of gold and 4.9 million ounces of silver, at an average rate of 166,000 ounces of gold per year and cash operating costs of $544 per ounce (net of by-product credits) over a nine-year mine life. In addition, in 2011 the Company discovered the Çamyurt project located approximately three kilometres ("km") southeast of Ağı Dağı.

Measured and Indicated mineral resources at Ağ ı Dağı, Kirazlı and Çamyurt (reported at a 0.2 g/t Au cut-off) at December 31, 2013 total 139.9 million tonnes grading 0.65 g/t Au and 5.36 g/t silver ("Ag") for approximately 2.9 million ounces of gold and 24.1 million ounces of silver. Inferred mineral resources total an additional 23.9 million tonnes grading 0.52 g/t Au and 4.56 g/t Ag, for 0.4 million contained ounces of gold and 3.5 million contained ounces of silver.

Quartz Mountain (U.S.A. – exploration stage)

On September 13, 2013, the Company completed the acquisition of Orsa Ventures Corporation ("Orsa"), a junior exploration company focused on advancing its precious metal properties located in the Western United States. By acquiring Orsa, the Company obtained the right to earn a 100% interest in the Quartz Mountain Property in Oregon as well as other assets in Oregon and Nevada. The Quartz Mountain Property is located on the northern extension of the prolific Basin and Range Province of Nevada, and has an Inferred mineral resource (reported at a 0.21 g/t Au cut-off (oxide) and 0.58 g/t Au cut-off (sulphide)) at December 31, 2013 of 110.4 million tonnes grading 0.80 g/t Au for 2.85 million ounces of gold.

Fourth Quarter and Full Year 2014 Highlights

	Q4 2014	Q4 2013	YTD 2014	YTD 2013
Ounces produced	42,500	39,000	140,500	190,000
Ounces sold	38,400	42,198	134,600	198,198
Operating Revenues (000)	$ 46,062	$ 53,831	$ 169,938	$282,187
(Loss) Earnings before income taxes (000)	($ 3,203)	$ 6,627	$ 2,339	$ 79,504
(Loss) Earnings (000)	($ 3,367)	($ 5,274)	($ 2,126)	$ 38,792
(Loss) Earnings per share (basic)	($ 0.03)	($ 0.04)	($ 0.02)	$ 0.30
Cash flow from operating activities before changes in non-cash working capital (000)	$ 11,820	$ 12,737	$ 50,876	$113,279
Cash flow from operating activities (000)	$ 15,820	$ 15,086	$ 32,757	$ 86,627
Cash and short-term investments (000) (2)			$ 358,085	$417,455
Realized gold price per ounce	$ 1,200	$ 1,276	$ 1,263	$ 1,424
Average London PM Fix gold price per ounce	$ 1,201	$ 1,276	$ 1,266	$ 1,411
Total cash cost per ounce (1)	$ 748	$ 624	$ 703	$ 496
All-in sustaining cost per ounce (1)	$ 996	$ 921	$ 1,022	$ 772
All-in cost per ounce (1)	$ 1,309	$ 1,215	$ 1,311	$ 967

(1) "Total cash cost per ounce", "All-in sustaining cost per ounce" and "All-in cost per ounce" are non-GAAP measures. Refer to the "Cautionary non-GAAP Measures and Additional GAAP Measures" disclosure at the end of this MD&A for a description and calculation of these measures.

(2) Cash and short-term investments are shown as at December 31, 2014 and December 31, 2013.

Fourth Quarter 2014

Financial Performance

- Sold 38,400 ounces of gold at an average realized gold price of $1,200 per ounce for quarterly revenues of $46.1 million
- Reported strong operating cash flow, with cash from operating activities before changes in non-cash working capital of $11.8 million ($0.09 per share), and $15.8 million ($0.12 per share) after changes in non-cash working capital
- Realized a quarterly loss of $3.4 million ($0.03 per share) compared to loss of $5.3 million ($0.04 per share) in the fourth quarter of 2013. The loss was driven by a $2.7

million non-cash charge related to available-for-sale securities, and a $2.7 million unrealized foreign exchange loss

- Reported cash and cash equivalents and short-term investments of $358.1 million as at December 31, 2014

Operational Performance

- Produced 42,500 ounces of gold at a total cash cost of $748 per ounce of gold sold, and at an all-in sustaining cost of $996 per ounce of gold sold, in line with the Company's annual guidance
- Achieved record average quarterly crusher throughput of 18,300 tonnes per day ("tpd") in the fourth quarter, above the annual budgeted rate of 17,700 tpd
- Mined and stacked ore on the leach pad grading 0.90 g/t Au, 6% above annual budgeted grades, resulting in 47,700 contained ounces stacked on the leach pad in the fourth quarter
- Continued development and mining activities at San Carlos and commenced processing of high grade ore through the modified mill circuit. Grades milled averaged 8.02 g/t Au during the quarter, above the average reserve grade for the underground San Carlos deposit

Full Year 2014

Financial Performance:

- Sold 134,600 ounces of gold at an average realized price of $1,263 per ounce for revenues of $169.9 million
- Realized a loss of $2.1 million ($0.02 per share) compared to earnings of $38.8 million ($0.30 per share) in 2013. Full-year earnings were impacted by a $4.7 million ($0.04 per share) foreign exchange loss, in addition to a $2.7 million ($0.02 per share) non-cash charge related to available-for-sale securities
- Generated cash from operating activities before changes in non-cash working capital of $50.9 million ($0.40 per basic share) compared to $113.3 million ($0.89 per basic share) in 2013
- Paid a total of $25.5 million in dividends to shareholders ($0.20 per basic share) and $3.2 million to buy back 351,502 shares pursuant to a normal course issuer bid. The Company has returned a total of $102 million in dividends and share buybacks to shareholders over the past four years

Operational Performance:

- Produced 140,500 ounces of gold at total cash costs (including royalties) of $703 per ounce of gold sold, at the low end of the Company's full year guidance range of $700 to $740 per ounce
- Achieved average crusher throughput of 17,200 tpd, below the Company's annual guidance of 17,700 tpd, due to lower mill throughput in 2014
- Mined and stacked ore on the leach pad grading 0.98 g/t Au for the year, 15% above annual budgeted grades
- Commenced underground development and mining at San Carlos, and completed upgrades to the mill circuit
- Commenced development of the El Victor and San Carlos open pits which are expected to provide approximately 25% of open pit material in 2015

- Executed agreements to acquire the surface rights to the La Yaqui and Cerro Pelon satellite deposits
- Entered into agreements to acquire water concessions sufficient for all future mining activities at the Esperanza Gold Project, representing a significant milestone towards preparation of the project permit applications

Subsequent to year-end:

- Released 2015 production guidance of 150,000 to 170,000 ounces of gold at total cash costs of $865 per ounce and all-in sustaining costs of $1,100 per ounce
- Commenced exploration drilling at the La Yaqui satellite deposit

Results of Operations

Gold production of 140,500 ounces in 2014 decreased 26% compared to 190,000 ounces in 2013. The table below outlines key production indicators for each quarter of 2014 and for the full year 2013.

Production summary	Q1 2014	Q2 2014	Q3 2014	Q4 2014	YTD 2014	YTD 2013
Ounces produced (1)	37,000	33,000	28,000	42,500	140,500	190,000
Crushed ore stacked on leach pad (tonnes) (2)	1,483,500	1,580,200	1,495,000	1,647,000	6,205,700	6,329,000
Grade (g/t Au)	1.03	0.93	1.08	0.90	0.98	1.07
Contained ounces stacked	49,100	47,300	51,900	47,700	196,000	218,500
Crushed ore milled (tonnes)	30,100	6,800	12,500	39,300	88,700	189,300
Grade (g/t Au)	3.28	8.65	8.47	8.02	6.52	6.84
Contained ounces milled	3,200	1,900	3,400	10,100	18,600	41,600
Ratio of total ounces produced to contained ounces stacked and milled	71%	67%	51%	74%	65%	73%
Total ore mined (tonnes) (3)	1,748,000	2,105,000	1,713,000	1,730,000	7,296,000	7,029,000
Waste mined (tonnes)	950,000	1,580,000	1,004,000	1,054,000	4,588,000	3,385,000
Total mined (tonnes)	2,698,000	3,685,000	2,717,000	2,784,000	11,884,000	10,414,000
Waste-to-ore ratio	0.54	0.75	0.59	0.61	0.63	0.48
Ore crushed per day (tonnes) – combined	16,800	17,400	16,400	18,300	17,200	17,900

(1) Reported gold production for Q4 2014 and YTD 2014 is subject to final refinery settlement and may be adjusted.
(2) Excludes mill tailings stacked on the heap leach pad during the period.
(3) Includes ore stockpiled during the period.

In the fourth quarter of 2014, the Mulatos mine ("Mulatos") produced 42,500 ounces of gold, bringing full year production to 140,500 ounces. Open pit, heap leach operations at Mulatos continue to meet expectations and remain the driver of the operation contributing strong production in the fourth quarter, and over 90% of production in 2014. Grades stacked were above budget for both the quarter and full year and helped offset lower than planned mill production.

Gold production for the 2014 year declined 26% from 2013 levels primarily due to lower mill throughput as the Company transitioned through three distinct sources of high grade mill feed. In the first quarter of 2014, the Company experienced a negative grade reconciliation from the Escondida high grade open pit. In the second and third quarters of the year, the Company mined the underground Escondida Deep deposit and processed less tonnes at lower grades than budgeted. In the fourth quarter of the year, mill throughput was lower than anticipated as mill upgrades were undertaken. The components required to upgrade the mill were received and installed in mid-November and the mill operated at targeted throughput rates through the end of December; however, recoveries were below expectations of 75%. Two factors have contributed to the lower recoveries: the current grind size of the San Carlos ore is larger than required to achieve design recoveries, and concentrate processing has been limited by capacity constraints at the intensive leach reactor ("ILR"). To address grind size, the Company will install a vertical grinding mill to complement the existing circuit. The Company expects that the new grinding mill will be installed and operational by the end of the second quarter, at a capital cost of approximately $1 million. Additionally, a second ILR is expected to be installed and operational by the end of March to alleviate the bottleneck in concentrate processing capacity. The current mill configuration is achieving recoveries of approximately 60%, with recoveries expected to improve to 75% with the installation of the vertical grinding mill.

Development of the San Carlos high grade underground deposit continued to be a primary focus during the fourth quarter. The Company advanced approximately 267 metres during the fourth quarter, with total development to date of 950 metres. The Company has developed three primary headings and commenced mining the first stope in the fourth quarter of 2014.

Total crusher throughput in the fourth quarter of 2014 averaged a record for Mulatos of 18,300 tpd, above the annual budgeted rate of 17,700 tpd. For the full year 2014, crusher throughput averaged 17,200 tpd. During the fourth quarter of 2014, mill throughput averaged 430 tpd. Mill throughput was below expectations in the fourth quarter reflecting the above mentioned delays in the receipt of certain critical components and slower than anticipated commissioning.

The recovery ratio in the fourth quarter was 74% and averaged 65% for 2014. This was below the Company's annual budget of 75% reflecting a lower than budgeted contribution of higher recovery mill production and lower than expected recoveries from the mill and leach pad in the fourth quarter. While the recovery ratio from the leach pad rebounded in the fourth quarter, it was lower than anticipated as the Company was unable to recover all of the deferred production from the third quarter by the end of 2014. As a result, some of the deferred production will be recovered in the first quarter of 2015 as solution inventory is drawn down to normal levels.

Operating Costs

The following table compares costs per tonne for each quarter of 2014 and the full 2014 and 2013 years:

Costs per tonne summary[2]	Q1 2014	Q2 2014	Q3 2014	Q4 2014	YTD 2014	YTD 2013
Mining cost per tonne of material (ore and waste)	$ 2.75	$ 3.29	$ 3.70	$ 4.35	$ 3.51	$ 2.37
Waste-to-ore ratio	0.54	0.75	0.59	0.61	0.63	0.48
Mining cost per tonne of ore	$ 4.25	$ 5.75	$ 5.87	$ 7.00	$ 5.72	$ 3.51
Crushing/conveying cost per tonne of ore	$ 2.55	$ 2.46	$ 2.67	$ 2.14	$ 2.45	$ 2.30
Processing cost per tonne of ore	$ 4.93	$ 4.39	$ 5.54	$ 5.90	$ 5.20	$ 4.55
Mine administration cost per tonne of ore	$ 2.40	$ 2.46	$ 3.11	$ 2.95	$ 2.73	$ 2.33
Total cost per tonne of ore [1]	$14.13	$15.06	$17.19	$17.99	$16.10	$12.69

(1) Cost per tonne reflects total costs related to crushed ore stacked on the leach pad and crushed ore milled on a blended basis.
(2) Refer to "Cautionary non-GAAP Measures and Additional GAAP Measures" disclosure at the end of this MD&A for a description and calculation of certain measures presented in this table.

Total cost per tonne of ore in the fourth quarter of 2014 of $17.99 increased significantly compared to the same period of 2013 as a result of higher mining and processing costs. Total cost per tonne of ore for the full-year 2014 of $16.10 increased 27% compared to 2013, resulting from higher mining and processing costs and a 31% increase in the waste-to-ore ratio.

Mining cost per tonne of material was $4.35 in the fourth quarter of 2014, and $3.51 for the full year 2014, a 48% increase compared to the full year 2013. Mining costs increased primarily as a result of the inclusion of higher cost per tonne underground mining costs and the transition from owner-operated to contractor mining, which results in contractor equipment depreciation costs being included in cash costs. Additionally, key input costs such as diesel and wages increased 8% year over year. In 2015, the Company anticipates mining cost per tonne of material to be consistent with costs experienced in the fourth quarter of 2014.

Mining cost per tonne of ore was $7.00 in the fourth quarter of 2014, and $5.72 for the full-year 2014, a 63% increase compared to $3.51 per tonne in 2013. This was attributable to the factors outlined above, in addition to a 31% increase in the waste-to-ore in 2014. Mining cost per tonne of ore is expected to increase in 2015 as the waste-to-ore ratio is expected to approximately double from 0.63 to 1.27 based on the block model.

Crushing and conveying cost per tonne of ore was $2.14 in the fourth quarter of 2014, and $2.45 for the full year 2014, an increase of 7% compared to 2013. Crushing and conveying costs increased in 2014 due to higher diesel prices and lower throughput, but were at their lowest levels in the fourth quarter as the Company was able to increase throughput to over 18,000 tonnes per day lowering the impact of fixed costs on a per-tonne basis. The Company anticipates crushing and conveying cost per tonne for 2015 to be consistent with 2014 levels.

Processing costs per tonne of ore were $5.90 in the fourth quarter of 2014, and $5.20 for the full year 2014, a 14% increase. Processing costs were higher in 2014 relative to 2013, particularly in the second half of the year, as a result of higher input costs. The Company increased consumption of cyanide in the second half of the year to mitigate dilution of gold-bearing solution caused by the third quarter rainy season. In addition, silver by-product credits were lower in 2014 than in the prior year as a result of lower silver prices. The Company anticipates processing cost per tonne for 2015 to be consistent with 2014 levels.

Mine administration costs per tonne of ore in 2014 were $2.73, higher than 2013 as lower throughput has the effect of increasing fixed costs on a per tonne basis. The Company anticipates mine administration cost per tonne for 2015 to be consistent with 2014 levels.

Cash operating costs of $639 per ounce of gold sold in 2014 were at the low end of the Company's annual guidance range of $630 to $670 per ounce, and 50% higher than $426 per ounce reported in 2013. This increase is attributable to lower grades stacked on the leach pad, a higher cost per tonne of ore mined, as well as a lower proportion of high grade mill production which has a lower cost profile than open pit heap leach production.

Cash operating costs include total costs incurred in the period, in addition to inventory adjustments that recognize the allocation of costs to and from the Company's in-process leach pad gold inventory in the period. The Company utilizes a gold process flow inventory model that allocates total costs incurred to mill processing or to the recoverable ounces stacked on the leach pad in that period, and charges each ounce of gold produced on an average cost basis. Accordingly, cash operating costs reflect not only the cash spent in a period, but also an adjustment to reflect the increase or decrease in the leach pad inventory.

A reconciliation of total costs to cash operating costs is presented below:

Cash operating cost reconciliation [1]	**2014**	**2013**
Total cost per tonne of ore	$ 16.10	$ 12.69
Ore stacked/milled (tonnes)	6,294,400	6,518,300
Total cost	$ 101,340,000	$ 82,717,000
Inventory adjustments to reflect ounces allocated to stockpile inventory	($ 3,165,000)	($ 1,446,000)
Inventory adjustments to reflect additional ounces produced from (allocated to) leach pad inventory and other period costs	($ 12,233,000)	$ 3,250,000
Mining and processing costs allocated to ounces sold	$ 85,942,000	$ 84,521,000
Ounces sold	134,600	198,198
Cash operating cost per ounce sold	$ 639	$ 426

(1) Refer to "Cautionary non-GAAP Measures and Additional GAAP Measures" disclosure at the end of this MD&A for a description and calculation of certain measures presented in this table.

In 2014, the Company increased the number of ounces in leach pad inventory, as the number of estimated recoverable ounces stacked on the leach pad was higher than ounces produced in the year. Leach pad inventory, which incorporates both cash operating costs and amortization, increased to $27.1 million at December 31, 2014 from $13.1 million at December 31, 2013, reflecting higher costs and amortization per ounce in inventory.

Investments in Mineral Property, Plant and Equipment and Acquisitions

A summary of the cash invested in operating capital and development activities for the period ended December 31, 2014 are presented below:

	YTD 2014 ($000)
Sustaining Capital – Mulatos	
Construction	3,308
Interlift liners, ponds, and leach pad	7,241
Agglomerators	1,504
Component changes	2,486
Other	2,541
	17,080
Development – Mulatos	
San Carlos/Victor	10,875
Escondida Deep	1,418
San Carlos bridge	3,263
Capitalized exploration	10,842
Land acquisitions	3,203
Other	5,174
	34,775
Development – Esperanza	
Development, capitalized exploration, and equipment	4,054
Development – Turkey	
Development, capitalized exploration, and equipment	1,729
Head office – Toronto	
IT infrastructure, software and furniture	447
Cash invested in mineral property, plant and equipment and exploration and evaluation assets	**$58,085**

Sustaining Capital—Mexico

Sustaining capital in Mexico in 2014 included $7.2 million on leach pad interlift liners and expansion of the ponds, $3.3 million of construction spending, $2.5 million for component changes, and $1.5 million on replacing the agglomerators. Sustaining capital of $17.1 million for the year was higher than the Company's guidance of $13.2 million as a result of additional spending on the leach pad and agglomerators designed to benefit future mine operations. The Company expects 2015 sustaining capital to decrease to approximately $12.5 million.

