



DETOUR GOLD

Paulson & Co. Inc.
1133 Ave. of the Americas
New York, New York
10036
Attn. John Paulson

Re: Settlement Offer re Detour Gold Corporation

Dear John,

I have read your letter from earlier today. It was our understanding that Marcelo was going to reach out to Michael to arrange a meeting, but in any event here we are.

From the start of your campaign against Detour Gold, our board of directors has been driven by the desire to do what is in the best interests of the company and our shareholders. Despite the distractions, we continue to focus on the execution of the life of mine plan and, as mentioned at the Denver Gold Forum, we remain on track to deliver our 2018 guidance (we report 3rd quarter results on October 24 after market and will provide more details on our progress); our COO Frazer Bouchier and new Mine Manager Dale Ekmark have done a phenomenal job on the ground; we replaced two long standing directors with three new top tier directors (Alan Edwards, James Gowans and Judy Kirk) who bring supplementary and unique skill sets to the board; and, we have continued to responsibly review and evaluate various strategic avenues for the company to generate long-term shareholder value.

Shareholders have told us that they're pleased with our progress but they have also been clear (as we understand they have been with Paulson & Co.) that they would like to see this fight come to an end so that the company can focus solely on driving forward. We know the heavy expense and distraction of a proxy fight is not in the best interests of Detour Gold. Many of our shareholders agree and have told us so. This is why we are writing to you today with a settlement offer that we believe is fair and reasonable and, with your cooperation, can help maintain our focus on strengthening Detour Gold.

Here's what I propose:

- 1) **Directors:** As noted above, we have already added three new highly qualified directors with two longstanding directors stepping down from the board. We propose that you put forward a Paulson nominee to join our board immediately. We have received strong and consistent feedback from many other shareholders that they do not want Marcelo Kim on the board, so we cannot agree to him as the Paulson nominee. Of your other nominees, we have a preference for Chris Robison or Dawn Whittaker, but would be happy to have you propose any three individuals for interviews and the Corporate Governance & Nominating Committee can give you our preference taking into consideration, among other things, the skills matrix of the board expertise required by the company. We would commit to working with you to have this done within 10 days. If we do add your nominee, we will have added four new directors to the board and replaced two legacy directors in 2018. Furthermore, one additional long-serving director of Detour Gold will not stand for re-election at the 2020 AGM.

- 2) **Committees:** Your nominee will immediately join the Corporate Governance & Nominating Committee and Special Committee. Joining these committees will give your nominee both influence and insight into future board and management appointments as well as insights into the strategic direction of the company.
- 3) **CEO Search:** Michael Kenyon will step down as Interim CEO by no later than the 2019 AGM. Your nominee will work with the Corporate Governance & Nominating Committee on driving the CEO search process - the committee will not be constrained in any way in its search. The committee, including your nominee, will work on finding the best candidate available.
- 4) **Sale of the Company:** We recognize that selling Detour Gold now is the central element of your thesis. We have disagreed with you on this. Nonetheless, we will make available to your nominee all information, including access to our financial and legal advisors to discuss the strategic opportunities that the company has been working on in this challenged mining environment. Any new ideas your nominee brings forward will be carefully considered. Our objective is to drive value and if your nominee has incremental and relevant ideas, we would be happy to hear them.
- 5) **Paulson Presentations to the Board:** During a standstill period, we would be prepared to have Paulson make periodic presentations of its views to the board either in person or by telephone. We are happy to hear your perspective right in the boardroom.
- 6) **Civil Claim:** We would drop our tipping and market manipulation civil claim against you.
- 7) **Non Disparagement and Standstill:** We would agree to a standard non disparagement and standstill period that would last for 18 months giving our new board and management team a chance to prove out their thesis.

If these terms are acceptable to you, I will make our board members and counsel available at your earliest convenience to discuss, paper and finalize. My hope is that we can be out with this settlement prior to our third quarter results on October 24, 2018. If I do not receive a response from you by **5:00 p.m.(EST) on Thursday, October 11th**, I will assume that you are not willing to enter into a settlement.

I look forward to working with you.

Best regards,



Alex Morrison

Cc: Board of Directors of Detour Gold