Development – Mexico

Development activities in Mexico in 2014 were focused on underground development of the San Carlos deposit, waste removal at El Victor, and modifications to the mill circuit. In addition, construction of the bridge over the Mulatos River was completed before the onset of the rainy season in July, allowing for year-round access to San Carlos.

Other significant development spending in 2014 included $10.9 million in capitalized exploration focused on San Carlos and Puerto del Aire. In addition, the Company invested $4.1 million at the Esperanza Gold Project advancing the EIA baseline study work. Capital expenditures in Turkey and Toronto were minimal in 2014.

Development spending at Mulatos in 2015 will be focused on further underground development of San Carlos, pre-stripping of the El Victor and San Carlos open pits and exploration and development of the Cerro Pelon and La Yaqui satellite deposits. Development spending at

Esperanza in 2015 of approximately $9.8 million (which includes $2.0 million of exploration spending) will be focused on ongoing baseline work required for the resubmission of an EIA report and an internal feasibility study to further support development of the project.

Development – Turkey

The Ağı Dağı and Kirazlı gold projects are located on the Biga Peninsula of northwestern Turkey. Ağ ı Dağı is located approximately 50 km southeast of Çanakkale and Kirazlı is located approximately 25 km northwest of Ağ ı Dağı . Çanakkale is the largest centre on the Biga Peninsula with a population of approximately 97,000. Infrastructure in close proximity to the project is excellent and well-serviced with paved roads, transmission lines, and electricity generating facilities.

In June 2012, the Company published a preliminary feasibility study summary of the Ağ ı Dağı and Kirazlı projects, with annual combined gold production expected to peak at 237,000 ounces, and averaging 166,000 ounces per year over the nine year combined mine life. For further information with respect to the preliminary feasibility study, refer to the related technical report available at the Company's website at www.alamosgold.com and on www.sedar.com under the Company's profile. In conjunction with the preliminary feasibility study, the Company reported an initial inferred mineral resource estimate at Çamyurt of 640,000 ounces. The potential inclusion of the Çamyurt resource in a combined development scenario is expected to significantly enhance the overall economics of the Company's Turkish projects.

In 2014, total development expenditures in Turkey were $1.7 million which was capitalized. Given the delay in receipt of key permits, the Company reduced its headcount early in 2014 and curtailed spending in Turkey.

The Company is awaiting a ruling from the Turkish High Administrative Court on the Ministry of Environment and Urbanization (the "Ministry") and the Company's appeal of the Çanakkale Administrative Court's cancellation of the Ministry's EIA approval in relation to the Kirazlı main project due to the lack of cumulative impact assessment ("CIA"). The appeal decision remains pending, but is expected to be finalized within two to three months. In order to address the CIA requirements and concerns of the Court, the Company has prepared and submitted a CIA assessment for the Kirazlı project, which has been approved by the Ministry and submitted to the High Court.

In January 2015, the Çanakkale Administrative Court in Turkey granted an injunction order against the Ministry's approval of the EIA for the Company's Ağı Dağı project. Similar to Kirazl ı, the basis for the injunction related to a lack of a CIA. The Ministry is expected to defend any challenges against its approval of the EIA. In parallel, the Company has completed a CIA for Ağı Dağı which has been submitted to the Ministry. With development of Kirazlı planned first, the Company does not expect the injunction to impact the development timeline for Ağ ı Dağı.

Obtaining forestry and operating permits are the next steps in the permitting process. The Company remains confident that these permits will be granted. However, legal challenges have increased uncertainty of the expected timing for receipt of these permits. A full development budget for Kirazlı and Ağı Dağı will be re-initiated once the required permits are received. The capital spending budget for these projects is not expected to differ materially from the June 2012 preliminary feasibility study. The Company is however in the process of evaluating the impact of updated capital costs, the recently approved new mining law, forestry fee increases, tax incentive availability changes and the devaluation of the Turkish Lira on the operating costs and overall economics of its projects. The Company expects first gold production from Kirazlı within 18 months of receipt of the outstanding permits.

Exploration Summary

Total exploration expenditures in 2014 were $21.2 million primarily focused at Mulatos where exploration spending totaled $15.7 million. This included $10.9 million of drilling at San Carlos and Puerta del Aire which were capitalized. An additional $4.9 million spent at East Estrella, Escondida Deep, Realito and administration costs were expensed.

Exploration—Mulatos

In 2014, exploration focused mainly on areas immediately adjacent to active mining. Three types of drilling were undertaken; tightly-spaced infill drilling to support underground mining, mineral reserve and resource drilling, and exploration drilling. Up to nine drill rigs, including two underground drill rigs were active at Mulatos during the year.

San Carlos

San Carlos remained the highest priority for exploration with approximately 16,484 metres ("m") drilled during the fourth quarter and a total of 48,956m drilled during 2014. Approximately 40% of this meterage was tight-infill drilling to support underground mining operations and planning. The remainder was drilled as part of the ongoing exploration program to upgrade existing mineral resources and to extend the strike and dip of existing mineral resources.

Escondida Deep—Gap

During the year, 5,457m of tight-infill drilling was undertaken at Escondida Deep to assist with underground mining operations. Approximately 7,300m of Exploration drilling was also undertaken in the Escondida Deep—Gap zone with the objective of defining additional high-grade mineralization.

Puerto del Aire

Drilling at Puerto del Aire was designed to upgrade inferred mineral resources immediately adjacent to the pit and to test the presence of a high-grade zone of mineralization in the north-eastern section of the deposit. A total of 9,977m was drilled during 2014. Logging, sampling and analysis has indicated the presence of at least one high-grade breccia unit in this section of the deposit. Further analysis and modelling of the zone is underway and a follow-up drill program is planned for 2015.

East Estrella

A total of 4,454m was drilled at East Estrella during the year with the objective of extending and upgrading existing mineral resources.

Exploration—Esperanza

The Company capitalized $4.1 million at the Esperanza Gold Project in 2014. These development costs were primarily related to the collection of baseline study data to support resubmission of the EIA. The Company is currently completing preparatory work for a planned geotechnical and exploration drill program in the first half of 2015.

In addition, the Company has now acquired water concessions sufficient for all future mining activities at the Esperanza Gold Project.

Exploration – Quartz Mountain

In 2014, the Company invested $1.1 million at the Quartz Mountain project, which was expensed. The expanded 8,000m drill program commenced in the fourth quarter of 2014 and is expected to continue to mid-year 2015. Drilling has the dual objective of validating the existing resource and testing the new geological model.

Financial Highlights

A summary of the Company's financial results for the years ended December 31, 2014, 2013 and 2012 is presented below:

	Q4 2014	Q4 2013	YTD 2014	YTD 2013	YTD 2012
Cash provided by operating activities before changes in non-cash working capital (000)[1] [2]	$ 11,820	$ 12,730	$ 50,876	$ 113,279	$ 178,534
Changes in non-cash working capital	$ 4,000	$ 2,357	($18,119)	($26,652)	$ 4,890
Cash provided by operating activities (000)	$ 15,820	$ 15,087	$ 32,757	$ 86,627	$ 183,424
(Loss) Earnings before income taxes (000)	($3,203)	$ 6,627	$ 2,339	$ 79,504	$ 166,925
(Loss) Earnings (000)	($3,367)	($5,274)	($2,126)	$ 38,792	$ 117,956
(Loss) Earnings per share					
- basic	($0.03)	($0.04)	($0.02)	$ 0.30	$ 0.98
- diluted	($0.03)	($0.04)	($0.02)	$ 0.30	$ 0.98
Comprehensive income (000)	($1,909)	($6,078)	($1,874)	$ 38,763	$ 117,972
Weighted average number of common shares outstanding					
- basic	127,357,000	127,709,000	127,388,000	127,340,000	119,861,000
- diluted	127,357,000	127,757,000	127,389,000	127,480,000	120,904,000
Assets (000) [3]			$ 879,511	$ 898,028	$ 753,856

(1) A non-GAAP measure calculated as cash provided by operating activities as presented on the consolidated statements of cash flows and adding back changes in non-cash working capital.
(2) Refer to "Cautionary non-GAAP Measures and Additional GAAP Measures" disclosure at the end of this MD&A for a description and calculation of this measure.
(3) Assets are shown as at December 31, 2014, December 31, 2013 and December 31, 2012.

The Company's operating margins in the fourth quarter of 2014 were negatively impacted by a weaker gold price. The Company generated $11.8 million ($0.09 per share) cash from operating activities (before changes in non-cash working capital). Cash provided by operating activities of $15.8 million in the fourth quarter increased slightly relative to the same period of 2013 as a result of lower corporate administration and exploration costs, offset by lower gold prices. For the full year 2014, cash provided by operating activities decreased significantly due to lower production and a weaker gold price environment.

Earnings before income taxes of $2.3 million or $0.02 per share for the year compared to earnings of $79.5 million or $0.62 per basic share in 2013. On an after-tax basis, the Company recorded a loss in 2014 of $2.1 million or $0.02 per share compared to earnings of $38.8 million in 2013 as a result of lower gold sales and higher cash operating costs.

Gold Sales

Details of gold sales are presented below:

	Q4 2014	Q4 2013	YTD 2014	YTD 2013
Gold sales (ounces)	38,400	42,198	134,600	198,198
Operating revenues (000)	$46,062	$53,832	$169,938	$282,187
Realized gold price per ounce	$ 1,200	$ 1,276	$ 1,263	$ 1,424
Average gold price for period (London PM Fix)	$ 1,201	$ 1,276	$ 1,266	$ 1,411

Operating revenues in the fourth quarter of 2014 of $46.1 million decreased 14% compared to $53.8 million in the fourth quarter of 2013 as a result of a 9% decrease in the number of ounces of gold sold and a 6% decline in the realized gold price per ounce. On a year-to-date basis, operating revenues decreased 40% in 2014 compared to 2013 as a result of the lower gold prices and a 32% decrease in number of ounces sold.

The Company generally enters into short-term forward sales contracts in order to match sales contracts with the next expected delivery date. The Company's objective is to realize a gold sales price consistent with the average London PM Fix spot gold price. For the fourth quarter of 2014, the Company achieved a realized gold price per ounce of $1,200, consistent with the average London PM Fix gold price for the quarter, and for the year achieved a realized gold price per ounce of $1,263 per ounce. The Company did not have any significant derivative activity outstanding related to gold, and has not entered into any long-term hedges in 2015, therefore is leveraged to future changes in the price of gold.

Assessment of Gold Market

The market price of gold continues to exhibit significant volatility. The spot market gold price was approximately $1,210 per ounce on February 17, 2015. At this gold price, the Company realizes a mine operating cash margin (before taxes and corporate and administrative costs) in excess of $350 per ounce.

Operating Expenses and Operating Margins

Mine operating costs allocated to ounces sold are summarized in the following table for the periods indicated:

	Q4 2014	Q4 2013	YTD 2014	YTD 2013
Gold production (ounces) (1)	42,500	39,000	140,500	190,000
Gold sales (ounces)	38,400	42,198	134,600	198,198
Cash operating costs (000)(2)	**$26,575**	**$23,903**	**$ 85,942**	**$ 84,521**
- Per ounce sold	**$ 692**	**$ 566**	**$ 639**	**$ 426**
Royalties (000)(3)	$ 2,166	$ 2,459	$ 8,744	$ 13,829
Total cash costs (000)(2)	**$28,741**	**$26,362**	**$ 94,686**	**$ 98,350**
- Per ounce sold	**$ 748**	**$ 624**	**$ 703**	**$ 496**
Corporate and administrative, share-based compensation, exploration, reclamation costs, sustaining capital expenditures (000)	$ 9,497	$12,489	$ 42,852	$ 54,567
All-in sustaining cost (000)(4)	**$38,238**	**$38,851**	**$137,538**	**$152,917**
- Per ounce sold	**$ 996**	**$ 921**	**$ 1,022**	**$ 772**
- Realized gold price per ounce	$ 1,200	$ 1,276	$ 1,263	$ 1,424
- Operating cash margin per ounce (5)	$ 452	$ 652	$ 560	$ 928

(1) Reported gold production is subject to final refinery settlement.
(2) "Cash operating costs" and "Total cash costs" are non-GAAP measures. Refer to "Cautionary non-GAAP Measures and Additional GAAP Measures" disclosure at the end of this MD&A for a description and calculation of these measures.
(3) Royalties are included as of April 1, 2006 at 5.5% of net precious metals revenues (as determined in accordance with the royalty agreement with Royal Gold of 5%, and the 0.5% Extraordinary Mining tax in Mexico).
(4) "All-in sustaining cost" is a non-GAAP measure that reflects total mining and processing cost, corporate and administrative costs, exploration costs, sustaining capital, and other operating costs. Refer to "Cautionary non-GAAP Measures and Additional GAAP Measures" disclosure at the end of this MD&A for a description and calculation of these measures.

(5) “Operating cash margin per ounce” is a non-GAAP measure that is calculated as the difference between the Company’s gold sales and mining and processing and royalty expenses (“total cash costs”) as reported in the Company’s financial statements.

Total cash costs in 2014 were $703 per ounce of gold sold, at the low end of the Company’s full year guidance range of $700 to $740 per ounce. Total cash costs per ounce in 2014 were 42% higher than in the same period of 2013 due to lower grades stacked on the leach pad, lower production from the high-grade mill, and higher mining and input costs.

All-in Sustaining Costs

In June 2013, the World Gold Council (“WGC”) published a guidance note on Non-GAAP metrics available to gold mining industry participants to use to report their costs in an effort to encourage improved understanding of the total costs associated with mining an ounce of gold. The Company began reporting “All-in sustaining costs” or “AISC” in 2013.

All-in sustaining cost per ounce is reported for the Company’s producing mine, the Mulatos mine in Mexico. Costs attributable to the Company’s development projects in Turkey, Mexico and the United States are not included within AISC.

AISC include cash costs, exploration, corporate and administrative, share based compensation, reclamation and sustaining capital costs, and were $996 and $1,022 per ounce of gold sold in the fourth quarter and full-year 2014 respectively. AISC for the full year were slightly above the Company’s annual guidance of $960 to $1,000 due to lower than budgeted production, which had the impact of increasing fixed costs, such as stock based compensation and corporate and administration costs, on a per ounce basis. AISC per ounce increased 32% in 2014 relative to 2013 due primarily to lower grades mined and milled in 2014 as well as higher overall input costs. The Company anticipates 2015 AISC to be $1,100 per ounce of gold sold.

Royalty

Production from certain mining concessions within the Salamandra District is subject to a sliding scale production royalty with Royal Gold Inc. (the “Royal Gold royalty”). At gold prices above $400 per ounce, this royalty is calculated at a rate of 5% of the value of gold and silver production, less certain deductible refining and transportation costs, and is included in royalty expense. The Royal Gold royalty is calculated based on the daily average London PM Fix gold market prices, not actual prices realized by the Company. With the achievement of commercial production on April 1, 2006, production to a maximum of two million ounces of gold is subject to the royalty. As at December 31, 2014, the royalty was paid or accrued on approximately 1.3 million ounces of applicable gold production. Royalty expense of $7.9 million decreased 43% from $13.8 million in 2013 due to lower gold prices. In addition, in 2014, royalty expense includes the 0.5% Extraordinary Mining Duty payable to the Mexican Government, which totaled $0.8 million for the year.

Amortization

Amortization expense of $319 per ounce in 2014 was approximately 12% higher than in 2013 as a result of higher amortization associated with high grade production from the Escondida open pit and Escondida Deep deposits. Capitalized costs associated with pre-stripping the open pit and underground development in order to access the deposit are amortized and charged to expense based on allocating these capitalized costs to the ounces ultimately produced. The Company experienced a negative grade and tonnes reconciliation for both the Escondida high grade and Escondida Deep zones in 2014, resulting in a decrease in the number of recoverable ounces in the amortization base, with the effect of increasing the amortization cost on a per

ounce basis. Amortization per ounce decreased to $290 per ounce in the fourth quarter of 2014 with the depletion of the Escondida Deep zone and commencement of production from the San Carlos high grade zone.

Exploration

The Company's accounting policy for exploration costs provides that exploration expenditures be capitalized if management determines that probable future economic benefits will be generated as a result of the expenditures, as evidenced by a positive economic analysis of the project. Exploration and evaluation expenditures on properties prior to the establishment of a positive economic analysis are charged to operations as incurred.

Total exploration spending in 2014 was $21.2 million, of which $15 million was capitalized and $6.2 million was expensed. Exploration expenditures at San Carlos, Puerta del Aire and Esperanza were capitalized while exploration costs at Quartz Mountain, other regional targets and administration costs were expensed.

Corporate and Administrative

Corporate and administrative expenses of $15.2 million in 2014 were 31% lower than $21.9 million incurred in 2013, and consistent with budget. The Company remains focused on cost reduction measures that are expected to result in lower corporate and administrative costs in 2015.

Share-based Compensation

Share-based compensation expense, related to stock options and cash-settled stock appreciation rights ("SARs"), restricted share units ("RSUs") and deferred share units ("DSUs") was $1.1 million in 2014, a significant decrease from $3.2 million in 2013. The value of share-based compensation expense related to stock options is added to the contributed surplus account within shareholders' equity, resulting in no net effect on total shareholders' equity. In 2013, the Company's Board of Directors approved a cash-settled RSU plan available to officers, employees and consultants, and a DSU plan available to its directors. SARs, RSUs, and DSUs are cash-settled liabilities, which are remeasured at each reporting date and at the settlement date. Any changes in the fair value of the liability are recognized as an expense to share-based compensation in the Statements of Comprehensive Income. All outstanding stock options, SARs and RSUs grants are subject to vesting provisions. The vesting provisions result in the calculated market value of stock option grants being charged to expense in accordance with the vesting terms of the option. DSUs are not subject to vesting terms, therefore the expense is recorded immediately.

Share-based compensation expense in 2014 is comprised of a $2.0 million expense related to the Company's stock option plan, offset by a recovery related to the Company's liability for outstanding SARs, RSUs and DSUs upon remeasurement of the liability. The Company's outstanding liability for SARs, RSUs, and DSUs decreased from $3.8 million at December 31, 2013 to $2.7 million at December 31, 2014 as a result of a decrease in the Company's share price over this period, offset by new grants during the year.

Finance Income

Finance income in 2014 was $2.8 million, slightly below the same period of 2013 due to lower cash balances. Interest rates on deposit accounts and short-term investments remain near historically low levels.

Financing Expense

Financing expense includes accretion of the Company's decommissioning liability and property acquisition obligations. The expense for the current year was $1.4 million compared to $0.9 million in 2013 as a result of an increased liability.

Foreign Exchange Loss

The Company recognized a $4.7 million foreign exchange loss in 2014, compared to a $8.3 million foreign exchange loss in 2013. Throughout 2014, the Company's operating currencies, the Mexican peso ("MXN") Canadian dollar ("CAD") and Turkish Lira ("TL"), all weakened relative to the USD.

The foreign exchange loss was comprised of a $0.5 million loss on the Company's Canadian dollar-denominated net assets, a $3.9 million foreign exchange loss on revaluation of the Company's MXN-denominated assets, and a $0.3 million foreign exchange loss on revaluation of the Company's TL-denominated asset position. The Company classifies the foreign exchange gain or loss on revaluation of its Mexican and Turkish deferred tax liabilities within deferred tax expense rather than within foreign exchange gain or loss.

Income Taxes and Mexican Tax Reform

In December 2013, the Mexican President approved a tax reform bill that enacted a new Income Tax Law ("MITL"), which increased the effective tax rate applicable to the Company's Mexican operations effective January 1, 2014. The MITL has increased the corporate income tax rate to 30%, creates a 10% withholding tax on dividends paid to non-resident shareholders (subject to any reduction by an Income Tax Treaty) and creates a new Extraordinary Mining Royalty equal to 0.5% of gross revenues from the sale of gold, silver, and platinum. In addition, the MITL requires taxpayers with mining concessions to pay a new 7.5% Special Mining Tax. The Special Mining Tax is generally applicable to earnings before income tax, depreciation, depletion, amortization, and interest. In calculating the Special Mining Tax there are no deductions related to development type costs but exploration and prospecting costs are deductible when incurred. The Extraordinary Mining Royalty and Special Mining Tax are tax deductible for income tax purposes. The Company implemented several tax planning strategies prior to January 1, 2014 to mitigate the impact of the MITL.

Tax expense in 2014 was $4.5 million compared to $40.7 million in 2013. The Company must calculate and provide for tax instalments on a monthly basis in Mexico. The Company satisfies its tax liability through periodic instalment payments, as well as by offsetting refundable value-added tax owed from the Mexican government against its tax payable liability. During 2014, the Company did not pay cash tax installments, as the Company offset tax installment payments against refundable value-added taxes. In addition, the Company has accrued amounts owing for the new 7.5% Special Mining Tax, which became effective January 1, 2014, and is paid annually. As at December 31, 2014, the Company had an income tax receivable of $15.5 million, as installment payments exceeded taxes payable for the year.

The statutory federal income tax rate in Mexico for 2014 is 30%. The 7.5% Special Mining Tax introduced under the MITL has increased the effective tax rate in Mexico substantially. The effective tax rate for the fourth quarter of 2014 (calculated as a percentage of earnings before income tax) was 5%. The effective tax rate results from a number of factors, many of which are difficult to forecast. In the fourth quarter of 2014, the effective tax rate was impacted by a significant devaluation in the peso resulting in foreign exchange gains recorded through tax expense. For the 2014 year, the consolidated effective tax rate was 191%, impacted by non-deductible expenses in Canada and Turkey.

The Company classifies the foreign exchange gain or loss on revaluation of its Mexican and Turkish deferred tax liabilities within deferred tax expense rather than within foreign exchange gain or loss. In 2014, the weakening of the Mexican peso relative to the US dollar resulted in a $0.6 million reduction in deferred tax expense. The Company expects the effective tax rate to continue to fluctuate in periods of significant change to Mexican peso and/or Turkish lira foreign exchange rates.

Summary of Quarterly Results

The following table summarizes quarterly results for the past eight quarters. Quarterly gold production has been adjusted to reflect final settlements, where applicable.

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Gold production (ounces)	55,000	53,000	43,000	39,000	37,000	33,000	28,000	42,500
Gold sales (ounces)	53,000	55,000	48,000	42,198	32,161	34,039	30,000	38,400
Operating revenues ($000)	86,272	78,273	63,811	53,832	41,511	43,843	38,523	46,062
Earnings (loss) from operations ($000)	41,717	29,195	14,704	9,033	5,541	3,935	(1,581)	1,853
Earnings (loss) ($000)	25,989	8,828	9,249	(5,274)	2,746	733	(2,238)	(3,367)
Earnings (loss) ($ per share) basic/diluted	$0.21/$0.20	$ 0.07	$ 0.07	($0.04)	$ 0.02	$ 0.01	($0.02)	($0.03)

Operating revenues have trended lower over the past two years as a result of decreasing gold prices. Lower realized gold prices and gold sales have resulted in generally weaker financial results. Gold production in the first and fourth quarters is generally higher than in the third quarter of the year, which can be adversely affected by weather-related production issues. Seasonal conditions could continue to impact production and financial results in future periods if rainfall is significantly above or below seasonal averages. The reported loss for the fourth quarter of 2013 included a $9.8 million non-cash deferred tax charge associated with the Mexican tax reform, while the loss reported in the fourth quarter of 2014 included a $2.7 million non-cash charge associated with available-for-sale securities.

Financial and Other Instruments

The Company's financial assets and liabilities consist of cash and cash equivalents, short-term investments, amounts receivable, available-for-sale and held-for-trading securities, accounts payable and accrued liabilities and deferred tax liabilities, some of which are denominated in CAD, MXN and TL. The Company is exposed to financial gains or losses as a result of foreign exchange movements against the USD.

The Company's cash and cash equivalents may be invested in short-term liquid deposits or investments that provide a revised rate of interest upon maturity. At December 31, 2014, the Company's reported cash and cash equivalents were held in bank deposit accounts or 60-day to 90-day term deposits. The Company's short-term investments are generally term deposits with an initial term-to-maturity on acquisition of greater than 90 days.

The majority of the Company's cash balances are held in USD; however, the Company does maintain cash and cash equivalents denominated in CAD, MXN and TL. The Company may enter into derivative contracts in order to manage its exposures to fluctuations in foreign exchange rates to the CAD, MXN, or TL.

As at December 31, 2014, the Company had outstanding a contract to deliver $5 million CAD in exchange for a fixed amount of USD in March 2015, with a CAD:USD rate of 1.16:1. The mark-to-market loss associated with this contract as at December 31, 2014 was nominal. The

Company is exposed to monetary assets and liabilities denominated in CAD. The Company maintains CAD cash and investment balances, which are not fully offset by CAD-denominated liabilities. The weakening of the CAD in 2014 resulted in a foreign exchange loss of $0.5 million.

The Company also has exposure to monetary assets and liabilities denominated in MXN. Significant cash balances, outstanding amounts receivable, accounts payable or tax liabilities denominated in MXN expose the Company to foreign exchange gains or losses. The Company maintains cash balances in MXN in order to partially mitigate its balance sheet exposure to changes in the MXN/USD exchange rate resulting from its MXN-denominated taxes payable and deferred tax liability balances. In addition, in December 2014 the Company entered into foreign currency collar contracts to hedge a portion of its Mexican peso-demoninated operating costs in 2015. The Company has entered into contracts totaling $24 million as at December 31, 2014, with scheduled expiries monthly throughout 2015. The mark-to-market loss associated with these contracts as at December 31, 2014 was $0.2 million. For the year ended December 31, 2014, the Company's net MXN-denominated asset position, excluding the deferred tax liability, resulted in a foreign exchange loss of $3.9 million.

At December 31, 2014 the Company's TL-denominated net monetary assets mainly consisted of TL-denominated cash and short-term investments, in addition to value-added tax ("VAT") receivables. This exposure contributed to a $0.3 million foreign exchange loss due to the weakening of the TL compared to the USD during the quarter.

Liquidity and Capital Resources

At December 31, 2014, the Company had $358.1 million in cash and cash equivalents and short-term investments compared to $417.5 million at December 31, 2013. The decrease in total cash and cash equivalents and short-term investments of $59.4 million mainly reflects positive cash flows from operations of $32.8 million offset by capital spending of $58.1 million, dividend payments totaling $25.5 million and share repurchases of $3.2 million. The Company's working capital surplus decreased to $411.5 million at December 31, 2014 from $452.8 million at December 31, 2013.

Despite substantially lower gold prices which are resulting in reduced profitability, cash flow and liquidity across the industry, the Company`s balance sheet remains strong with $358.1 million in cash, $411.5 million of working capital and continued positive cash flow from operations. The Company has an extensive pipeline of mining projects for development and has the balance sheet strength and corresponding financial flexibility to sequence these projects (once permitted) in a manner that maximizes risk adjusted returns. The Company paid $25.5 million in dividends during 2014, and has paid in excess of $102 million to shareholders in the form of dividends and share repurchases in the past four years. The lower gold price environment emphasizes the strategic importance of financial strength and flexibility and the Company is evaluating its capital allocation decisions accordingly.

In 2015, the Company has capital spending commitments of $54.3 million and an exploration budget of $24.8 million. The Company expects that the Mulatos mine will generate sufficient operating cash flow to accommodate all planned capital and exploration spending in Mexico in 2015.

Internal Control over Financial Reporting

Management is responsible for the design and operating effectiveness of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with IFRS. 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 a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are appropriately designed and operating effectively as at December 31, 2014.

Ernst & Young 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.

Changes in Internal Control over Financial Reporting

There were no significant changes in the Company's internal control over financial reporting that occurred during the three months ended December 31, 2014 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Disclosure Controls

Management is also responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the design of the Company's disclosure controls and procedures as at December 31, 2014 and have concluded that these are appropriately designed and operating effectively.

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.

Off-Balance Sheet Arrangements

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

Commitments

The following table summarizes the Company's contractual obligations at December 31, 2014:

Payments due by period ($000)

Contractual Obligations	Total	Less than 1 year	2 – 3 years	4 – 5 years	More than 5 years
Operating lease	260	260	—	—	—
Accounts payable and accrued liabilities	33,389	33,389	—	—	—
Decommissioning liability	34,894	—	—	—	34,894
Property acquisition obligations	101	101	—	—	—
Contract mining	161,000	52,600	77,900	30,500	—
Quartz Mountain option payments	16,200	—	2,700	13,500	—
	$245,844	**$ 86,350**	**$80,600**	**$44,000**	**$ 34,894**

Contractual obligations exist with respect to royalties; however gold production subject to royalty cannot be ascertained with certainty and the royalty rate varies with the gold price. Based on the current gold price and rates of production, royalty expense is expected to be in the range of $2 to $3 million per quarter for 2015.

In December 2013, the Company entered into a mining services agreement with Grupo Desarrollo Infraestructura S.A. de C.V. (“GDI”), expiring in December 2020, pursuant to which GDI will perform essentially all of the open-pit mining operations at Mulatos, at a cost of approximately $161 million over the term of the contract, based on current pricing. The contract includes a cost escalation formula every six months based on standard indices.

As a result of the acquisition of Orsa, the Company inherited an option agreement with Seabridge whereby the Company can acquire a 100% interest in the Quartz Mountain Property through additional option payments of CAD$3 million on completion of a feasibility study on the project and an additional CAD$15 million (or 2% NSR) on final permitting and bonding of the project.

The Company has signed relocation contracts with certain property owners and possessors in the town of Mulatos. Additional future property acquisition, relocation benefits, legal and related costs may be material. The Company cannot currently determine the expected timing, outcome of negotiations or costs associated with the relocation of the remaining property owners and possessors and potential land acquisitions.

Outstanding Share Data

The table below describes the terms associated with the Company’s outstanding and diluted share capital:

	February 17, 2015
Common shares	
- Common shares outstanding	127,357,486
Stock options	
- Average exercise price CAD $14.04; approximately 71% exercisable	4,741,300
Warrants	
- Exercise price CAD $29.48	7,167,866
Total	139,266,652

Outlook

The Company anticipates producing between 150,000 and 170,000 ounces of gold in 2015 at cash operating costs of approximately $800 per ounce of gold sold, excluding royalties. Including royalties, and assuming a $1,200 gold price, total cash costs and all-in sustaining costs are expected to be approximately $865 and $1,100 per ounce of gold sold, respectively.

The Company is expecting higher production in 2015 relative to 2014 primarily reflecting a full year of high grade mill production from the San Carlos underground deposit. Underground mining at San Carlos will be conducted in a higher grade portion of the ore body providing high grade mill feed of 9.5 g/t Au in 2015, above the current mineral reserve grade of 7.0 g/t Au. Combined with the mill throughput in 2015 of 550 tpd being more than double the 2014 rate, the

Company expects stronger high grade mill production. While the Company is in the process of optimizing the high grade mill, including installation of a vertical grinding mill and second ILR, both throughput and recoveries are expected to be below budgeted levels.

Higher mill production in 2015 is expected to be offset by lower grades stacked on the heap leach pad of 0.80 g/t Au. This is slightly below the 0.85 g/t Au budgeted in 2014 and well below the realized grade of 0.98 g/t Au as the Company once again benefited from a positive grade reconciliation compared to the block model.

Higher cash operating costs for 2015 compared to 2014 is attributable to three factors: lower grade for the ore stacked on the leach pad of 0.80 g/t Au in 2015; a higher waste-to-ore ratio; and increased haul distances as the El Victor and San Carlos pits become meaningful contributors of open pit, heap leach production.

As part of the long term mine plan, the Company will be working through a higher waste-to-ore ratio and lower open pit grade portion of the deposit in 2015. The 2015 waste-to-ore ratio of 1.27:1 is up significantly from 2014 but is expected to decrease to the current remaining life of mine waste-to-ore ratio of 1.04:1 in 2016. The heap leach grade of 0.80 g/t Au is also down from 2014 but is expected to improve in 2016 to approach the current mineral reserve grade of 0.93 g/t Au.

The Company expects to continue generating sufficient cash flow to fund its sustaining and development capital spending and exploration budget at Mulatos in 2015 at a $1,200 per ounce gold price. The Company continues to operate Mulatos in a manner designed to optimize long-term economics. Costs will rise in the near term though are expected to improve as grades increase and the waste-to-ore ratio normalizes to life-of-mine levels beyond 2015.

Development spending at Mulatos in 2015 will be focused on further underground development of San Carlos, pre-stripping of the El Victor and San Carlos open pits and exploration and development of Cerro Pelon and La Yaqui. Mulatos will be further bolstered by the development of the Cerro Pelon and La Yaqui satellite deposits, the latter of which is expected to start contributing low cost production growth in the fourth quarter of 2016. With Cerro Pelon and La Yaqui averaging double the 2015 budgeted grade, these deposits are expected to both increase production and drive costs substantially lower.

The Company's mineral reserve and resource update will be released at the end of the first quarter of 2015. The current focus of exploration at Mulatos is on continuing to delineate high-grade mineral reserves to provide mill feed beyond the current life of the San Carlos high-grade deposit.

Gold production from the first of the Company's Turkish projects, Kirazlı, is expected within 18 months of receipt of the outstanding forestry and operating permits. The Company continues to await a ruling from the Turkish High Administrative Court on the Ministry's and the Company's appeal of the Çanakkale Administrative Court's cancellation of the Ministry's EIA approval in relation to the Kirazlı main project due to the lack of CIA. The appeal decision remains pending, but is expected to be finalized within two to three months. The Company remains confident that these permits will be granted. However, legal challenges have increased uncertainty of the expected timing for receipt of these permits.

Work in support of an EIA submission for the Esperanza Gold Project in 2015 is underway as well as completion of an internal feasibility study to further support development of the project. Drilling at the Quartz Mountain Property focused on validating the existing mineral resources commenced in the fourth quarter of 2014 and is expected to continue to the second quarter of 2015.

The Company's financial position remains strong, with approximately $411.5 million in working capital and no debt. The Company is well positioned to pursue accretive opportunities and to deliver on its development project pipeline. However, the lower gold price environment further emphasizes the strategic importance of financial strength and flexibility and the Company is evaluating its capital allocation decisions accordingly.

Accounting Policies in effect January 1, 2014

(i) IFRIC 21 – Levies ("IFRIC 21") In May 2013, the IFRS Interpretations Committee (IRFIC), with the approval of the IASB, issued IFRIC 21 – Levies. IFRIC 21 provides guidance on when to recognize a liability to pay a levy imposed by government that is accounted for in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014, and is to be applied retrospectively. The adoption of IFRIC 21 had no impact on the financial statements of the Company.

(ii) IAS 32 – Offsetting of financial instruments ("IAS 32") The amendments to IAS 32, Financial Instruments: Presentation, clarify the criteria that should be considered in determining whether an entity has a legally enforceable right of set off in respect of its financial instruments. Amendments to IAS 32 are applicable to annual periods beginning on or after January 1, 2014, with retrospective application required. There was no material impact on the Company's unaudited interim condensed consolidated financial statements upon adoption of these amendments.

Future accounting policy changes not yet in effect

The following are new pronouncements approved by the IASB. The standards and interpretations are not yet effective and have not been applied in preparing these financial statements; however, they may impact future periods.

(i) IFRS 9 Financial Instruments (Revised) was issued by the IASB in October 2010. It incorporates revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement. The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss. On July 24, 2014, the IASB issued the final version of IFRS 9 with an effective adoption date of January 1, 2018, with early adoption

permitted. The impact of IFRS 9 on the Company's financial instruments has not yet been determined.

(ii) IFRS 15 Revenue from Contracts with Customers (IFRS 15) was issued in May 2014, which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2017. The Company has commenced a review process to determine the impact of adopting this standard on its consolidated financial statements.

(iii) IAS 16 Property, Plant and Equipment (IAS 16) and IAS 38, Intangibles (IAS 38) was issued in May 2014 and prohibits the use of revenue-based depreciation methods for property, plant and equipment and limits the use of revenue-based amortization for intangible assets. These amendments are effective for annual periods beginning on or after January 1, 2016 and are to be applied prospectively. The Company does not expect that the adoption of these amendments will have a material impact on its consolidated financial statements.

Critical Accounting Estimates

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

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

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

(i) Impairment:

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

(ii) Recoverable mineral reserves:

Mineral reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its recoverable mineral reserves based on information compiled by appropriately qualified persons relating to

the geological data on the size, depth and shape of the ore body, and requires complex geological judgments to interpret the data. The estimation of recoverable mineral reserves is based upon factors such as estimates of, commodity prices, production costs, future capital requirements, and foreign exchange rates, along with geological assumptions and judgments made in estimating the size and grade of the ore body, and metallurgical assumptions made in estimating recovery of the ore body. Changes in the mineral reserve or resource estimates may impact the carrying value of exploration and evaluation assets, mineral property, plant and equipment, decommissioning liabilities, and amortization expense.

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

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

(iv) Inventory:

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

(v) Share based payments:

The Company follows accounting guidelines in determining the fair value of share-based compensation. The computed amount is not based on historical cost, but is derived based on subjective assumptions input into an option pricing model. The model requires that management make forecasts as to future events, including estimates of: the average future hold period of issued stock options or stock appreciation rights before exercise, expiry or cancellation; future volatility of the Company's share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. Share-based compensation incorporates an expected forfeiture rate. The expected forfeiture rate is estimated based on historical forfeiture rates and expectations of future forfeiture rates, and is adjusted if the actual forfeiture rate differs from the expected rate.

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

(vi) Decommissioning liabilities:

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

(vii) Provisions:

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

(viii) Recovery of deferred tax assets:

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

Risk Factors and Uncertainties

The financing, exploration, development and mining of any of the Company's properties is subject to a number of factors including the price of gold, laws and regulations, political conditions, currency fluctuations, environmental regulations, hiring qualified people and obtaining necessary services in jurisdictions where the Company operates. The current trends relating to these factors are favorable but could change at any time and negatively affect the Company's operations and business.

The following is a brief discussion of those distinctive or special characteristics of the Company's operations and industry which may have a material impact on, or constitute risk factors in respect of the Company's future financial performance.

(i) Industry

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 formations, formation pressures, 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 are 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.

(ii) Commodity Price

The value of the Company's mineral resources and future operating profit and loss is affected by fluctuations in gold prices, over which the Company has no control. A reduction in the price of gold may prevent the Company's properties from being economically mined or result in the write-off of assets whose value is impaired as a result of low gold prices. The price of gold may also have a significant influence on the market price of the Company's common shares. The price of gold is affected by numerous factors beyond the Company's control, such as the level of inflation, fluctuation of the United States dollar and foreign currencies, global and regional demand, sale of gold by central banks and the political and economic conditions of major gold producing countries throughout the world. The price of gold has increased significantly in the past several years. The current gold price is significantly above impairment levels. The Company has elected not to engage in significant forward selling. At the current rate of production, revenue will change by approximately $0.2 million with each $1 change in the price of gold.

(iii) Currency

The Company is subject to currency risks. Each of the Company's subsidiaries have a United States dollar functional currency, which is subject to recent fluctuations against other currencies. The Company's primary operations are located in Mexico and many of its expenditures and obligations are denominated in Mexican pesos. In addition, the Company has exploration and development activities ongoing in Turkey where the majority of its expenditures and obligations are in Turkish lira or Euros. The Company's head office is in Canada where it maintains cash accounts in United States and Canadian dollars. As a result, the Company has monetary assets and liabilities and expenditures in United States dollars, Canadian dollars, Mexican pesos, Turkish lira and Euros. The Company's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Company. The Company has undertaken to mitigate the impact of changes in the Mexican peso in 2015 by entering twelve monthly zero-cost collar contracts for aggregate purchases of $24 million throughout 2015, representing approximately 50% of the Company's Mexican peso denominated operating costs. The collar contracts allow the Company to purchase pesos at no worse than 14.2:1 MXN:USD, and participate up to 15.5:1 MXN:USD or the Canadian dollar at this time.

A 10% change in the relative value of the Canadian dollar would impact corporate and administrative costs by approximately $1.0 million annually; a 10% change in the relative value of the Mexican peso would impact operating costs by approximately $2.5 million annually. A significant strengthening in the value of the Turkish lira compared to the United States dollar could adversely impact the economics associated with the Company's development-stage assets in Turkey.

(iv) Business

The Company has limited financial resources which could affect its ability to carry out its business plan. The Company's ability to secure fixed gold prices or future foreign exchange rates is affected by its creditworthiness. Because of its limited operating record, it may not be able to hedge future risk to the extent it feels is appropriate. The Company's ability to obtain financing to explore for mineral deposits and to continue and complete the development of those properties it has classified as assets is not assured, nor is there assurance that the expenditure of funds will result in the discovery of an economic mineral deposit.

(v) Competitive

The Company's business is intensely competitive, and 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 compete with other mining companies for these mineral deposits could have a material adverse effect on the Company's results of operations and business.

(vi) Country

The Company conducts exploration, mine development and mining and production activities in Sonora, Mexico. Mexico is a developing country and obtaining financing, finding or hiring qualified people or obtaining all necessary services for the Company's operations in Mexico may be difficult. Mexico's status as a developing country may make it more difficult for the Company to attract investors or obtain any required financing for its mining projects.

The Company owns development-stage assets in Turkey and is subject to risks associated with conducting exploration activities and planning mine development activities in Turkey, including risks with respect to staffing, financing, obtaining the required goods and services, permitting, community relations and environmental risks.

The Company strives to maintain good relations with the local communities in which it operates by providing employment opportunities and social services. The Company has entered into surface agreements with the Mulatos Ejido. In addition, the Company has entered into agreements with individual Ejido members for the surface rights to which they have been assigned. The transfers of title to these surface rights have been registered under Mexican law.

The Company is also in negotiations with Ejido and non-Ejido members, as a group and individually, to acquire additional surface rights. In addition, local residents could attempt to physically impede access to the mine or mining operations. Such actions could result in significant downtime and associated costs or suspension of operations and loss of production. With the assistance of experienced legal advisors and input and assistance from state and local government officials, the Company expects that it will be able to acquire its land-use requirements at a reasonable cost, however, there is no certainty that this will be the case.

In 2010, the Mulatos Ejido initiated a legal action with the Unitary Agrarian Court to nullify the 2008 land purchase agreement with the Company's wholly-owned subsidiary. In June 2013, the

Agrarian Unitary Court issued a judgement in favour of the Company's wholly-owned subsidiary, dismissing all claims made against it in this lawsuit. The Court also confirmed the validity of the 2008 land purchase agreement. An appeal of this decision was filed by the Mulatos Ejido in August 2013 with the Federal Courts, but the appeal was also dismissed by the Court, which once again found in favour of the Company's wholly-owned subsidiary, confirming and upholding the validity of the 2008 land purchase agreement.

The acquisition of the right to exploit mineral properties is a complex process. Although the Company has taken reasonable measures to acquire unencumbered rights to explore on and exploit its mineral reserves on the Salamandra group of concessions, there is no certainty that the claims are not subject to prior unregistered agreements or interests or to undetected or other claims or interests which could be material and adverse to the Company.

Effective January 1, 2014, Mexico enacted new tax laws which provide an additional layer of complexity and uncertainty in evaluating the financial benefit to be derived from current and future operations of the Company in Mexico.

(vii) Environmental

The operations of the Company are subject to environmental regulations which may change from time to time. In Mexico, the Company's activities related to its Salamandra Concessions are subject to regulation by SEMARNAT, the environmental protection agency of Mexico. Regulations require that an environmental impact statement, known in Mexico as a *Manifesto Impacto Ambiental*, be prepared by a third-party contractor for submittal to SEMARNAT. Studies required to support the *Manifesto Impacto Ambiental* include a detailed analysis of the following areas: soil, water, vegetation, wildlife, cultural resources and socio-economic impacts. The Company must also provide proof of local community support for a project to gain final *Manifesto Impacto Ambiental* approval. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

(viii) Legal

The Company's mining, exploration and development activities are subject to extensive laws and regulations concerning, among other things, worker health and safety, employment standards, environmental protection, bribery and corruption, taxes, mine development, mine operation, mine closure and reclamation.

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 challenged legally 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 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. Substantially all of the Company's assets are located outside of Canada, and are held indirectly through foreign affiliates. It may be difficult or impossible to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of the securities laws of certain provinces against the portion of the Company's assets located outside of Canada.

In order to maintain mining concessions in good standing under Turkish mining law introduced in 2010, 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 Turkish 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.

The potential implications of further political volatility in Mexico or Turkey cannot be accurately predicted. The mineral interests of the Company and the ultimate ability to generate cash flow and profits from operations may be affected by political or economic stability. Associated risks include, but are not limited to: terrorism, corruption, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in regulations or political attitudes are beyond the control of the Company and may materially adversely affect its business, financial condition and results of operations.

(ix) Estimates

The mineral reserves and resource estimates of the Company are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified reserve or resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. The Company relies on laboratory-based recovery models to project estimated ultimate recoveries by ore type at optimal crush sizes. Actual gold recoveries in a commercial heap leach operation may exceed or fall short of projected laboratory test results. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather,

environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geologic, metallurgical or engineering work, and work interruptions, among others. Short term factors, such as the need for orderly development of deposits or the processing of new or different grades or ore types, may have an adverse effect on mining operations or the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in proven and probable reserves or resources, grades, waste-to-ore ratios or recovery rates may affect the economic viability of projects. The estimated proven and probable reserves and resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations. Based on the expected 2015 rate of production and budgeted cash operating costs, a 1% change in the expected rate of recovery of gold would result in a $12 per ounce change in cash operating costs, and an approximate $2 million change in income and cash flow annually, before royalties and income taxes. A 1% change in cash cost per tonne of ore would result in a $7 per ounce change in cash cost, and approximately $1.1 change in income and cash flow annually, before royalties and tax charges.

(x) Dependence on Management

The Company is dependent on key personnel and the absence of any of these individuals could result in a significantly negative effect on the Company. The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required, especially since the Company encounters risks that are inherent in doing business in several countries. The Company is dependent, in particular, on its Chief Executive Officer, John McCluskey and its Chief Operating Officer, Manley Guarducci. Key man life insurance is not in place on Messrs. McCluskey or Guarducci. If the services of the Company's management and key personnel were lost, it could have a material adverse effect on future operations.

(xi) Acquisitions

The Company may from time to time explore opportunities to acquire other companies or execute other strategic initiatives developed by management. Acquisitions may involve a number of special risks, including failure to retain key personnel, unanticipated events or circumstances and legal liabilities, some or all of which could have a material adverse effect on the Company's business, results of operations and financial position. The Company cannot be sure that any acquired businesses will achieve the anticipated revenues, income and synergies. Failure on the part of the Company to manage its acquisition strategy successfully could have a material adverse effect on its business, results of operations and financial position. The Company cannot be sure that it will be able to identify appropriate targets, profitably manage additional businesses or successfully integrate any acquired business into its operations. It is also possible that unanticipated factors could arise and there is no assurance that the anticipated financial or strategic objectives will be achieved, which could adversely affect the Company's results of operations and financial position.

Forward-Looking Statements

This MD&A contains "forward-looking information", as such term is defined in applicable Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, concerning Alamos's future financial or operating performance and other statements that express management's

expectations or estimates of future developments, circumstances or results. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "expects", "believes", "anticipates", "budget", "scheduled", "estimates", "forecasts", "intends", "plans" and variations of such words and phrases, or by statements that certain actions, events or results "may", "will", "could", "would" or "might", "be taken", "occur" or "be achieved". Forward-looking information is based on a number of assumptions and estimates that, while considered reasonable by management based on the business and markets in which Alamos operates, are inherently subject to significant operational, economic and competitive uncertainties and contingencies. Alamos cautions that forward-looking information involves known and unknown risks, uncertainties and other factors that may cause Alamos's actual results, performance or achievements to be materially different from those expressed or implied by such information, including, but not limited to, gold and silver price volatility; fluctuations in foreign exchange rates and interest rates; the impact of any hedging activities; discrepancies between actual and estimated production, between actual and estimated reserves and resources or between actual and estimated metallurgical recoveries; costs of production; capital expenditure requirements; the costs and timing of construction and development of new deposits; and the success of exploration and permitting activities. In addition, the factors described or referred to in the section entitled "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2013 which is available on the SEDAR website at www.sedar.com, should be reviewed in conjunction with the information found in this MD&A. Although Alamos has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in forward-looking information, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information in this MD&A is made as of the date of this interim report, and Alamos disclaims any intention or obligation to update or revise such information, except as required by applicable law.

Cautionary non-GAAP Measures and Additional GAAP Measures

Note that for purposes of this section, GAAP refers to IFRS. The Company believes that investors use certain non-GAAP and additional GAAP measures as indicators to assess gold mining companies. They are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared with GAAP. Non-GAAP and additional GAAP measures do not have a standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other companies.

(i) Cash flow from operating activities before changes in non-cash working capital

"Cash flow from operating activities before changes in non-cash working capital" is a non-GAAP performance measure that could provide an indication of the Company's ability to generate cash flows from operations, and is calculated by adding back the change in non-cash working capital to "Cash provided by (used in) operating activities" as presented on the Company's consolidated statements of cash flows.

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

	Q4 2014	Q4 2013	YTD 2014	YTD 2013
Cash flow from operating activities – IFRS (000)	$15,820	$15,087	$ 32,757	$ 86,627
Changes in non-cash working capital (000)	4,000	2,350	(18,119)	(26,652)
Cash flow from operating activities before changes in non-cash working capital (000)	**$11,820**	**$12,737**	**$ 50,876**	**$113,279**

(ii) Mining cost per tonne of ore

"Mining cost per tonne of ore" and "Cost per tonne of ore" are non-GAAP performance measures that could provide an indication of the mining and processing efficiency and effectiveness of the mine. These measures are calculated by dividing the relevant mining and processing costs and total costs by the tonnes of ore processed in the period. "Cost per tonne of ore" is usually affected by operating efficiencies and waste-to-ore ratios in the period. The following table reconciles the non-GAAP measure to the consolidated statements of comprehensive income.

	Q4 2014	Q4 2013	YTD 2014	YTD 2013
Mining and processing costs – IFRS (000)	$ 26,575	$ 23,903	$ 85,942	$ 84,521
Inventory adjustments and period costs (000)	3,763	(2,725)	15,399	(1,804)
Total cost (000)	$ 30,338	$ 21,178	$101,340	$ 82,717
Tonnes Ore stacked / milled (000)	1,686.4	1,649.4	6,294.4	6,518.3
Total cost per tonne of ore	**$ 17.99**	**$ 12.84**	**$ 16.10**	**$ 12.69**

(iii) Cash operating costs per ounce and total cash costs per ounce

"Cash operating costs per ounce" and "total cash costs per ounce" as used in this analysis are non-GAAP terms 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. These non-GAAP terms are also used to assess the ability of a mining company to generate cash flow from operations. There may be some variation in the method of computation of "cash operating costs per ounce" as determined by the Company compared with other mining companies. In this context, "cash operating costs per ounce" reflects the cash operating costs allocated from in-process and dore inventory associated with ounces of gold sold in the period. "Cash operating costs per ounce" may vary from one period to another due to operating efficiencies, waste-to-ore ratios, grade of ore processed and gold recovery rates in the period. "Total cash costs per ounce" includes "cash operating costs per ounce" plus applicable royalties. Cash operating costs per ounce and total cash costs per ounce are exclusive of exploration costs.

The following table reconciles these non-GAAP measure to the consolidated statements of comprehensive income.

	Q4 2014	Q4 2013	YTD 2014	YTD 2013
Mining and processing costs – IFRS (000)	$26,575	$23,903	$ 85,942	$ 84,521
Divided by: Gold ounces sold	38,400	42,198	134,600	198,198
Total Cash operating costs per ounce	**$ 692**	**$ 566**	**$ 639**	**$ 426**
Mining and processing costs – IFRS (000)	$26,575	$23,903	$ 85,942	$ 84,521
Royalties – IFRS (000)	2,166	2,459	8,744	13,829
Total Cash costs (000)	$28,741	$26,362	$ 94,686	$ 98,350
Divided by: Gold ounces sold	38,400	42,198	134,600	198,198
Total Cash costs per ounce	**$ 748**	**$ 624**	**$ 703**	**$ 496**

(iv) All-in sustaining cost per ounce

Effective 2013, in conjunction with a non-GAAP initiative being undertaken by the gold mining industry, the Company is adopting an "all-in sustaining cost per ounce" non-GAAP performance measure. 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 cost per ounce" as determined by the Company compared with other mining companies. In this context, "all-in sustaining cost per ounce" reflects total mining and processing costs, corporate and administrative costs, exploration costs, sustaining capital, and other operating costs. 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.

The following table reconciles these non-GAAP measures to the consolidated statements of comprehensive income.

	Q4 2014	Q4 2013	YTD 2014	YTD 2013
Mining and processing costs (000)	$26,575	$23,903	$ 85,942	$ 84,521
Royalties (000)	2,166	2,459	8,744	13,829
Corporate and administration (000) (1)	2,240	4,060	12,977	19,964
Share-based compensation (000)	117	(740)	1,136	3,204
Exploration costs (000) (2)	929	3,849	10,272	11,379
Reclamation cost accretion (000)	346	214	1,387	902
Sustaining capital expenditures (000)	5,865	5,106	17,080	19,118
	$38,238	$38,851	$137,538	$152,917
Divided by: Gold ounces sold	38,400	42,198	134,600	198,198
All-in sustaining cost per ounce	**$ 996**	**$ 921**	**$ 1,022**	**$ 772**

(1) Excludes corporate and administration costs incurred at the Company's development projects.
(2) Excludes exploration associated with the Company's development projects.

(v) All-in cost

Effective 2013, in conjunction with a non-GAAP initiative being undertaken by the gold mining industry, the Company is adopting an "all-in cost per ounce" non-GAAP performance measure;

however, this performance measure has no standardized meaning. Accordingly, there may be some variation in the method of computation of "all-in cost per ounce" as determined by the Company compared with other mining companies. In this context, "all-in cost per ounce" reflects total all-in sustaining cash costs, plus capital, operating, and exploration costs associated with the Company's development projects.

	Q4 2014	Q4 2013	YTD 2014	YTD 2013
All-in sustaining cost (above)	$38,238	$38,851	$137,538	$152,917
Add: Development and expansion capital (000)	9,278	10,782	30,252	33,025
Add: Other development and exploration (000)	2,067	1,030	6,389	3,758
Add: Development project corporate and administration (000)	695	590	2,264	1,975
	50,278	51,253	176,443	191,675
Divided by: Gold ounces sold	38,400	42,198	134,600	198,198
All-in cost per ounce	**$ 1,309**	**$ 1,215**	**$ 1,311**	**$ 967**

(vi) Other additional GAAP measures

Additional GAAP measures that 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:

- *Mine operating costs* – represents the total of mining and processing, royalties, and amortization expense
- *Earnings from mine operations* – represents the amount of revenues in excess of mining and processing, royalties, and amortization expense
- *Earnings from operations* – represents the amount of earnings before net finance income/expense, foreign exchange gain/loss, other income/loss, and income tax expense

Exhibit 99.3

ALAMOS GOLD INC.

2014 FINANCIAL REPORT

December 31, 2014 and 2013

(Based on International Financial Reporting Standards ("IFRS") and stated in thousands of United States dollars, unless otherwise indicated)

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Management's responsibility for financial reporting

Reports of Independent Registered Public Accounting Firm

Consolidated Financial Statements

- Consolidated Statements of Financial Position
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- Consolidated Statements of Cash Flows
- Notes to Consolidated Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Alamos Gold Inc. have been prepared by, and are the responsibility of the Company's management.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and reflect management's best estimates and judgments based on information currently available. In the opinion of management, the accounting practices utilized are appropriate in the circumstances and the consolidated financial statements fairly reflect the financial position and financial performance the Company within reasonable limits of materiality.

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Management has developed and maintains a system of internal controls to obtain reasonable assurance that the Company's assets are safeguarded, transactions are authorized, and financial information is reliable. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and therefore, can provide only reasonable assurance as to financial statement reliability and the safeguarding of assets.

Management has a process in place to evaluate internal control over financial reporting based on criteria established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") set forth in Internal Control-Integrated Framework (2013). Based on this assessment, Management has concluded that, as at December 31, 2014, the Company's internal control over financial reporting was effective.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee meets with the Company's management and external auditors to discuss the results of the audits and to review the consolidated financial statements prior to the Audit Committee's submission to the Board of Directors for approval. The Audit Committee also reviews the quarterly financial statements and recommends them for approval to the Board of Directors, reviews with management the Company's systems of internal control, and approves the scope of the external auditors' audit and non-audit work. The Audit Committee is composed entirely of directors not involved in the daily operations of the Company who are thus considered to be free from any relationship that could interfere with their exercise of independent judgment as a Committee member.

The consolidated financial statements and the Company's internal controls over financial reporting have been audited by Ernst & Young LLP, Chartered Accountants and their reports outline the scope of their examination and gives their opinion on the consolidated financial statements and the Company's internal control over financial reporting.

February 17, 2015

"John A. McCluskey"

John A. McCluskey

President and Chief Executive Officer

"James R. Porter"

James R. Porter, CPA, CA

Chief Financial Officer

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of **Alamos Gold Inc.**

We have audited the accompanying consolidated financial statements of Alamos Gold Inc., which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Alamos Gold Inc. as at December 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Other matter

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Alamos Gold Inc.'s internal control over financial reporting as of December 31, 2014, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 17, 2015 expressed an unqualified opinion on Alamos Gold Inc.'s internal control over financial reporting.

"Ernst & Young LLP"
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
February 17, 2015

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of **Alamos Gold Inc.**

We have audited Alamos Gold Inc.'s internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). Alamos Gold Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying report, Management's Responsibility for Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Alamos Gold Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the COSO criteria.

We also have audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial position of Alamos Gold Inc. as of December 31, 2014 and 2013, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and our report dated February 17, 2015 expressed an unqualified opinion thereon.

"Ernst & Young LLP"
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
February 17, 2015

ALAMOS GOLD INC.

Consolidated Statements of Financial Position

(Stated in thousands of United States dollars)

	December 31, 2014	December 31, 2013
ASSETS		
Current Assets		
Cash and cash equivalents	$ 353,293	$ 409,663
Short-term investments	4,792	7,792
Available-for-sale securities (note 5)	2,201	1,896
Other financial assets (note 5)	—	442
Amounts receivable (note 6)	8,950	11,200
Income taxes receivable	15,534	—
Advances and prepaid expenses (note 7)	4,750	9,068
Inventory (note 8)	55,358	37,972
Total Current Assets	444,878	478,033
Non-Current Assets		
Other non-current assets (note 8)	5,861	2,696
Exploration and evaluation assets (note 9)	220,132	214,387
Mineral property, plant and equipment (note 10)	208,640	202,912
Total Assets	**$ 879,511**	**$ 898,028**
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (note 11)	$ 33,389	$ 23,487
Income taxes payable	—	1,783
Total Current Liabilities	33,389	25,270
Non-Current Liabilities		
Deferred income taxes (note 15)	39,815	38,715
Decommissioning liability (note 13)	22,302	21,406
Other liabilities	671	690
Total Liabilities	96,177	86,081
EQUITY		
Share capital (note 14)	$ 509,068	$ 510,473
Warrants (note 4)	21,667	21,667
Contributed surplus	26,202	24,236
Accumulated other comprehensive loss	(841)	(1,093)
Retained earnings	227,238	256,664
Total Equity	783,334	811,947
Total Liabilities and Equity	**$ 879,511**	**$ 898,028**
Commitments and Contingencies (note 18)		

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

On behalf of the Board

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

"David Fleck"
David Fleck
Director

ALAMOS GOLD INC.
Consolidated Statements of Comprehensive Income (Loss)
For the years ended December 31, 2014 and 2013
(Stated in thousands of United States dollars, except per share amounts)

	2014	2013
OPERATING REVENUES	$ 169,938	$ 282,187
MINE OPERATING COSTS		
Mining and processing	85,942	84,521
Royalties (note 18)	8,744	13,829
Amortization	42,970	56,488
	137,656	154,838
EARNINGS FROM MINE OPERATIONS	**32,282**	**127,349**
EXPENSES		
Exploration	6,158	7,559
Corporate and administrative	15,241	21,939
Share-based compensation (notes 14d, 14e and 14f)	1,136	3,204
	22,535	32,702
EARNINGS FROM OPERATIONS	**9,747**	**94,647**
OTHER INCOME (EXPENSES)		
Finance income	2,839	3,131
Financing expense	(1,393)	(912)
Foreign exchange loss	(4,700)	(8,312)
Other loss (note 16)	(4,154)	(9,050)
EARNINGS BEFORE INCOME TAXES	**2,339**	**79,504**
INCOME TAXES (note 15)		
Current tax expense	(3,365)	(40,362)
Deferred tax expense	(1,100)	(350)
(LOSS)/EARNINGS	**($ 2,126)**	**$ 38,792**
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:		
- Unrealized loss on securities	(2,208)	(2,697)
- Unrealized loss on derivative contracts	(225)	—
- Impairment of available-for-sale securities	2,661	—
- Reclassification of realized losses on available-for-sale securities included in earnings	24	2,668
COMPREHENSIVE INCOME/(LOSS)	**($ 1,874)**	**$ 38,763**
(LOSS)/EARNINGS PER SHARE (note 14g)		
– basic	**($ 0.02)**	**$ 0.30**
– diluted	**($ 0.02)**	**$ 0.30**
Weighted average number of common shares outstanding		
- basic	127,388,000	127,340,000
- diluted	127,389,000	127,480,000

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, 2014 and 2013
(Stated in thousands of United States dollars)

	Number of shares outstanding	Share capital	Warrants	Contributed surplus	Accumulated other comprehensive loss	Retained earnings	Total Equity
Balance at January 1, 2013	**120,871,408**	**$393,752**	**$ —**	**$ 22,606**	**($ 1,064)**	**$245,178**	**$660,472**
Share-based compensation	—	—	—	3,540	—	—	3,540
Shares issued in purchase agreements (note 14b)	6,584,380	110,765	—	—	—	—	110,765
Shares repurchased and cancelled (note 14c)	(211,300)	(837)	—	—	—	(1,787)	(2,624)
Shares issued on exercise of options	464,500	6,793	—	(1,910)	—	—	4,883
Dividends	—	—	—	—	—	(25,519)	(25,519)
Warrants issued (note 4a)	—	—	21,667	—	—	—	21,667
Earnings	—	—	—	—	—	38,792	38,792
Other comprehensive income (tax impact; nil)	—	—	—	—	(29)	—	(29)
Balance at December 31, 2013	**127,708,988**	**$510,473**	**$21,667**	**$ 24,236**	**($ 1,093)**	**$256,664**	**$811,947**

	Number of shares outstanding	Share capital	Warrants	Contributed surplus	Accumulated other comprehensive loss	Retained earnings	Total Equity
Balance at January 1, 2014	**127,708,988**	**$510,473**	**$21,667**	**$ 24,236**	**($ 1,093)**	**$256,664**	**$811,947**
Share-based compensation	—	—	—	1,966	—	—	1,966
Shares repurchased and cancelled (note 14c)	(351,502)	(1,405)	—	—	—	(1,829)	(3,234)
Dividends	—	—	—	—	—	(25,471)	(25,471)
(Loss)/Earnings	—	—	—	—	—	(2,126)	(2,126)
Other comprehensive income (tax impact; nil)	—	—	—	—	252	—	252
Balance at December 31, 2014	**127,357,486**	**$509,068**	**$21,667**	**$ 26,202**	**($ 841)**	**$227,238**	**$783,334**

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, 2014 and 2013
(Stated in thousands of United States dollars)

	2014	2013
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
(Loss)/Earnings	($ 2,126)	$ 38,792
Adjustments for items not involving cash:		
Amortization	42,970	56,488
Financing expense	1,393	912
Unrealized foreign exchange loss	3,244	5,938
Deferred tax expense	1,100	350
Share-based compensation	1,136	3,204
Loss on sale of securities	—	6,840
Impairment of securities	2,661	—
Other	498	755
Changes in non-cash working capital:		
Fair value of forward contracts	225	—
Amounts receivable	(27,508)	(21,356)
Inventory	(17,758)	(2,797)
Advances and prepaid expenses	5,368	(4,311)
Accounts payable and accrued liabilities, and income taxes payable	21,554	1,812
	32,757	**86,627**
INVESTING ACTIVITIES		
(Purchases)/sales of securities	(1,754)	111,116
Short-term investments (net)	3,000	39,862
Contractor advances	(1,050)	(1,440)
Proceeds on sale of equipment	843	—
Acquisition of Esperanza	—	(44,663)
Acquisition of Orsa	—	(3,403)
Exploration and evaluation assets	(5,745)	(21,437)
Mineral property, plant and equipment	(52,341)	(38,295)
	(57,047)	**41,740**
FINANCING ACTIVITIES		
Common shares issued	—	4,883
Shares repurchased and cancelled	(3,234)	(2,624)
Dividends paid	(25,471)	(25,519)
	(28,705)	**(23,260)**
Effect of exchange rates on cash and cash equivalents	(3,375)	(1,500)
Net increase in cash and cash equivalents	(56,370)	103,607
Cash and cash equivalents—beginning of year	409,663	306,056
CASH AND CASH EQUIVALENTS—END OF YEAR	**$ 353,293**	**$409,663**
Supplemental information:		
Interest paid	—	—
Interest received	$ 2,751	$ 3,147
Income taxes paid	—	$ 35,500

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

ALAMOS GOLD INC.
Notes to Consolidated Financial Statements
December 31, 2014 and 2013
(Stated in United States dollars, unless otherwise indicated)

1. NATURE OF OPERATIONS

Alamos Gold Inc., a resident Canadian company, 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 Mulatos mine and holds the mineral rights to the Salamandra group of concessions in the State of Sonora, Mexico, which includes several known satellite gold occurrences. In addition, the Company owns the Ağı Dağı, Kirazlı and Çamyurt gold development projects in Turkey. In 2013, the Company acquired the Esperanza Gold Project in the state of Morelos, Mexico, as well as an option to acquire a 100% interest in the Quartz Mountain Gold Project in Oregon, USA.

2. BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements, including comparative figures, have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements were authorized for issue by the Board of Directors on February 17, 2015.

Use of estimates and judgments

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

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

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

i. Impairment:

The Company assesses its mineral property, plant and equipment and exploration and evaluation assets annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments

require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance.

ii. Recoverable mineral reserves:

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

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

The Company uses estimated proven and probable mineral reserves as the basis for determining the amortization of certain mineral property, plant and equipment. This results in an amortization charge proportional to the depletion of the anticipated remaining mine life. These calculations require the use of estimates and assumptions, including the amount of proven and probable mineral reserves.

iv. Inventory (note 8):

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 and gold recovery process. The Company estimates the expected ultimate recovery based on laboratory tests and ongoing analysis of leach pad kinetics in order to estimate the recoverable metals from the leach pad at the end of each accounting period. If the Company determines at any time that the ultimate recovery should be adjusted downward, then the Company will adjust the average carrying value of a unit of metal content in the in-process inventory and adjust upward on a prospective basis the unit cost of subsequent production. Should an upward adjustment in the average carrying value of a unit of metal result in the carrying value exceeding the realizable value of the metal, the Company would write down the carrying value to the realizable value.

v. Share-based payments (note 14):

The computed amount of share based compensation is not based on historical cost, but is derived based on subjective assumptions input into an option pricing model. The model requires that management make forecasts as to future events, including estimates of: the average future hold period of issued stock options or stock appreciation rights before exercise, expiry or cancellation; future volatility of the Company's share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. Share-based compensation incorporates an expected forfeiture rate. The expected forfeiture rate is estimated based on historical forfeiture rates and expectations of future forfeiture rates, and is adjusted if the actual forfeiture rate differs from the expected rate.

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

vi. Decommissioning liabilities (note 13):

The Company is required to determine the expected value of the estimated costs of decommissioning liabilities and to recognize this value as a liability when reasonably determinable. Key assumptions in determining the amount of the liability are: total undiscounted cash outflows, expected timing of payment of the cash outflows and appropriate inflation and discount rates to

apply to the timing of cash outflows. Because the liability is recorded on a discounted basis, it is increased over the passage of time with an offsetting charge to financing expense in the Statement of Comprehensive Income. The Company calculated its estimated mine site closure costs based on a mine closure and reclamation plan prepared by management and reviewed by an independent third party. The majority of the expenditures associated with reclamation and mine closure will be incurred at the end of the mine life, expected to be in approximately 7 years based on expected proven and probable mineral reserves and the current rate of production.

vii. Recovery of deferred tax assets (note 15):

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

Functional and presentation currency

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

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain derivative and available-for-sale financial instruments which are measured at fair value. The Company prepares its consolidated financial statements, except for cash flow information, using the accrual basis of accounting.

3. SIGNIFICANT ACCOUNTING POLICIES

Summarized below are those policies considered significant to the Company. All accounting policies have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and the entities controlled by the Company (its subsidiaries). The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated.

The consolidated financial statements include the financial statements of the parent company, Alamos Gold Inc., and its subsidiaries as listed below:

	Country of Incorporation	Equity Interest	
		2014	2013
Alamos Gold Inc.	Canada	—	—
0975828 B.C. LTD.	Canada	100%	100%
Esperanza Resources Corporation	Mexico	100%	100%
Orsa Ventures Corp.	Canada	100%	100%
Esperanza Resources (Cayman)	Cayman Islands	100%	100%
Esperanza Exploration (BVI) Inc.	British Virgin Islands	100%	100%
Minas de Oro Nacional, S.A. de C.V.	Mexico	100%	100%
Operason S.A. de C.V.	Mexico	100%	100%
Sonora Gerencial S.A. de C.V.	Mexico	100%	100%
Esperanza Silver de Mexico S.A. de C.V.	Mexico	100%	100%
Servicios Mineros Tetlama S.A. de C.V.	Mexico	100%	100%
Esperanza Silver Peru SAC	Peru	100%	100%
Kuzey Biga Madencilik Sanayi Ticaret AS	Turkey	100%	100%
Dogu Biga Madencilik Sanayi Ticaret AS	Turkey	100%	100%
Alamos Eurasia Madencilik AS	Turkey	100%	100%
Esperanza Services Inc.	USA	100%	100%
Quartz Mountain Gold Ltd.	USA	100%	100%

Foreign currency transactions

Transactions in foreign currencies are converted to the Company's functional currency at exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities of the Company which are denominated in foreign currencies are translated into the Company's functional currency at the exchange rate prevailing at the date of the Consolidated Statements of Financial Position. Non-monetary assets and liabilities are translated at historical exchange rates prevailing at each transaction date. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. Revenues and expenses are translated at exchange rates prevailing on the date of the transactions, with the exception of inventory transfers and amortization which are translated at historical exchange rates. All exchange gains and losses are included in the determination of earnings.

Revenue recognition

Revenue is earned from the sale of gold and is recognized when dore or refined metal is delivered to a purchaser pursuant to a purchase agreement that fixes the quantity and price of the metal for each delivery. Revenue is measured at the fair value of the consideration received or receivable.

Costs incurred or premium income related to forward sales or option contracts are recognized in revenue when the related contract is settled. Changes in the fair value of outstanding forward sales or option contracts are recognized in earnings.

Inventory

Inventory which includes dore, gold-in-process, ore in stockpiles, and parts and supplies, is stated at the lower of cost or net realizable value.

i. Dore represents a bar containing predominantly gold by value which is generally refined off-site to return saleable metals. Dore inventory is valued at the lower of average cost to produce the dore and net realizable value.

ii. In-process inventory represents costs that are incurred in the process of converting mineralized ores into partially refined precious metals, or dore. Ore represents material that, at the time of extraction, is expected to be processed into a saleable form. The recovery of gold from ore is achieved through both heap leaching and milling processes. Under the heap leaching process, ore is crushed and placed on leach pads where it is treated with a chemical solution, which dissolves the gold contained in the ore. The resulting "pregnant" solution is further processed in a plant where the gold is recovered. Under the milling process, ore is crushed finer than the leaching process prior to gravity separation. The ore separated through the gravity circuit is then accumulated into a concentrate solution. The concentrate is then leached in a intensive leach reactor followed by processing in the plant.

   Cost of in-process inventory includes operating costs incurred to that stage of the process plus amortization of mineral property, plant and equipment relating to that stage of the process. Costs capitalized to in-process inventory include direct and indirect materials and consumables; direct labour; repairs and maintenance; utilities; amortization of mineral property, plant and equipment; and local mine administrative expenses. Costs are removed from in-process inventory and transferred to dore inventory as ounces are produced based on the average cost per recoverable ounce on the leach pad. Costs are recorded in mining and processing costs on the sale of refined gold. In addition, the impact of inventory movement is reflected through mining and processing costs in the Consolidated Statements of Comprehensive Income. Recoverable gold on the leach pads is estimated based on the quantities of ore placed on the leach pads (based on measured tonnes added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on estimated ultimate recovery assumptions). The nature of the leaching process inherently limits the ability to precisely monitor inventory levels; as a result, estimates are refined based on actual results over time. The ultimate recovery of gold from leach pads will not be known until the leaching process is concluded at the end of the mine life.

iii. Stockpile inventory represents unprocessed ore that has been mined and is available for further processing. The unprocessed ore stockpile is measured by estimating the number of tonnes added and removed from the stockpile, the number of contained ounces (based on assay data) and estimated metallurgical recovery rates (based on the expected processing method). Stockpile ore tonnages are verified by periodic surveys. Costs are allocated to the stockpile based on the current mining cost per tonne incurred up to the point of stockpiling the ore, including applicable overhead, depletion, depreciation and amortization relating to mining operations, and are removed at the average cost per ounce. As the unprocessed ore stockpile will not be further processed within one year of the date of these consolidated financial statements, the net carrying amount related to the stockpile has been classified as non-current assets in the Consolidated Statements of Financial Position.

iv. Parts and supplies inventory 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.

Mineral property, plant and equipment

i. Mineral property acquisition and mine development costs:

The Company may hold interests in mineral property 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 substantially complete and ready for its intended use are capitalized. Interest on financing attributable to mine development is capitalized to mine development costs while construction and development activities at the property are in progress.

Each project is assessed to determine the point of commencement of production at the mine. Various relevant criteria are considered to assess when the mine is substantially complete and ready for its intended use and moved into the production stage. Some of the criteria considered include, but are not limited to, the completion of a reasonable period of testing of mine plant and equipment; the ability to produce minerals in saleable form; and the ability to sustain ongoing production of minerals. When a project commences production, the capitalization of certain mine construction costs ceases and costs are either capitalized to inventory or expensed, except for capitalizable costs related to property, plant and equipment additions or improvements, open pit stripping activities that provide a future benefit or underground mine development.

When the property is placed into production, those capitalized costs are included in the calculation of the amortization of mine development costs. Property acquisition and mine development costs are amortized by the units-of-production method based on estimated proven and probable recoverable mineral reserves. Estimates of residual values, useful lives and methods of amortization are reviewed each reporting period, and adjusted prospectively if appropriate.

ii. Exploration and evaluation expenditures:

Exploration and evaluation expenditures, including drilling and related costs, are capitalized if management determines that probable future economic benefits will be generated as a result of the expenditures, as evidenced by a positive economic analysis of the project. Exploration and evaluation expenditures on properties prior to the establishment of a positive economic analysis are charged to operations as incurred. Drilling costs incurred during the production phase for operational ore control are charged to inventory as incurred. Management assesses whether probable economic benefit exists by conducting an economic analysis. A positive economic analysis includes either internal or external third party economic evaluation using modelling techniques, such as a discounted cash flow or preliminary economic assessment, such that mineral resources within the meaning of Canadian Securities Administrators National Instrument 43-101 are defined on the property.

Exploration expenditures are initially capitalized as exploration and evaluation expenditures 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 expenditures to mine development costs in accordance with IFRS 6. In addition, the carrying values of exploration and evaluation expenditures are reviewed periodically, when impairment factors exist, for possible impairment, based on the recoverable amount.

iii. Mining plant and equipment:

Plant and equipment is stated at cost less accumulated amortization and accumulated impairment losses. Cost includes all expenditures that are directly attributable to the acquisition of the asset. Borrowing costs on qualifying assets are capitalized until the asset is capable of carrying out its intended use. Plant and equipment is amortized on a units-of-production basis over estimated recoverable proven and probable reserves, or on a straight-line basis over the estimated useful life of the asset, whichever period is lower.

iv. Subsequent costs:

The cost of replacing part of an item within mineral property, plant and equipment is recognized when the cost is incurred and it is probable that the future economic benefits will flow to the Company, and the costs can be measured reliably. The carrying amount of the part that has been replaced is expensed. Routine repairs and maintenance are expensed as incurred.

v. Impairment:

The carrying values of mineral property, plant and equipment are reviewed for indications of impairment at each reporting date. When impairment indicators exist, then the asset's recoverable amount is estimated. The carrying values of exploration and evaluation expenditures are reviewed periodically, when impairment factors exist, for possible impairment, based on the recoverable amount in accordance with IFRS 6. Further, prior to reclassification of exploration and evaluation expenditures to mine development costs, the Company performs an impairment test, based on the recoverable amount.

If it is determined that the estimated recoverable amount is less than the carrying value of an asset, or its cash-generating unit ("CGU"), then a write-down is made with a charge to operations. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets (the CGU). Impairment losses recognized in respect of CGU's are allocated on a pro rata basis to the assets in the unit.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows of a mine or development property are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Estimated future cash flows include estimates of recoverable ounces of gold based on proven and probable mineral reserves. To the extent that economic value exists beyond the proven and probable mineral reserves of a mine or development property, this value is included as part of the estimated future cash flows. Estimated future cash flows also involve estimates regarding gold prices, production levels, capital, reclamation costs and income taxes. Cash flows are subject to risks and uncertainties and changes in the estimates of the cash flows could affect the recoverability of long-lived assets.

vi. Reversal of impairment:

An impairment loss is reversed if there is indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Cash and cash equivalents

Cash and cash equivalents, which include cash and highly liquid investments with original maturities of three months or less at the date of acquisition, are recorded at cost, which approximates fair value.

Short-term investments

Short-term investments, which represent highly liquid investments with original maturities of greater than three months at acquisition, are recorded at cost, which approximates fair value.

Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in earnings except to the extent it relates to items recognized directly in equity or in other comprehensive income.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

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 temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit;
- goodwill; and

- taxable temporary differences associated with investments in subsidiaries, 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 income 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.

Uncertain Tax Positions

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective subsidiary's domicile. As the Company assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognized.

Share-based payments

The Company grants stock options to buy common shares of the Company through its stock option plan as described in note 14. The Company accounts for share-based payments using the fair value method. Under this method, compensation expense is measured at fair value on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in equity, over the period that the employees earn the options. The amount recognized is adjusted to reflect the number of share options expected to vest.

In addition, the Company grants stock appreciation rights ("SARs"), restricted share units ("RSUs") and deferred share units ("DSUs") as described in note 14. The fair value of the amount payable to employees or directors in respect of SARs, RSUs and DSUs, which are settled in cash, is determined using the Black-Scholes option pricing model, and is recognized as an expense with a corresponding increase in liabilities, over the period that the employees or directors unconditionally become entitled to payment. The liability is remeasured using the option pricing model at each reporting date, and at the intrinsic value on the settlement date. Any changes in the fair value of the liability are recognized as an expense in the Consolidated Statements of Comprehensive Income.

Decommissioning liabilities

The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company has made, and will continue to make expenditures to comply with such laws and regulations. The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property, plant and equipment when those obligations result from the acquisition, construction, development or normal

operation of the assets. Decommissioning costs expected to be incurred in the future are estimated by the Company's management based on the information available to them. Actual decommissioning costs could be materially different from the current estimates. Any change in cost estimates, discount rates, or other assumptions should additional information become available would be accounted for on a prospective basis. The Company's estimates are reviewed annually for changes in planned operations, regulatory requirements, discount rates, effects of inflation and changes in estimates.

The net present value of the future rehabilitation cost estimates arising from decommissioning of property, plant and equipment is recognized in the period in which it is incurred with an offsetting amount being recognized as an increase in the carrying amount of the corresponding mining asset. This asset is amortized on a UOP basis over the estimated life of the mine while the corresponding liability accretes to its undiscounted value by the end of the mine's life.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.

Financial instruments

The Company's financial instruments consist primarily of monetary assets and liabilities, the fair value of which approximate their carrying value due to the short-term nature of these instruments.

The Company may enter into foreign exchange forward contracts to manage the Company's exposure to fluctuations in the Canadian and United States dollar and Mexican peso foreign exchange rates. The Company may also enter into forward gold sale transactions (note 5). These forward contracts are marked-to-market and recognized in the consolidated statement of comprehensive income at their fair value.

Financial assets

Financial assets are classified into one of four categories:

- fair value through profit or loss ("FVTPL");
- held-to-maturity ("HTM");
- available-for-sale ("AFS"); and,
- loans and receivables.

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

(i) FVTPL financial assets:

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL upon initial recognition. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in earnings. The Company has classified its cash and cash equivalents, short-term investments and share purchase warrants held in third party companies as FVTPL financial assets, which are included in other financial assets on the statement of financial position.

(ii) HTM investments:

If the Company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not currently have any assets classified as HTM investments.

(iii) AFS financial assets:

Non-derivative financial assets, including investments in securities, are classified as AFS and are stated at fair value. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign exchange differences are recognized in other comprehensive income and presented within equity in accumulated other comprehensive income (loss).

Impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, are recognized directly in earnings rather than equity. When an investment is derecognized or is determined to be impaired, the cumulative gain or loss previously recognized in accumulated other comprehensive income (loss) is included in earnings for the period.

The fair value of AFS monetary assets denominated in a foreign currency is translated at the spot foreign exchange rate at the date of the Consolidated Statement of Financial Position. The change in fair value attributable to translation differences on the amortized cost of the asset is recognized in earnings, while other changes are recognized in equity.

(iv) Loans and receivables:

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are initially recognized at the transaction value plus any directly attributable transaction costs. Subsequently, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at period end. Bad debts are written off during the year in which they are identified.

(v) Impairment:

A financial asset, other than those classified as FVTPL, is assessed at each reporting period date for indicators of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Impairment losses on AFS investment securities are recognized by transferring the cumulative loss that has been recognized in accumulated other comprehensive income (loss), and presented in unrealized gains/losses on available-for-sale financial assets in equity, to earnings. The cumulative loss that is removed from accumulated other comprehensive income (loss) and recognized in earnings is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in earnings.

(vi) Determination of fair value:

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements of the fair value of financial assets and liabilities.

- Level 1. Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2. Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3. Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has determined that AFS instruments, other financial assets and financial liabilities fall within level 1 of the fair value hierarchy, and all other financial instruments (including derivative contracts) outstanding as at the date of the statement of financial position fall within level 2 of the fair value hierarchy. See note 5.

Financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The Company has classified accounts payable and accrued liabilities, dividends payable, and property acquisition liabilities as other financial liabilities.

Earnings per share

Basic earnings per share is calculated by dividing the net earnings available to common shareholders divided by the weighted average number of common shares outstanding during the year. The diluted earnings per share is calculated based on the weighted average number of common shares outstanding during the year, plus the effects of the dilutive common share equivalents. This method requires that the dilutive effect of outstanding options and warrants issued be calculated using the treasury stock method. This method assumes that all common share equivalents have been exercised at the beginning of the year (or at the time of issuance, if later), and that the funds obtained thereby were used to purchase common shares of the Company at the average trading price of common shares during the year.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as unrealized gains or losses on available-for-sale investments and gains or losses on certain derivative instruments. The Company's comprehensive income (loss), and components of other comprehensive income are presented, net of tax, in the Consolidated Statements of Comprehensive income (loss) and the Consolidated Statements of Changes in Equity.

Accounting Policies in effect January 1, 2014

(i) IFRIC 21 – Levies ("IFRIC 21") In May 2013, the IFRS Interpretations Committee (IRFIC), with the approval of the IASB, issued IFRIC 21 – Levies. IFRIC 21 provides guidance on when to recognize a liability to pay a levy imposed by government that is accounted for in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014, and is to be applied retrospectively. The adoption of IFRIC 21 had no impact on the financial statements of the Company.

(ii) IAS 32 – Offsetting of financial instruments ("IAS 32") The amendments to IAS 32, Financial Instruments: Presentation, clarify the criteria that should be considered in determining whether an entity has a legally enforceable right of set off in respect of its financial instruments. Amendments to IAS 32 are applicable to annual periods

beginning on or after January 1, 2014, with retrospective application required. There was no material impact on the Company's consolidated financial statements upon adoption of these amendments.

Future accounting policy changes issued but not yet in effect

The following are new pronouncements approved by the IASB. The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements, however, they may impact future periods.

(i) IFRS 9 Financial Instruments (Revised) was issued by the IASB in October 2010. It incorporates revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement. The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss. On July 24, 2014, the IASB issued the final version of IFRS 9 with an effective adoption date of January 1, 2018, with early adoption permitted. The impact of IFRS 9 on the Company's financial instruments has not yet been determined.

(ii) IFRS 15 Revenue from Contracts with Customers ("IFRS 15") was issued in May 2014, which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2017. The Company has commenced a review process to determine the impact of adopting this standard on its consolidated financial statements.

(iii) IAS 16 Property, Plant and Equipment (IAS 16) and IAS 38, Intangibles (IAS 38) were issued in May 2014 and prohibit the use of revenue-based depreciation methods for property, plant and equipment and limits the use of revenue-based amortization for intangible assets. These amendments are effective for annual periods beginning on or after January 1, 2016 and are to be applied prospectively. The Company does not expect that the adoption of these amendments will have a material impact on its consolidated financial statements.

4. ACQUISITIONS

a) Esperanza Resources Corporation

On August 30, 2013, the Company completed the acquisition of Esperanza Resources Corporation ("Esperanza"), which owns 100% of the Esperanza Gold Project (formerly referred to as the Cerro Jumil gold project) located in Morelos State, Mexico.

The transaction did not meet the definition of a business combination, and was therefore accounted for as an acquisition of an asset.

The Company paid a total of CAD$69.4 million (US$65.8 million) cash and issued an aggregate of 7.2 million share purchase warrants in total consideration for acquiring Esperanza. The share purchase warrants have a strike price of CAD$29.48 and a term of five years, expiring August 30, 2018. The share purchase warrants were recorded at fair value on acquisition, with fair value determined by the Black-Scholes option pricing methodology. The key assumptions used in the Black-Scholes model for the share purchase warrants include the following: share price at time of grant—CAD$17.19; risk-free rate – 2.0%; expected dividend yield – 1.16%; expected stock price volatility – 40%; expected life – 5 years. In addition, a third party has a 3% Net Smelter Return Royalty on production from the Esperanza gold project.

The total purchase price of $88.1 million, which includes transaction costs of $0.6 million, was allocated to the assets acquired based on relative fair values, with the exception of all financial assets acquired, which were recorded at fair value on the date of acquisition.

	($000)
Assets acquired and liabilities assumed	
Cash	21,762
Available-for-sale investments	3,025
Other current assets less current liabilities	574
Equipment	509
Exploration and evaluation assets	62,222
	$88,092

	($000)
Consideration paid	
Cash	65,778
Issuance of warrants	21,667
Transaction costs	647
	$88,092

b) Orsa Ventures

On September 13, 2013, the Company completed the acquisition of Orsa Ventures Corporation ("Orsa"), which owns the right to earn a 100% interest in the Quartz Mountain Property in Oregon as well as other assets in Oregon and Nevada.

The transaction did not meet the definition of a business combination, and was therefore accounted for as an acquisition of an asset.

The Company paid CAD$3.5 million (US$3.4 million) cash in consideration for acquiring Orsa. The total purchase price was $3.5 million, including transaction costs of $0.1 million. The purchase price was allocated to exploration and evaluation assets, as Orsa did not have any other significant assets or liabilities.

As part of the acquisition of Orsa, the Company inherited an option agreement which is fully described in note 18 c).

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial Assets and Liabilities

The carrying value of the Company's financial instruments is classified into the following categories:

	December 31, 2014 ($000)	December 31, 2013 ($000)
Fair value through profit or loss ("FVTPL") (1)	358,085	417,455
Derivative instruments designated as FVTPL (2)	—	442
Available-for-sale securities (3)	2,201	1,896
Loans and receivables (4)	24,484	11,200
Derivative contracts designated as FVTPL (5)	—	—
Derivative contracts designated as effective hedges (6)	(225)	—
Other financial liabilities (7)	(33,266)	(25,449)

(1) Includes cash of $209.3 million (December 31, 2013—$238.0 million), cash equivalents of $143.9 million (December 31, 2013 – $171.7 million) and short-term investments of $4.8 million (December 31, 2013 – $7.8 million).

(2) Includes the Company's investment in the warrants of a publicly traded company. During the year ended December 31, 2014, the Company disposed of the warrants resulting in a $0.4 million gain recorded in other income (December 31, 2013—$0.6 million loss).
(3) Includes the Company's investment in the common shares of publicly traded entities.
(4) Includes amounts receivable (note 6) and income tax receivable.
(5) Includes the Company's foreign currency forward contracts and gold forward contracts which, for accounting purposes, are not designated as effective hedges. These are classified within accounts payable and accrued liabilities in the consolidated balance sheet.
(6) Includes the Company's foreign currency collar contracts which are designated as effective hedges for accounting purposes.
(7) Includes all other accounts payable and accrued liabilities, income taxes payable, and certain other liabilities.

For all financial assets and liabilities listed above, fair value equals carrying value as at December 31, 2014 and December 31, 2013.

b) Derivative Financial Instruments

The Company may utilize financial instruments to manage the risks associated with fluctuations in the market price of gold and foreign exchange rates. As at December 31, 2014, the Company had outstanding gold forward contracts to deliver 1,000 ounces of gold for delivery in January 2015. The mark-to-market loss associated with these contracts as at December 31, 2014 was nominal (December 31, 2013 – nil).

At December 31, 2014, the Company had an outstanding contract to deliver $5 million Canadian dollars ("CAD") in exchange for a fixed amount of USD on March 30, 2015, at a rate of CAD:USD rate 1.16:1. The mark-to-market gain associated with these contracts as at December 31, 2014 was nominal (December 31, 2013 – nominal).

The Company has entered into foreign exchange collar contracts to hedge a portion of its Mexican peso denominated operating expenditures. The Company has entered into contracts totaling $24 million as at December 31, 2014, with scheduled expiries monthly throughout 2015. The mark-to-market loss associated with these contracts as at December 31, 2014 was $0.2 million. The transactions have been designated as effective hedges, with changes in fair value recorded in other comprehensive income (loss).

c) Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including commodity price, foreign exchange and 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.

Financial risk management is the responsibility of the corporate finance function. The Company's corporate finance function identifies, evaluates and, where appropriate, mitigates financial risks. Material risks are monitored and are regularly discussed with the Audit Committee of the Board of Directors.

i. Commodity Price Risk

The Company is exposed to commodity price risk associated with the volatility in the market price of gold. Gold prices are affected by factors beyond the Company's control, including investment and physical demand, central bank purchases and sales, producer hedging activities, the relative exchange rate of the United States dollar with other major currencies and political and economic conditions. Worldwide gold production levels also affect gold prices, and the price of gold can be subject to high levels of short-term volatility due to speculative activities. The Company may enter into derivative financial instruments to manage the Company's exposure to commodity price risk. However, at this time, the Company has elected not to actively manage its long-term exposure to commodity price risk through the use of derivative financial instruments.

ii. Foreign Exchange Risk

Certain of the Company's financial assets and liabilities are denominated in Canadian dollars, Mexican pesos or Turkish Lira. In addition, the Company incurs certain operating costs denominated in Canadian dollars, Mexican pesos or Turkish Lira. Accordingly, the Company is exposed to financial gain or loss as a result of foreign exchange movements against the United States dollar, and the Company's operating costs are affected by changes in foreign exchange rates in those currencies.

The Company has elected to hedge a portion of its exposure to fluctuations in the Canadian dollar by buying $5 million Canadian fixed rate forward contracts. At December 31, 2014, the Company had net Canadian-dollar denominated assets of approximately $1 million. At this level of exposure to fluctuations in the value of the Canadian dollar, a 10% increase/(decrease) in the value of the Canadian dollar compared to the United States dollar could result in a foreign exchange gain/(loss) of approximately $0.1 million.

In addition, corporate and administrative costs associated with the Company's head office in Toronto are mainly denominated in Canadian dollars. A 10% increase/(decrease) in the value of the Canadian dollar compared to the United States dollar could increase/(decrease) the Company's reported corporate and administrative costs by approximately $1 million annually.

The Company also has exposure to monetary assets and liabilities denominated in Mexican pesos. Significant cash balances, outstanding amounts receivable, accounts payable or tax liabilities denominated in Mexican pesos could expose the Company to a foreign exchange gain or loss. The Company partially offsets its balance sheet exposure to changes in the Mexican peso/United States dollar exchange rate by maintaining cash balances in Mexican pesos to offset a portion of its future tax liabilities and taxes payable balances that are denominated in Mexican pesos. As at December 31, 2014, the Company had net Mexican peso-denominated liability of approximately $11 million. A 10% increase (decrease) in the value of the Mexican peso compared to the United States dollar could result in a foreign exchange loss/(gain) of approximately $1.1 million.

In addition, transactional foreign exchange gains and losses may result from the Company's inability to predict the exact timing of peso cash receipts and cash outflows. Mexican peso denominated transactional foreign exchange gains and losses can be significant, and can impact the Company's stated operating costs (as reported in equivalent United States dollars). To mitigate the impact, the Company has elected to hedge a portion of its Mexican peso denominated operating costs by entering into foreign exchange collar contracts for aggregate purchases of $24 million. The collar contracts allow the Company to purchase pesos at a maximum rate of 14.2:1 MXN:USD, and participate up to 15.5:1 MXN:USD. A 10% increase/ (decrease) in the value of the Mexican peso compared to the United States dollar could increase/(decrease) the Company's reported mining and processing costs and decrease/(increase) reported earnings before income taxes by approximately $2.5 million annually, including the impact of the hedged portion of the operating costs.

Finally, the Company has exposure to monetary assets and liabilities denominated in Turkish Lira. Cash balances, outstanding amounts receivable, accounts payable or tax liabilities denominated in Turkish Lira could expose the Company to a foreign exchange gain or loss. At December 31, 2014, the Company had net Turkish Lira-denominated assets of approximately $3.5 million. A 10% increase/(decrease) in the value of the Turkish Lira compared to the United States dollar could result in a foreign exchange gain/(loss) of approximately $0.4 million.

iii. Interest Rate Risk

The Company's interest rate risk related to interest-bearing debt obligations is not material as the Company has no outstanding debt. As a result of the Company's minimal exposure to fluctuations in market interest rates, the Company has elected not to enter into interest rate swaps or other active interest rate management programs at this time.

iv. Credit Risk

Credit risk arises from cash and cash equivalents and short-term investments held with banks and financial institutions, derivative financial instruments (including forward gold sales contracts) and amounts receivable. The maximum exposure to credit risk is equal to the carrying value of the related financial assets.

The objective of managing counter-party credit risk is to prevent losses in financial assets. The Company assesses the quality of its counter-parties, taking into account their creditworthiness and reputation, past experience and other factors. The Company only enters into forward gold sales contracts with large reputable financial institutions.

The carrying value of amounts receivable are reduced through the use of an allowance account (when applicable) and the amount of any allowance is recognized as a loss and included in operating expenses. When a receivable balance is considered uncollectible, it is written off against the allowance for amounts receivable. The majority of the Company's receivable balances consist of Mexican and Turkish value-added tax recoverable claims. The Company is exposed to credit risk in the case that the subject country is unable to reimburse the recoverable taxes owed. As at December 31, 2014, the Company was owed $3.9 million and $0.2 million from the Mexican and Turkish governments, respectively.

v. 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. At December 31, 2014, the Company had cash and cash equivalents and short-term investments of $358 million, accounts payable and accrued liabilities of $33.4 million and no debt. The Company expects that planned construction and development projects at its current operations will be financed from existing cash balances and future operating cash flows. 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.

6. AMOUNTS RECEIVABLE

	December 31, 2014 ($000)	December 31, 2013 ($000)
Accounts receivable	4,802	700
Mexican value-added tax (1)	3,906	5,059
Turkish value-added tax	242	5,441
	$ 8,950	**$ 11,200**

1) As permitted by Mexican tax law, the Company offset $16.9 million of Mexican value-added tax receivables against its current taxes payable liability in 2014 (December 31, 2013—$19.0 million) which is not reflected in the Consolidated Statements of Cash Flows.

7. ADVANCES AND PREPAID EXPENSES

	December 31, 2014 ($000)	December 31, 2013 ($000)
Prepaid expenses	2,659	1,622
Deposits and advances	2,091	2,392
Withholding tax prepayment	—	5,054
	$ 4,750	**$ 9,068**

8. INVENTORY

	December 31, 2014 ($000)	December 31, 2013 ($000)
Precious metals dore and refined precious metals	10,680	4,060
In-process precious metals	27,064	13,093
Ore in stockpiles	5,861	2,696
Parts and supplies	17,614	20,819
	61,219	**40,668**
Less: Non-current portion	(5,861)	(2,696)
	$ 55,358	**$ 37,972**

The carrying value of inventory is calculated using weighted average cost. The amount of inventory charged to operations as mining and processing costs during the year ended December 31, 2014 was $87.3 million (December 31, 2013—$84.2 million). The amount of inventory charged to operations as amortization in the year ended December 31, 2014 was $31.4 million (December 31, 2013—$48.0 million).

9. EXPLORATION AND EVALUATION ASSETS

The Company classifies the Ağı Dağı, Kirazlı, and Çamyurt Projects in Turkey, the Esperanza Gold Project in Mexico, and the Quartz Mountain Project in Oregon as exploration and evaluation assets. Exploration and evaluation assets are not subject to amortization.

The following is a continuity of the Company's exploration and evaluation assets for the year ended December 31, 2014.

	Mexico ($000)	Turkey ($000)	United States ($000)	Total ($000)
Cost as at January 1, 2013	**—**	**$127,015**	**—**	**$127,015**
Additions	1,411	18,075	1,951	21,437
Acquisitions (note 4)	62,222	—	3,713	65,935
Cost as at December 31, 2013	**$63,633**	**$145,090**	**$ 5,664**	**$214,387**
Additions	4,054	1,691	—	5,745
Cost as at December 31, 2014	**$67,687**	**$146,781**	**$ 5,664**	**$220,132**

10. MINERAL PROPERTY, PLANT AND EQUIPMENT

The Company owns 100% of the Salamandra group of concessions in Mexico. Included within the Salamandra group of concessions is the Mulatos mine which began operations in 2005.

The majority of the Company's property, plant and equipment in operations is amortized on a units-of-production basis over the remaining recoverable proven and probable mineral reserves. Certain mining and office equipment is amortized on a straight line basis over periods ranging from two to five years.

The following is a continuity of the Company's mineral property, plant and equipment for the years ended December 31, 2014 and December 31, 2013.

	Mining plant and equipment ($000)	Office and computer equipment ($000)	Construction in progress ($000)	Subtotal ($000)	Mineral property and deferred development ($000)	Total ($000)
Cost as at January 1, 2014	**$ 230,856**	**$ 5,752**	**$ 3,031**	**$239,639**	**$ 179,452**	**$419,091**
Additions	19,669	1,213	2,404	**23,286**	32,227	**55,513**
Changes in decommissioning liability	—	—	—	**—**	672	**672**
Disposals	(23,062)	—	—	**(23,062)**	—	**(23,062)**
Cost as at December 31, 2014	**$ 227,463**	**$ 6,965**	**$ 5,435**	**$239,863**	**$ 212,351**	**$452,214**
Accumulated amortization and impairment as at January 1, 2014	**$ 125,275**	**$ 2,934**	**$ —**	**$128,209**	**$ 87,970**	**$216,179**
Amortization expense	19,925	935	—	**20,860**	25,209	**46,069**
Disposals	(18,674)	—	—	**(18,674)**	—	**(18,674)**
Accumulated amortization and impairment as at December 31, 2014	**$ 126,526**	**$ 3,869**	**$ —**	**$130,395**	**$ 113,179**	**$243,574**
Net book value as at December 31, 2014	**$ 100,937**	**$ 3,096**	**$ 5,435**	**$109,468**	**$ 99,172**	**$208,640**

	Mining plant and equipment ($000)	Office and computer equipment ($000)	Construction in progress ($000)	Subtotal ($000)	Mineral property and deferred development ($000)	Total ($000)
Cost as at January 1, 2013	**$ 214,167**	**$ 3,846**	**$ 2,565**	**$220,578**	**$ 152,496**	**$373,074**
Additions	16,689	1,906	466	**19,061**	19,235	**38,296**
Changes in decommissioning liability	—	—	—	**—**	7,721	**7,721**
Cost as at December 31, 2013	**$ 230,856**	**$ 5,752**	**$ 3,031**	**$239,639**	**$ 179,452**	**$419,091**
Accumulated amortization and impairment as at January 1, 2013	**$ 106,136**	**$ 1,825**	**$ —**	**$107,961**	**$ 57,398**	**$165,359**
Amortization expense	19,139	1,109	—	**20,248**	30,572	**50,820**
Accumulated amortization and impairment as at December 31, 2013	**$ 125,275**	**$ 2,934**	**$ —**	**$128,209**	**$ 87,970**	**$216,179**
Net book value as at December 31, 2013	**$ 105,581**	**$ 2,818**	**$ 3,031**	**$111,430**	**$ 91,482**	**$202,912**

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2014 ($000)	December 31, 2013 ($000)
Trade accounts payable and accrued liabilities	29,577	20,029
Royalties payable	774	—
Derivative liability	225	—
Share-based compensation liability (note 14(e, f))	2,813	3,458
	$ 33,389	$ 23,487

12. DIVIDENDS

	Year ended December 31, 2014 ($000)	Year ended December 31, 2013 ($000)
Declared and paid	25,471	25,519
	$ 25,471	**$ 25,519**
Weighted average number of common shares outstanding	127,388,000	127,340,000
Dividend per share	**$ 0.20**	**$ 0.20**

13. DECOMMISSIONING LIABILITY

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. In addition, the discounted value is added to the carrying amount of the Company's 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:

	Year ended December 31, 2014 ($000)	Year ended December 31, 2013 ($000)
Obligations at beginning of year	21,406	13,934
Revisions in estimated cash flows and changes in assumptions	672	7,721
Payments made against the liability	(1,169)	(1,161)
Accretion of discounted cash flows	1,393	912
Obligations at end of year	$ 22,302	$ 21,406

Assumptions have been made, based on the current economic environment, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time.

The assumptions used in the determination of the decommissioning liability are as follows as at:

	December 31, 2014	December 31, 2013
Estimated cost ($000)	$ 34,894	$ 38,014
End of mine life	2021	2022
Discount rate	5.8%	6.5%

14. SHARE CAPITAL

a) Authorized share capital of the Company consists of an unlimited number of fully paid common shares without par value.

	Number of Shares	Amount ($000)
Outstanding at January 1, 2013	**120,871,408**	**$393,752**
Shares issued in connection with share purchase agreements (b)	6,584,380	110,765
Shares repurchased and cancelled (c)	(211,300)	(837)
Exercise of stock options	464,500	4,883
Transfer from contributed surplus to share capital for stock options exercised	—	1,910
Outstanding at December 31, 2013	**127,708,988**	**$510,473**
Shares repurchased and cancelled (c)	(351,502)	(1,405)
Outstanding at December 31, 2014	**127,357,486**	**$509,068**

b) Share purchase agreements

On January 14, 2013, the Company announced an offer to acquire Aurizon Mines Ltd. ("Aurizon") for approximately CAD$780 million in cash and shares (the "Offer"). In connection with the Offer, in January 2013, the Company issued 6,584,380 common shares pursuant to share purchase agreements entered into between Alamos and certain shareholders of Aurizon for the purchase of 23,507,283 common shares of Aurizon. On March 19, 2013, the Company terminated the Offer and Aurizon was subsequently acquired by Hecla Mining Corporation ("Hecla").

c) Normal Course Issuer Bid

On April 25, 2013, the Company announced the intention to repurchase shares through a Normal Course Issuer Bid ("NCIB"). The NCIB commenced on April 30, 2013 and concluded on April 30, 2014. During the year ended December 31, 2014, the Company repurchased and cancelled 351,502 common shares at a total purchase price of $3.2 million. Of the $3.2 million paid, $1.4 million was recognized as a reduction to share capital, with the remaining $1.8 million recognized as a charge to retained earnings.

d) Stock options

The Company has a stock option plan (the "Plan"), originally approved by the Board of Directors (the "Board") on April 17, 2003, and amended and ratified on May 25, 2007, May 15, 2008, April 7, 2009, June 2, 2010 and May 31, 2012, which allows the Company to grant incentive stock options to officers of the Company. Under the Plan, the number of shares reserved for issuance cannot exceed 7% of the total number of shares which are outstanding on the date of grant. The exercise price, term (not to exceed ten years) and vesting provisions are authorized by the Board at the time of the grant. The plan is subject to shareholder approval and ratification every three years.

Stock options granted under the Plan are exercisable for a five-year period. Incentive stock options granted vest 1/3 on the first anniversary date, 1/3 on the second anniversary and 1/3 on the third anniversary date.

The following is a continuity of the changes in the number of stock options outstanding for the years ended December 31, 2014 and 2013:

	Number	Weighted average exercise price ($CAD)
Outstanding at January 1, 2013	**4,660,300**	**$ 14.40**
Granted	857,200	15.10
Exercised	(464,500)	10.88
Forfeited	(348,800)	15.09
Outstanding at December 31, 2013	**4,704,200**	**$ 14.83**
Granted	835,000	9.17
Forfeited	(797,900)	13.56
Outstanding at December 31, 2014	**4,741,300**	**$ 14.04**

There were no stock options exercised in the year ended December 31, 2014 (for the year ended December 31, 2013 – 464,500 exercised at an average exercise price of CAD$16.55).

For the year ended December 31, 2014, the Company granted 835,000 incentive stock options at an exercise price of CAD$9.17, compared to 857,200 stock options granted at an exercise prices of CAD$15.10 per share in the year ended December 31, 2013.

The fair value of stock options granted was estimated using the Black-Scholes option pricing model, applying the following assumptions:

For options granted in the year ended:	December 31, 2014	December 31, 2013
Weighted average share price at grant date	$ 9.17	$ 15.10
Risk-free rate	1.05% – 1.44%	1.02%-1.43%
Expected dividend yield	2.3%	1.3%-1.4%
Expected stock price volatility (based on historical volatility)	43%	40%-50%
Expected life, based on terms of the grants (months)	30-60	30-60
Weighted average per share fair value of stock options granted	$ 2.57	$ 4.70

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. Changes in these assumptions can materially affect the fair value estimate, and therefore it is management's view that the existing models may not provide a single reliable measure of the fair value of the Company's stock option grants.

As at December 31, 2014, 3,347,400 stock options were exercisable. The remaining 1,393,900 outstanding stock options vest over the following three years.

Stock options outstanding and exercisable as at December 31, 2014:

	Outstanding			Exercisable	
Range of exercise prices ($CAD)	Number of options	Weighted average exercise price ($CAD)	Weighted average remaining contractual life (years)	Number of options	Weighted average exercise price ($CAD)
$8.01 - $10.00	770,000	9.17	4.41	—	—
$10.01 - $14.00	100,000	13.04	0.13	100,000	13.04
$14.01 - $15.00	2,568,000	14.65	0.79	2,568,000	14.65
$15.01 - $17.50	1,303,300	15.80	2.92	679,400	15.98
	4,741,300	**$ 14.04**	**1.95**	**3,347,400**	**$ 14.87**

e) Stock Appreciation Rights ("SARs")

In 2011, the Company's Board approved a cash-settled stock appreciation rights plan ("SARs Plan") to grant incentive SARs to its directors, officers, employees and consultants. Under the SARs Plan, the number of units reserved for issuance cannot exceed 8% of the total number of common shares which are outstanding on the date of grant. The exercise price, term (not to exceed ten years) and vesting provisions are authorized by the Board at the time of the grant.

SARs granted to directors, officers, employees and certain consultants under the SARs Plan are exercisable for a five-year period. SARS granted vest 1/3 on the first anniversary date, 1/3 on the second anniversary and 1/3 on the third anniversary date.

SARs are cash-settled liabilities, which are remeasured at each reporting date and at the settlement date. Any changes in the fair value of the liability are recognized as an expense to share-based compensation in the Statements of Comprehensive Income. As at December 31, 2014, the SARs liability was $0.6 million compared to $2.4 million at December 31, 2013. The SARs liability is recorded in accounts payable and accrued liabilities in the Consolidated Statements of Financial Position.

The following is a continuity of the changes in the number of SARs outstanding for the years period ended December 31, 2014 and 2013:

	Number	Weighted average exercise price ($CAD)
Outstanding at January 1, 2013	1,530,680	$ 17.55
Granted	943,800	14.91
Exercised	(4,300)	15.49
Forfeited	(202,780)	18.07
Outstanding at December 31, 2013	**2,267,400**	**$ 16.41**
Granted	667,908	9.20
Forfeited	(877,751)	16.12
Outstanding at December 31, 2014	**2,057,557**	**$ 14.20**

The fair value of SARs granted were estimated using the Black-Scholes option pricing model with the following assumptions:

For SARS granted in the year ended:	December 31, 2014	December 31, 2013
Weighted average share price at grant date	$ 9.20	$ 14.91
Risk-free rate	1.02% - 1.52%	1.0% - 1.7%
Expected dividend yield	1.9% - 2.6%	1.2% - 1.6%
Expected stock price volatility (based on historical volatility)	41% - 44%	41% - 61%
Expected life, based on terms of the grants (months)	30-60	30-60
Weighted average per share fair value of SARs granted	$ 2.57	$ 4.88

Stock appreciation rights outstanding and exercisable as at December 31, 2014:

	Outstanding			Exercisable	
Range of exercise prices ($CAD)	Number of SARs	Weighted average exercise price ($CAD)	Weighted average remaining contractual life (years)	Number of SARs	Weighted average exercise price ($CAD)
$7.00 - $10.00	577,657	9.12	4.48	—	—
$10.01 - $13.00	207,500	12.47	3.43	59,165	12.75
$13.01 - $16.00	531,067	15.25	3.51	181,703	15.25
$16.01 - $19.00	448,000	17.07	2.38	342,661	17.10
$19.01 - $22.00	293,333	19.11	2.75	206,661	19.11
	2,057,557	**$ 14.20**	**3.42**	**790,190**	**$ 16.79**

f) Restricted Share Units (“RSUs”) and Deferred Share Units (“DSUs”)

In 2013, the Company’s Board approved a cash-settled RSU plan available to its officers, employees and consultants, and a DSU plan available to its directors. Under the RSU plan, each RSU has a value equivalent to one common share of the Company. RSUs vest on December 31 of the year of the third anniversary of the grant and are settled in cash upon vesting. Additional RSUs are credited to reflect dividends paid on common shares over the vesting period. A liability for RSUs is measured at fair value on the grant date and is subsequently adjusted for changes in fair value. The liability is recognized on a

straight-line basis over the vesting period, with a corresponding charge to share-based compensation expense. Compensation expense for RSUs incorporate an estimate for expected forfeitures.

During the year ended December 31, 2014, the Company granted 423,798 RSUs. As at December 31, 2014, there are 682,536 RSUs outstanding, with a corresponding liability of $1.4 million, which is recorded in accounts payable and accrued liabilities in the Consolidated Statements of Financial Position.

Under the DSU plan, Directors can elect to receive a specified portion of their basic annual retainer in the form of DSUs, with the option to elect to receive 100% of such retainer in DSUs. Directors must receive fifty percent of their annual retainer in the form of DSUs until such time that the minimum share ownership requirements have been met. Each DSU has the same value as one common share of the Company. DSUs must be retained until the Director leaves the Board, at which time the cash value of the DSUs is paid out. Additional DSUs are credited to reflect dividends paid on common shares. The initial fair value of the liability is calculated as of the grant date and is recognized immediately. Subsequently, at each reporting date and on settlement, the liability is remeasured, with any change in fair value recorded as compensation expense in the period.

During the year ended December 31, 2014, the Company granted 61,727 DSUs. As at December 31, 2014, there are 93,025 DSUs outstanding, with a corresponding liability of $0.7 million, which is recorded in accounts payable and accrued liabilities in the Consolidated Statements of Financial Position.

g) (Loss)/Earnings per share

Basic earnings per share amounts are calculated by dividing earnings for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated based on the weighted average number of common shares outstanding during the period, plus the effects of the dilutive common share equivalents.

	For the year ended	
	December 31, 2014	December 31, 2013
(Loss)/Earnings (000)	($ 2,126)	$ 38,792
Weighted average number of common shares outstanding	127,388,000	127,340,000
Basic earnings (loss) per share	**($ 0.02)**	**$ 0.30**
Dilutive effect of stock options outstanding	—	140,000
Dilutive effect of share purchase warrants	—	—
	—	140,000
Diluted weighted average number of common shares outstanding	127,388,000	127,480,000
Diluted (loss)/earnings per share	**($ 0.02)**	**$ 0.30**

15. INCOME TAXES

a) Mexico Taxes

In December 2013, the Mexican Government approved a tax reform bill that enacted a new Income Tax Law (“MITL”), which increased the effective tax rate applicable to the Company’s Mexican operations effective January 1, 2014. The MITL increased the future corporate income tax rate to 30%, created a 10% withholding tax on dividends paid to non-resident shareholders (subject to any reduction by an Income Tax Treaty) and created a new Extraordinary Mining Tax equal to 0.5% of gross revenues from the sale of gold, silver, and platinum. In addition, the MITL requires taxpayers with mining concessions to pay a new 7.5% Special Mining Tax . The Special Mining Tax is generally applicable to earnings before income tax,

depreciation, depletion, amortization, and interest. In calculating the Special Mining Tax there are generally no deductions related to development type costs but exploration and prospecting costs are deductible when incurred. The Extraordinary Mining Tax and Special Mining Tax are tax deductible for income tax purposes.

The Company recorded a non-cash charge of $9.8 million related to the deferred tax impacts of the above enacted tax changes in the year ended December 31, 2013.

In addition, the MITL eliminated the Single Rate Tax Law which was enacted by the Mexican government on September 28, 2007. The Single Rate Tax was payable each year to the extent that it exceeds income tax otherwise payable pursuant to the pre-existing Mexican income tax laws. For the year ended December 31, 2013, the application of the Single Rate Tax did not impact the Company's tax expense.

b) Rate Reconciliation

The reconciliation of the expected tax expense at a combined statutory rate in Canada of 26.5% (2013 –26.5%) and provision in income tax expense is:

	December 31, 2014 ($000)	December 31, 2013 ($000)
Earnings before income taxes	2,339	79,504
Expected tax expense at statutory income tax rate	620	21,068
(Decrease)/increase resulting from:		
Difference in foreign tax rates	482	3,590
Non-deductible expenses	1,008	850
Non-taxable loss	1,824	6,869
Change in foreign exchange rates	(60)	(50)
Inflation net deductible losses	(774)	(1,770)
Adjustments for prior years	399	—
Mining royalties and withholding tax	966	395
Increase in Mexican deferred income tax rates	—	9,760
Income tax expense	**$ 4,465**	**$ 40,712**

c) Deferred tax reconciliation

The following information summarizes the principal temporary differences and the related deferred tax effect:

December 31, 2014	Canada ($000)	Mexico ($000)	Turkey ($000)	United States ($000)	Total ($000)
Deferred tax assets					
Asset retirement obligations	—	7,860	—	—	7,860
Other short-term	—	840	—	—	840
	—	8,700	—	—	8,700
Deferred tax liabilities					
Inventory	—	(540)	—	—	(540)
Mineral property, plant and equipment	—	(47,975)	—	—	(47,975)
	—	(48,515)	—	—	(48,515)
Net Deferred tax liabilities	**$ —**	**($ 39,815)**	**$ —**	**$ —**	**($ 39,815)**

December 31, 2013	Canada ($000)	Mexico ($000)	Turkey ($000)	United States ($000)	Total ($000)
Deferred tax assets					
Asset retirement obligations	—	7,545	—	—	7,545
Other short-term	—	4,185	—	—	4,185
	$ —	$ 11,730	$ —	$ —	$ 11,730
Deferred tax liabilities					
Inventory	—	(2,527)	—	—	(2,527)
Mineral property, plant and equipment	—	(47,918)	—	—	(47,918)
	—	(50,445)	—	—	(50,445)
Net deferred tax liabilities	**$ —**	**($ 38,715)**	**$ —**	**$ —**	**($ 38,715)**

d) Loss Carry-forwards and other tax attributes

Deferred tax assets are recognized for the carry-forward of unused tax losses and tax credits to the extent that it is probable that taxable profits will be available against which the unused tax losses / credits can be utilized. The Company has not recognized the benefit of tax loss carry-forwards and other tax attributes in Canada or Turkey as at December 31, 2014 and December 31, 2013. In addition, the Company has not recognized the benefit of tax loss carry-forwards and other tax attributes related to the Esperanza Gold Project in Mexico or the Quartz Mountain in the U.S. as at December 31, 2014.

Non-capital losses available in Canada to be utilized in subsequent years are approximately $35.5 million expiring between 2015 and 2034. Net capital losses available in Canada to be utilized in subsequent years are approximately $12.9 million which carryforward indefinitely.

Non-capital losses available in Turkey to be utilized in subsequent years are approximately $6.5 million expiring between 2015 and 2019. Non-capital losses available in Mexico to be utilized in subsequent years are approximately $23.3 million expiring between 2015 and 2024.

e) Unrecognized deferred tax liabilities

The temporary differences associated with investments in subsidiaries, for which a deferred tax liability has not been recognized, aggregate $152 million as at December 31, 2014 (December 31, 2013—$206 million).

16. OTHER LOSS

	December 31, 2014 ($000)	December 31, 2013 ($000)
Fair value adjustment on financial assets	—	(610)
Gain/(loss) on sale of securities (1)	387	(6,840)
Termination costs	(1,050)	(1,438)
Impairment of securities (2)	(2,661)	—
Other	(830)	(162)
	(4,154)	(9,050)

1) During the year ended December 31, 2013, the Company disposed of its position in the common shares of Hecla, which it acquired through the share purchase agreements described in note 14b. As a result, the Company received $87.0 million cash and 7,516,377 common shares of Hecla in exchange for the 26,507,283 common shares of Aurizon, for total consideration of $116.1 million. The Company recorded a loss of $0.5 million within Other loss and a cumulative $4.3 million foreign exchange loss on the Aurizon transaction on June 3, 2013. During the month of June, the Company sold the 7,516,377 common shares of Hecla for total proceeds of $22.8 million, and recorded a loss of $6.3 million in other loss.

2) During the year ended December 31, 2014, the Company recorded an impairment charge of $2.7 million to write-down certain available-for-sale securities to fair value, with the accumulated loss transferred from accumulated other comprehensive income to other loss.

17. SEGMENTED REPORTING

The Company operates in one business segment (the exploration, mine development and extraction of precious metals, primarily gold) in three geographic areas: Canada, United State of America, Mexico and Turkey.

As at	December 31, 2014			December 31, 2013		
	Non-current Assets ($000)	Assets ($000)	Liabilities ($000)	Non-current Assets ($000)	Assets ($000)	Liabilities ($000)
Mexico	281,105	414,225	91,206	268,011	454,698	79,439
Turkey	147,073	151,013	401	145,598	153,769	1,742
Canada	791	308,514	4,348	713	283,753	4,896
United States	5,664	5,759	222	5,673	5,808	4
Total	**$ 434,633**	**$879,511**	**$96,177**	**$ 419,995**	**$898,028**	**$86,081**

	Year ended December 31, 2014		Year ended December 31, 2013	
	Revenues ($000)	Earnings (loss) ($000)	Revenues ($000)	Earnings (loss) ($000)
Mexico	169,938	15,720	282,187	76,343
Turkey	—	(2,374)	—	(3,279)
Canada	—	(14,294)	—	(34,252)
United States	—	(1,178)	—	(20)
Total	**$169,938**	**($ 2,126)**	**$282,187**	**$ 38,792**

18. COMMITMENTS AND CONTINGENCIES

a) Royalty

Production from certain concessions within the Salamandra district, including the Mulatos Mine, is subject to a production royalty payable to Royal Gold at a rate of 5% of the value of gold and silver production, less certain deductible refining and transportation costs (the “Royal Gold royalty”). The Royal Gold royalty is calculated based on the daily average London PM Fix gold market prices, not actual prices realized by the Company. Production to a maximum of two million ounces of gold is subject to the Royal Gold royalty. As at December 31, 2014, the royalty was paid or accrued on approximately 1.3 million ounces of applicable gold production. Royalty expense related to the Royal Gold royalty was $8.7 million for the year ended December 31, 2014 (year ended December 31, 2013: $13.8 million). In addition, royalty expense includes the 0.5% Extraordinary Mining Duty, which totaled $0.8 million for the year ended December 31, 2014.

A third party has a 2% Net Smelter Return Royalty on production from the Company’s Ağı Dağı project. The Company has not recorded an accrual for this royalty at December 31, 2014 as the project is not in production. The Company is also subject to 2% state royalty on production in Turkey, subject to certain deductions.

In addition, a third party has a 3% Net Smelter Royalty on production from the Company’s Esperanza Gold Project. The Company has not recorded an accrual for this royalty at December 31, 2014, as the project is not in production.

b) Mulatos Town Relocation

The Company enters into temporary occupation agreements with the Ejido and non-Ejido members in Mexico and is also in negotiations with Ejido and non-Ejido members to relocate the existing community of Mulatos, and to acquire additional surface rights. Negotiations with the Ejido can be challenging and uncertain. There are financial and other considerations associated with the negotiating process, and failure to reach agreement could result in significant downtime and associated costs, or suspension of operations and loss of production.

The Company commenced the planned relocation of the town of Mulatos in 2007 and relocation contracts were signed with over half of the families residing in Mulatos at that time. Property owners and possessors were offered a comprehensive benefits package including compensation for their property at a premium to independent third-party valuations and/or relocation benefits. In certain cases, relocation benefits include deferred monthly payments. Since the start of the Mulatos relocation effort in 2007, the Company has invested approximately $7.5 million in property acquisition, relocation benefits, legal, and related costs. In addition, the Company has recognized a liability of $0.1 million representing the discounted value of expected future payments for relocation benefits to property owners and possessors that had signed contracts with the Company as at December 31, 2014. The discounted value of the liability was capitalized to mineral property, plant and equipment.

During 2008, the Company, through its wholly-owned subsidiary, Minas de Oro Nacional SA de CV ("MON"), entered into a land purchase agreement with the Mulatos Ejido, the local landowners. In 2010, the Ejido filed with the Unitary Agrarian Court an action to nullify the 2008 Surface Rights Agreement. On June 13, 2012, the Agrarian Court resolved the judicial claim in favor of MON by dismissing the action and dicharging all of the defendants named in the lawsuit, including MON.

On March 1, 2014, MON entered into an amendment agreement with the Ejido (the "2014 Amendment Agreement") to formally resolve all the remaining disputes between the parties relating to previous Surface Rights Agreements. In April 2014, certain Ejido members filed a lawsuit requesting access to the 2014 Amendment Agreement for the purposes of potentially challenging the land allocation approved by the March 1, 2014 Ejido meeting. The Company expects to obtain a positive resolution to claims challenging the 2014 Amendment Agreement. As part of the 2014 Amendment Agreement, the Company has accrued $2.8 million (based on current exchange rates), which will be paid upon positive resolution of the legal challenge to the 2014 Amendment Agreement.

Additional future property acquisition, relocation benefits, legal and related costs may be material. The Company cannot currently determine the expected timing, outcome of negotiations or costs associated with the relocation of the remaining property owners and possessors and potential land acquisitions.

c) Quartz Mountain Property – Option Agreement

As part of the acquisition of Orsa, the Company inherited an option agreement with Seabridge Gold Inc. ("Seabridge") whereby Seabridge's wholly-owned subsidiary, Seabridge Gold Corporation ("SGC") granted the Company the exclusive option to earn a 100% interest in the Quartz Mountain Gold Property ("Quartz Mountain") and all of SGC's undivided 50% beneficial joint venture interest in the adjacent Angel's Camp Gold Property ("Angel's Camp"), together, the "Properties". Both properties are located in Lake County, southern Oregon on the northern extension of the Basin and Range Province of Nevada. Both properties are subject to underlying royalties.

The principal terms under the Option Agreement remain wherein Orsa will:

- Pay SGC an additional CAD$2,000,000 cash or, at Seabridge's election, issue the equivalent value of its common shares, eighteen (18) months following the Final Acceptance Date. The Company made this payment on October 23, 2013.
- Deliver to Seabridge a National Instrument 43-101 – Standards of Disclosure for Mineral Projects compliant feasibility study (the "Feasibility Study") in respect of the property no later than the date it makes the decision to bring a mine on the property into production.
- Pay SGC an additional CAD$3,000,000 in cash or, at Seabridge's election, issue the equivalent value of its common shares, within five business days of the completion of the Feasibility Study.
- Within 10 business days of determining that a mine on the Properties has been permitted and bonded, give notice thereof to Seabridge. Within 30 days of the Company giving such notice, Seabridge must elect to receive a lump sum payment of CAD$15,000,000 or accept a two percent Net Smelter Returns Royalty in respect of the properties. If Seabridge has elected to receive the additional cash consideration of $15,000,000, the Company must make the payment on or before the 60th day after the Company has determined that the mine has been permitted and bonded.
- Upon completion of the above requirements, the Company will have exercised the options and will acquire all of SGC's interests in Quartz Mountain and Angel's Camp, and will assume all of its obligations under the underlying agreements relating to the properties.
- The Agreement provides that the Company may terminate its interest in either the Quartz Mountain or Angel's Camp option separately, however termination of either option will not affect the consideration payable to exercise the remaining option.

d) Contract Mining

In December 2013, the Company entered into a mining services agreement with Grupo Desarrollo Infraestructura S.A de C.V ("GDI"), expiring in December 2020, pursuant to which GDI will perform essentially all of the open-pit mining operations at Mulatos, at a cost of approximately $161 million over the term of the contract, based on current pricing. The contract includes a cost escalation formula every six months based on standard indices.

19. RELATED PARTY TRANSACTIONS

Remuneration of key management (includes the Corporation's directors and executive team)

Expense by nature:	2014 ($000)	2013 ($000)
Management salaries and benefits	3,757	4,781
Directors fees	542	515
Share based payments[1] – Management	4,289	6,656
Share based payments[1] – Directors	582	633
	$9,170	$12,585

1) Represents grant date fair value of stock options, SARs, RSUs and DSUs granted during the year

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

20. MANAGEMENT OF CAPITAL

The Company defines capital that it manages as its shareholders equity. The Company's objectives when managing capital are to safeguard the entity'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, 2014, total managed capital was $783.3 million (December 31, 2013—$811.9 million).

The Company's capital structure reflects the requirements of a company 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 a liquidity cushion in order to address any potential operational disruptions or industry downturns
- Preparing detailed budgets and cash flow forecasts for each of mining operations, exploration, development projects 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
- 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.

21. RECLASSIFICATION

The comparative consolidated financial statements have been reclassified to conform to the presentation of the current year consolidated financial statements.

Exhibit 99.4

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 31, 2015

/s/ John A. McCluskey
John A. McCluskey
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 99.5

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, Jamie 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 31, 2015

/s/ Jamie Porter
Jamie Porter
Chief Financial Officer
(Principal Financial Officer)

Exhibit 99.6

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, 2014, 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 31, 2015

Exhibit 99.7

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, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jamie 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/ Jamie Porter
Jamie Porter
Chief Financial Officer

March 31, 2015

Exhibit 99.8

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our Firm under the caption “Interests of Experts” and to the inclusion in this Annual Report on Form 40-F of our reports dated February 17, 2015, with respect to the consolidated statements of financial position of Alamos Gold Inc. as at December 31, 2014 and 2013, and the consolidated statements of comprehensive income (loss), changes in equity, and cash flows for the years then ended, and the effectiveness of internal control over financial reporting of Alamos Gold Inc. as at December 31, 2014.

(Signed) ERNST & YOUNG LLP
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 31, 2015